

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 7, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on March 7, 1985 at 9:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

SENATE BILL 95: Hearing commenced on Senate Bill 95. Senator J.D. Lynch, District #34, sponsor of the bill by request of the Department of Labor and Industry, explained that this is a conformity bill. The word contribution is changed to assessment to conform with the federal statute.

Proponent Dave Wanzenried, Commissioner, Department of Labor and Industry, stated this is a requirement of the federal government. In 1983 the legislature gave the department the authority to set aside 1/10 of 1% of contributions to be used for job service funding if needed. This must be called an assessment rather than a contribution. There will be no change in tax liability to employees, added Mr. Wanzenried.

Representative Glaser questioned Dave Wanzenried as to the formula change, based on contributions \$67,000 would be collected and based on taxable wages 2.5 million dollars would be set aside. Mr. Wanzenried referred the question to Harold Kansier of the department. Mr. Kansier explained that the intent in 1983 was to take 1/10 of 1% of taxable wages not contributions.

Representative Glaser then asked Mr. Kansier how the money gets back into the state. Mr. Kansier stated that all money goes to the U.S. Treasury Fund in Washington D.C. When money is needed to pay unemployment benefits, an order is sent to Washington D.C. daily for the amount that is needed. Representative Glaser added that the issue is not money for benefits, but for administrative purposes. Mr. Kansier stated that the money stays in Helena for six months and if it is not needed for administrative purposes it must be used for benefits and is sent to Washington D.C.

Representative Brandewie asked if House Bill 284 is passed, will employers be paying on \$11,800, to which the answer was yes. He then asked Mr. Kansier what the dollar difference will be if Senate Bill 95 is passed. Mr. Kansier explained

that there will not be a dollar difference, the department has never taxed on 1/10 of 1% of contributions, it was an error in legislation.

Rep. Wallin asked Mr. Kansier what 1/10 of 1% was the figure chosen. Mr. Kansier explained that this figure will enable Montana job service, to keep their 26 offices that are currently in the state.

Rep. Jones asked Dave Wanzenried if the department has been collecting money as interpreted rather than as written in the bill there has been an over collection and the money should be returned. Mr. Wanzenried explained that the money paid in would have been the same figure regardless of how it was interpreted.

Representative Kitselman asked Mr. Kansier if the department attempted to go through the legislative code commissioner, rather than seeking an attorney general opinion. Mr. Kansier stated that they did go through the code commissioner, but Washington D.C. wouldn't consider this unless an attorney generals opinion was rendered.

Representative Kitselman then asked if the attorney general made his decision on the agencies intent, not the legislatures. Mr. Kansier explained that the attorney generals opinion was also based on testimony presented before the house and senate business committees.

Representative Brandewie asked Dave Wanzenried how many times the money has been needed for administrative purposes. Mr. Wanzenried explained that they have never used the money for other than benefits and if they had, the deficit would be greater than it is presently.

Representative Kitselman asked Mr. Kansier if the money held in Helena draws interest and what the interest is used for. Mr. Kansier explained that the interest remains in Helena, currently and that it must be used for job service funding.

Representative Glaser asked Mr. Wanzenried if his figures are correct, Norwest Bank in Helena is holding approximately one quarter of a million dollars. Mr. Wanzenried stated he would provide the committee with the figures.

There being no further discussion by proponents and no opponents present, the hearing was closed on Senate Bill 95.

SENATE BILL 17: Hearing commenced on Senate Bill 17. Senator Pat Goodover, District #20 by request of the code commissioner is a housekeeping measure, stated Senator Goodover.

Proponent Greg Petesch of legislative council, explained that the word department is substituted for the word commissioner. This section relating to unfair trade practices is administered by the Department of Commerce. The remainder of the bill are housekeeping items, added Mr. Petesch.

There being no further discussion by proponents and no opponents to the bill, both were excused and the hearing on Senate Bill 17 was closed.

SENATE BILL 139: Hearing commenced on Senate Bill 139. Senator Gene Thayer, District #19, sponsor of the bill, explained that this allows the seller in a transaction covered by the federal Truth-in-Lending Act the option of using the disclosure language in the Montana Retail Installment Sales Act. All consumer transactions that are paid off monthly over a period of years are covered. Senate Bill 139 will eliminate the duplication of language required by both federal and state laws. The current Regulation Z is an intimidating, lengthy form, that is impossible to copy, added Senator Thayer.

Proponent Tom Carruthers, past chair, Montana Retail Bankers Association, distributed to committee members Exhibit 1 which is attached hereto. Mr. Carruthers explained that these forms are lengthy and confusing to the average consumer. Contracts are originated at the point of sale and generally are then sold to a different financial institution to service. If an error is made it is difficult to explain and correct. Senate Bill 139 is trying to simplify dealings for the consumer, stated Mr. Carruthers.

Proponent Les Alke, representing the Montana Bankers Association, explained this measure will reduce paperwork and simplify the process. All dealers will benefit from the passage of Senate Bill 139.

Representative Hansen asked Tom Carruthers if there are any areas that the state covers that the federal does not. Mr. Carruthers explained that the Montana disclosure provides clearer and less confusing information for the consumer.

In closing, Senator Thayer stated that the same question raised by Representative Hansen entered his mind prior to his agreeing to carry the bill. The regulation Z is more comprehensive, added Senator Thayer.

There bein no further discussion by proponents and no opponents to the bill, all were excused by the chairman and the hearing on Senate Bill 139 was closed.

HOUSE JOINT RESOLUTION 31: Hearing commenced on House Joint Resolution 31. Representative Jan Brown, District #46, sponsor of the resolution, at the request of the National Federation of Independent Business would request an interim study to look at competition by state and local government with private enterprise, particularly in printing, manufacture of products or rendering of services by state institutions, procurement policies or practices that deny private enterprise the opportunity to bid on government purchases, and purchasing by the state outside the framework of the Montana Procurement Act. Most goods can be produced for less by private enterprise. The resolution would create a public forum where business' can bring concerns to the attention of legislatures and assemble information and made a recommendation to the 50th legislature, added Rep. Brown.

Proponent Riley Johnson, representing the National Federation of Independent Business and State Director, Government Relations/ Montana, supplied written testimony which is attached hereto as Exhibit 2.

Proponent Ben Cohen, Representative District #3 and Vice-President of the Montana Solid Waste Contractors Association, offered his support of the bill as amended. Representative Cohen distributed to committee members Exhibits 3 which is attached hereto.

Proponent George Allen, representing the Montana Retail Association, stated that currently the state must purchase from a central store regardless of the price. A business in the eastern part of the state must purchase from a store in Helena and pay freight charges, etc. A study of the state involvement in private enterprise is needed, stressed Mr. Allen.

Proponent Sue Weingartner, Executive Director, Montana Solid Waste Contractors, supplied written testimony which is attached hereto as Exhibit 4.

Proponent H.S. Hanson, representing the design professions,

explained that with the highway department, the federal government will not recognize their overhead if the department does their own design. The state will receive more revenue if the work is done outside the department, added Mr. Hanson.

Proponent Bill Schneider, representing Falcon Crest Publishers, a firm that employs 11 individuals, explained that he is not officially speaking for the industry but is sure they all support this legislation. Although a company may be more efficient and less expensive, they still will not receive the work, it will go to a state agency. Speaking as an ex-state employee, Mr. Schneider stated the state printing shops are not saving tax payers any money.

Proponent Roger Koopman, Owner/Manager, Career Concepts in Bozeman and President, Montana Association of Career Consultants, explained that the issue over the job service offices is a federal one, but the legislature can set priorities and procedure for job service offices. The assumption is that the cooperation between the private sector and the job service offices is one of few problems. A past meeting with the then Commissioner of Labor, Dave Hunter, resulted in the commissioner stating that by mandate the department is to compete with the private sector and to use everything possible to accomplish this. Local job service offices advertise as the "no fee" employment agency and become angry when an individual is placed in a position by a private agency. The department of labor has a hand over the private business, added Mr. Koopman. Exhibit 5 was distributed to committee members.

Proponent Ellen Feaver, Director, Department of Administration, stated the questions raised by the proponents are legitimate. The administration has done their best to make correct decisions but there is always room for improvement. Ms. Feaver explained that the printing area has been studied extensively and she believes future study will result in the same findings.

Representative Ellerd asked Representative Brown, who and how many will serve on the committee, will they be paid and stated that he cannot recall ever having a committee report back to the legislature. Representative Brown stated that the standard for an interim committee is 4 legislative members and 4 members to represent the industry and that the standard per diem would be paid.

Representative Ellerd asked Riley Johnson why and who the

committee will report back to. Mr. Johnson explained that the legislatures are the voice of the consumer and the go-between. Our legislatures have the knowledge, and expertise and can allow for measurer to be enacted.

Representative Ellerd stated this resolution is very broad and the time necessary to study each aspect will be phenomenal.

Representative Schultz asked Sue Winegartner is she was familiar with a situation in Lewistown when a private company purchased the solid waste system and an increase between 100 and 200% was apparent. She was familiar with the problem. Representative Schultz added that a private hauler is not always your cheapest resource.

There being no further discussion by proponents and opponents, all were excused by the chairman and the hearing on House Joint Resolution 31 was closed.

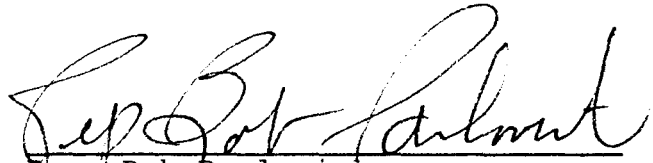
ACTION ON SENATE BILL 17: Representative Nisbet moved DO PASS on Senate Bill 17. Second was received, Senate Bill 17 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 139: Representative Thomas moved DO PASS on Senate Bill 139. Second was received, Senate Bill 139 will BE CONCURRED IN with all but Representatives Driscoll and Hansen voting yes.

ACTION ON HOUSE JOINT RESOLUTION 31: Representative Brown moved DO PASS. Representative Ellerd expressed his concern with the time element and added that this is very broad for one committee to study such a complex issue. Representative Bachini stated the amendment has already been addressed in a previous bill. Representative Hansen added that the solid waste situation is different than what the bill proposes, they are utilities, not private industries. Representative Kitselman explained that an interim committee is mandated to file a report and a copy may be requested from legislative council. The results of such a committee are seen in the form of bills, added Representative Kitselman. Representative Simon stated the stream access bill is a result of an interim study and stressed the importance of Representative Cohens amendment and moved the same. Representative Schultz added that if all small areas are incorporated into the bill the purpose may be defeated. Question being called, the amendment does fail with all but Representative Simon voting no. House Joint Resolution will BE ADOPTED with Representative Driscoll voting no.

Business and Labor Committee
March 7, 1985
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ADJOURN: There being no further business before the
committee, the meeting was adjourned at 9:45 a.m.


Rep. Bob Pavlovich,
Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 7, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

March 7

19 95

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 17

third reading copy (blue)
color

GENERALLY REVISE LAWS RELATING TO BUSINESS AND LABOR

Respectfully report as follows: That SENATE Bill No. 17

DO PASS

STANDING COMMITTEE REPORT

March 7

85

19

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

Senate

139

having had under consideration Bill No.

third

reading copy (**blue**)
color

OPTIONAL USE OF STATE OR FEDERAL DISCLOSURE LANGUAGE

Senate

139

Respectfully report as follows: That Bill No.

DO PASS

STANDING COMMITTEE REPORT

March 7

19 35

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration House Joint Resolution Bill No. 31

first reading copy (white color)

REQUEST AN INTERIM STUDY OF GOVERNMENT COMPETITION WITH
THE PRIVATE SECTOR

Respectfully report as follows: That House Joint Resolution Bill No. 31

DO PASS



Exhibit 1
3/7/85
RETAIL INSTALLMENT CONTRACT (MONTANA) SB139

Submitted by: **Tom Carruthers**

Buyer(s)-Name, Address (include County & Zip Code)

Seller-Creditor Name, Address

THIS AGREEMENT covers my installment purchase from you of the property described below. In this agreement, the words "I", "ME", and "MY" refer to the buyer. The words "YOU" and "YOUR" refer to the Seller, Assignee and any other person to whom this agreement may be assigned.

Promise to Pay. I promise to pay you, the Seller, a Total Sale Price of \$_____. I have made a downpayment of \$_____. I will repay the balance in _____ monthly installments of \$_____ beginning on _____, 19____ plus any irregular payments (if any) as follows: _____

I understand that you intend to assign this contract to

First Bank _____

Address _____

This payment schedule is based on an Annual Percentage Rate of _____% which includes the cost of any insurance and other charges on which you and I have agreed. Finance Charge begins to accrue _____, 19____.

and that I will make my payments directly to the bank which will have the same rights you have under this agreement. I understand that anyone else who signs this agreement (except someone offering only a security interest in the property) will be individually and jointly responsible, to the same extent as I am.

The Property. The property I am buying is described as follows:

N or U	Year and Make	Body Type & Model	Description (including capacity if truck)	Property Used For	Number		Cash Sale Price
					Serial	Key	

Accessories & Miles: A. Trans. () P. Steering () F.M. Radio () A. Cond. () Other _____ Miles _____

FEDERAL TRUTH-IN-LENDING ACT DISCLOSURES

ANNUAL PERCENTAGE RATE

The cost of my credit at a yearly rate.

FINANCE CHARGE

The dollar amount the credit will cost me.

Amount Financed

The amount of credit provided to me or on my behalf.

Total of Payments

The amount I will have paid after I have made all payments as scheduled.

Total Sale Price

The total cost of my purchase on credit, including my downpayment of

_____ %

\$

\$

\$

\$

Payment Schedule: No. _____ Amt. \$_____ Due: ☐ Monthly ☐ (Other) _____
 Beginning _____, 19____. Irregular payments (if any) as follows: _____

Filing Fees: \$_____ **Non-Filing Insurance** \$_____

Security: I am giving you a security interest in: ☐ the property being purchased. ☐ Other (describe) _____
 Collateral securing any other debts I owe you may also be security for this sale.

Late Charge: If a payment is late by more than 10 days I will be charged \$5 or 5% of the unpaid installment, whichever is less.

Prepayment: I will not have to pay a penalty if I pay off early. If I do I may be entitled to a refund of part of the finance charge.

Assumption Policy (Applicable only to Mobile Home Transactions when used as Principal Residence): Someone buying my mobile home ☐ may, subject to conditions, be allowed to ☐ cannot assume the remainder of my obligation on the original terms.

See the contract provisions for any additional information about nonpayment, default, any required repayment in full before the scheduled date, any prepayment penalties and refunds.

e means an estimate

Itemization of the Amount Financed of

\$_____ to public officials/agencies \$_____ to credit reporting agency
 \$_____ to appraiser \$_____ to insurance company
 \$_____ Amount given to me directly. \$_____ prepaid finance charge

MONTANA RETAIL INSTALLMENT SALES ACT DISCLOSURES

I UNDERSTAND THAT THIS IS AN APPLICATION FOR INSURANCE COVERAGE AND NOT A COMMITMENT TO PROVIDE IT.

I may obtain property insurance from anyone I want that is acceptable to you. If offered, I may get the following coverage from you at a cost of \$_____ for a _____ (year) (month) term.

- () Comprehensive Deductible \$_____
- () Collision Deductible \$_____
- () Fire, Theft & Combined Additional Coverage
- () Other _____

\$_____

I ALSO UNDERSTAND THAT YOU DO NOT PROVIDE LIABILITY INSURANCE COVERAGE FOR BODILY INJURY OR PROPERTY DAMAGE TO OTHERS UNLESS INDICATED ABOVE.

Agent _____ Phone _____

1. My Cash Sale Price \$_____ (1)
2. My Cash Downpayment \$_____
- Trade-In (Net) - Description: \$_____
- Make _____ Model _____ Yr. _____
- My Total Downpayment \$_____ (2)
3. My Unpaid Balance (1-2) \$_____ (3)
4. Other Charges I Am Financing:
 - A. Taxes (not included in #1) \$_____
 - B. Official Fees \$_____
 - C. Total of Charges for Insurance and Other Benefits \$_____
 - D. Other (Specify) _____ \$_____
 - Total (A+B+C+D) \$_____
 - Less Cash Paid, If Any \$_____
 - Total Other Charges I Am Financing \$_____ (4)
5. My Principal Balance (3+4) \$_____ (5)
6. Finance Charge \$_____ (6)
7. Total Amount of Time Balance (5+6) \$_____ (7)
8. With Monthly Premium Insurance:
 - A. Total of Payments \$_____
 - B. Deferred Payment Price \$_____
 - C. Total Monthly Payment \$_____

Credit life and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional cost. I am under 66 years of age and may apply for this insurance at the premium shown below. However, if a loan is either secured by real estate or for a term in excess of 120 months the insurance may be Monthly Premium Insurance and the premium is not included in the amount disclosed as being financed. I want:

- ☐ Single Credit Life \$_____ Date _____ Signature _____ Birthdate _____
- ☐ Joint Credit Life \$_____ Date _____ Signature _____ Birthdate _____
- ☐ Credit Disability \$_____ Date _____ First Signer Only _____ Birthdate _____

ACCEPTANCE OF ASSIGNMENT

By signing below, both Seller & Bank, consent to this transfer according to the terms on the reverse side:

Seller consents to this transfer.

The Bank consents to this transfer.

By _____
Date _____ Name _____ Title _____

By _____
Date _____ Name _____ Title _____

NOTICE TO BUYER:

1. Do not sign this contract before you read it or if it contains any blank spaces.
2. You are entitled to an exact copy of the contract you sign.
3. Under the law, you have the right to pay off in advance the full amount due and obtain a partial refund of the finance charge.

No Personal Liability. The person whose signature appears below has signed this contract only for the purpose of granting the Secured Party a security interest in the Property, and has no personal liability for payment of this debt.

Signature _____ Date _____

I HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND AGREE TO ALL OF ITS TERMS. I ALSO ACKNOWLEDGE RECEIPT OF A COMPLETELY FILLED-IN AND EXECUTED COPY OF THIS CONTRACT THIS _____ DAY OF _____, 19_____.

First Signer's Signature _____

Address _____

Second Signer's Signature _____

Address _____

Seller's Signature _____

Title _____ Date _____

TESTIMONY

March 7, 1985

National Federation of Independent Business (NFIB)

By: J. Riley Johnson, State Director
Government Relations/Montana

Before: Montana House of Representatives
Business and Labor Committee

Re: House Joint Resolution 31

Mr. Chairman:

My name is J. Riley Johnson and I am the State Director for Government Relations in Montana for the National Federation of Independent Business (NFIB). Our association represents some 5,500 small and independent businesses throughout Montana, and I come before your committee today to urge your favorable consideration of HJR 31.

Before I begin, I should note that the question of establishing a review commission on the topic of government competition with private enterprise was put to our membership in the 1985 Montana ballot for NFIB and over 73 percent of the respondents favored such a study committee.

NFIB bases its support for government competition legislation on two fundamental beliefs: 1) contracting out is simply a good business practice, since it affords the most effective and efficient method of providing state and local governments the needed goods and services; and 2) the government's legitimate sphere of operation is to govern, not to engage in commercial or industrial enterprise. State and local governments should not compete with its citizens through in-house production of any

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NFIB Testimony

HJR 31

goods and services which are readily available at reasonable prices in the for-profit private sector.

NFIB's concern over the issue of contracting out verses in-house production does not arise solely from abstract philosophical considerations, but from personal experience as well. NFIB members can cite case after case of unfair competition by state government and local agencies, resulting in a large part from the lack of a sound, consistent and fully implemented policy for procuring public sector goods and services from the private sector.

In the debate over government competition, the question of cost comparisons between in-house production and contracting out its goods and services needs inevitably arises. Certainly, state government desires to obtain its needs at reasonable prices -- the taxpayers should demand no less. It is important to keep in mind, however, that government production costs and private sector production costs are not strictly comparable. For example, state governments do not have to bear the tax, licensing and regulatory burdens imposed on the private sector. Also, take into account that many public employee pension plans are not fully funded, and thus represent a future tax liability often not taken into account in private vs. public cost comparisons.

NFIB believes that government competition with private enterprise engenders serious concern about the proper role and function of government in a free enterprise economy, and that reliance on the private sector for the provision of public goods and services makes good sense -- both philosophically and economically.

In-house production of goods and services translates into lost income for small business. Lost income means lost tax revenues for state government, both from business itself and from the employees the business would have hired ^{to produce} the additional work generated by government contracts.

Certain examples of state government competition with the private sector result from conscious and deliberate decisions by the legislative or executive branches of state government. In these cases the state has decided that it is in the public interest to provide taxpayers with subsidized services (assisting the unemployed in locating jobs) or that the investment necessary to provide an adequate level of service is too large for the private sector to bear alone (State parks, for example).

In other cases, however, there has been a rather unconscious encroachment here in Montana of the public sector upon the private.

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NFIB Testimony

HJR 31

Regardless of the nature of the decisions leading to government competition with private enterprise, however, it is time for state government, under the direction of its people's representatives, to begin to review the division of responsibility between the public and private sector. Only after such a careful review can the state and its localities make rational decisions about the service areas which should be relinquished to the private sector and that which should be done in-house.

Briefly, let me list some of the major areas of government competition which you as legislators might consider in your deliberations on this issue:

- * Prison industries
- * Unemployment and job services
- * Day care centers
- * University research
- * Outside consulting by public employees
- * Audio-visual products and services
- * Printing, binding and reproduction
- * Photography
- * Maintenance of equipment
- * Bulk purchasing and warehousing goods
- * Security services

- * Food services
- * Surveying, architectural and engineering services
- * Transportation
- * University book stores
- * Insurance and bonding
- * Publication services
- * Health services
- * General retailing and warehousing of goods

This is not an exhaustive list, of course, but it does tend to put the government competition question into somewhat better perspective.

And, finally, reliance on the private sector would result in significant cost savings to state and local governments, based on the inescapable conclusion that the private sector is significantly more efficient in delivering needed goods and services than is the public sector.

NFIB urges your favorable consideration of HJR 31. As the bill's sponsor has stated: one of the biggest markets for small business in the State of Montana...is the State of Montana. Help us try and maintain a robust small business climate. Help us pass HJR 31. Thank you.

(Letters from NFIB members)

page 3

AMENDMENT TO HJR 31

Line 9:

· requirements of the Montana Procurement Act,;

Add:

(f) local government garbage and solid waste disposal practices.

Representative Ben Cohen



Exhibit 4

3/7/85

HJR 31

Submitted by: Sue Weingartner

Montana Solid Waste Contractors, Inc.

34 South Last Chance Mall No. 1 • Helena, Montana 59601 • 406-443-1111

March 7, 1985

HOUSE JOINT RESOLUTION 31

For the record, my name is Sue Weingartner. I reside at 4480 Last Straw Drive, Helena, Montana. I am Executive Director of the Montana Solid Waste Contractors.

We support House Joint Resolution 31.

Montana has approximately 50 haulers permitted by the Montana Public Service Commission to haul garbage, who serve our state's communities and their surrounding areas.

These are basically small, family-owned and operated businesses. If our industry were to pinpoint the single, largest problem which is common to most of these haulers, it would be "competing with government." Municipalities and private are not on equal standing in this competition for several reasons.

Most municipalities who provide city garbage services do not give taxpayers an opportunity to choose their service provider--even though a private hauler also serves the area. Most cities have established a practice or policy whereby a resident must use the city garbage service, or if a citizen uses a private carrier, the citizen pays the city assessment in addition to the private carrier's fees.

Another reason for unequal competition standing is addressed in this proposed Resolution--private enterprise pays taxes and fees from which government entities are exempt.

In researching fees and taxes from which governments are exempt but which are paid by private industry, I found 10 of these:

Taxes and Fees Paid by Private Enterprise

Federal Fuel Taxes

Federal Income Tax

Federal Truck Tax on Trucks over 33,000 lbs.
(12% of cost)

Federal Excise Taxes on Tires

Federal Road Use Taxes (assessed on truck
size by no. of axles)

State Income Taxes

State Fuel Taxes

GVW Fees

Licensing Fees

Real Estate Taxes

Personal Property Taxes

Taxes Paid by Municipalities

State Fuel Taxes

Several years ago, Columbia University Graduate School of Business conducted a study and surveyed 2,060 communities, reviewing refuse collection practices. According to the study, municipal collection was 29% more costly than private contract collection, even though municipalities pay less for trucks, fuel, parts and other expenses because they are exempt from income and other taxes. They also found that a private firm rebates about 15% of its revenues through payment of taxes and fees.

A more recent study entitled, "Comparative Study of Municipal Service Delivery" finalized in 1984 by Ecodata, Inc., a New York City research firm working under a contract from the Department of HUD, concluded that private refuse contractors can perform residential refuse removal services at the same level and quality as municipally-employed forces for 28% to 42% fewer dollars.

Refuse collection is a big job and a vital community service. It is estimated that by the year 1990, our daily waste volume in this country will have doubled from the 1978 volume. Private firms can offer public officials faced with and shrinking budgets an opportunity to trim costs/maintain quality service while at the same time contributing to government revenues through payment of fees and taxes.

Refuse collection can be a highly effective partnership of local government, who is responsible for public health and safety, and private industry, who can develop and operate a collection plan tailored to a community's needs.

We feel this is a most appropriate study for an interim legislative committee and urge your support of HJR 31.

Private Collection Cheaper In New HUD-funded Study

Private collection is up to 42% cheaper than municipally provided service, a study concludes. Included: how cities can improve.

A federally funded study concludes that private refuse contractors can perform residential refuse removal services at the same level and quality as municipally employed forces for from 28% to 42% fewer dollars.

In general, the private refuse contractors included in the study were found to obtain more work from their crews—who had less absenteeism and went home earlier than city-employed crews—in less time.

Contractors also were seen as paying more attention to standardization of their refuse truck fleet and maintaining it—thus netting less downtime.

In addition, contractors manage their companies more actively, the study found, with fewer layers of management.

Eight services studied

The "Comparative Study of Municipal Service Delivery" was finalized earlier this year by Ecodata, Inc., a New York City research firm working under a contract from the Department of Housing and Urban Development.

Barbara J. Stevens, editor of the Ecodata study, was also a principal in the 1974 Columbia University study of private versus municipal refuse collection costs.

In the more recent study, Stevens and her Ecodata colleagues studied eight types of services which cities can contract out—from traffic signal, turf and street tree maintenance to street sweeping.

In the spring of 1983, they studied 20 cities in the Los Angeles area, matching 10 cities that provided their own services with 10 cit-

ies of similar size which contracted out services.

The result: for seven of the eight services, private contractors were from 37% to 96% more efficient than city-employed forces.

Results of this study and of one released last year in Canada provide updated information to back up the conclusions of the 1974 Columbia University study.

Study methodology included sending field personnel to each city to identify actual city records—payroll statements, fringe benefits paid, expenditures on parts and labor for capital equipment, etc.

Taken together, the three in-depth studies indicate that cities can save money without losing service quality by contracting out refuse removal, street sweeping and other services.

The rest of this article is devoted to refuse removal conclusions of the Ecodata study. Two short articles accompany it: one details the findings of the Ecodata study as they relate to street sweeping; and the other presents the main conclusions of a 1983 Canadian study on the subject.

Main findings

The main findings of the Ecodata study as they apply to refuse removal, as presented in the report's executive summary, are:

1. On average, refuse collection by a municipal agency is 28% to

42% more costly than refuse collection by a private contractor."

(Editor's note: the Ecodata figures include in the cost of private contracting the cost of city administration of such contracts).

"This finding is the result of statistical analysis where the effect of quantity of refuse collected, refuse generation per stop, frequency and location of pickup, route density

and the quality of service provided are held constant.

2. Quality of refuse collection service varied from 11.05 (best) to 92.7 (worst), with an average value of 34.3 for municipal cities and 38.2 for contract cities.

Thus, the average quality of service provided by contractors and municipal agencies is almost identical.

3. In comparison to municipal agencies, contractors:

- are able to achieve lower absentee rates (7.9% versus 13.4%);
- are able to achieve lower downtime ratios (6.2% of the contractor vehicles versus 16.2% of the municipal agency vehicles are in the garage, for repair, at any time);
- are more likely to operate a one-brand fleet;
- and have contract workers

who are more likely to make two loads per shift than are municipal workers.

4. Of the 10 low-cost cities (of 20 surveyed in depth), eight are contract cities. Management factors that distinguished low-cost (efficient) cities from high-cost (inefficient) cities include:

- number of loads—crews in low-cost cities are more likely to make two loads per truck shift than are high-cost cities;

- absentee rates—low-cost cities experience lower absentee rates than high-cost cities (absenteeism includes sick days, personal days, holidays and vacation days);

- vehicle downtime—a smaller percentage of low-cost city vehicles are non-functional and in the ga-

rage for repair at any one time than in high-cost cities; and

- incentive systems—low-cost cities are more likely than high-cost cities to have their workers on a 'go home when route is finished' incentive system.

Ideas for cities

"Policy guidelines" were recommended by the Ecodata researchers for cities, based on the research. In the residential refuse removal area, these guidelines included:

- Longer shifts and incentive systems are associated with higher productivity and efficiency. Cities on a five-day, eight-hour-day schedule, for example, should consider a four-day, 10-hour-day format.

A program allowing crews to go

home when their route is completed should also be considered. . . .

- Low costs are associated with keeping collection vehicles in good operating condition. Cities should structure and implement comprehensive maintenance programs. Further, responsibility for equipment maintenance should be located within the department responsible for service delivery.

Should the scale of the residential refuse collection operation not be sufficiently large to justify a full-scale, in-house maintenance facility for all repairs, service agencies should consider: retaining in-house mechanics for minor maintenance and preventive maintenance and/or assigning central garage mechanics

(Continued on page 27)

Canadian Study Comes To Same Conclusions

"Exclusive public sector (refuse) collection is 50.9% more expensive per household than purely private collection."

That's the key finding of the study, "Residential Solid Waste Collection Services in Canadian Municipalities," by Dr. James McDavid of the University of Victoria's School of Public Administration.

For the study, released last year, McDavid included 126 Canadian cities with populations of more than 10,000 outside of Quebec. Funding was provided by the university.

Of the 126-city sample, 20% had municipal collection only, 42% private contractors only, with the balance having a mixed arrangement. This means that residential collection in 80% of Canada's cities is performed, to some extent, by private contractors.

Private edge

Private companies were four times as likely as cities to use the 32-yard rear-loading truck, the largest in the survey, and generally were more likely to use rear loaders than were cities.

Interestingly, the average crew size for private-only rear loader-using systems (2.2 persons) was much lower than that for public-only systems (2.9 persons). Private companies' vehicles were newer—averaging 3.48 years of age, compared to 4.47 for cities' trucks.

Using "regression analysis" to eliminate the affect of variables—including the advantages private firms have in using larger trucks, smaller crews, younger equipment, etc.—McDavid still found that exclusive public collection is \$10.34 per household more expen-

sive than exclusive private collection.

Where did the big private edge come from? McDavid suggests competition:

"Although less tangible, the element of competition may be the most critical factor in inducing increased efficiency," the study says.

"Private sector firms tend to compete with each other for municipal contracts to collect solid waste. This would be expected to keep costs down.

"Interestingly, in mixed settings, municipal producers are consistently closer to private-only systems in terms of cost per household than are public-only systems.

"It may be that even where municipal producers dominate, but do not control all the residential collection, there will still be benefits from competition."

Other data

Other interesting data from the study included:

- "Private collection crews are 95% more productive than their public counterparts . . . 60% more productive than public crews in mixed settings."

- Crews in private-only systems collect 1.25 tons per hour . . . double the figure (0.64) of crews in public-only systems.

- Salaries: \$17,441 on average for workers in the private sector, compared to \$19,272 for those in public-only cities.

- Private firms were about three times as likely to offer productivity incentives as were cities.

- Cost per household for solid waste collection by region ranged from a high of \$48.30 in the Maritime Provinces to a \$25.54 low in Ontario.

ices were municipal employees found to be as efficient as private contractors.

Refuse collection was the largest city service studied, in terms of percentage of municipal budgets; it averaged 4.2% of the typical Southern California city's annual outlays. Street sweeping represented 1/10ths of 1% of the average budget; the other six services together totalled 5.7%.

All of the cities studied provided once-a-week curbside pickup service.

As noted above, for the contract cities studied, the total cost of contracted-out services included all municipal expenditures for contract monitoring, contracting leading and payments to the contractor for contract service delivery.

Study methodology included sending field personnel to each city to identify actual city records—payroll statements, fringe benefits paid, expenditures on parts and labor for capital equipment, etc.

Other refuse data

Other refuse industry-oriented

data generated by the survey included the following:

- Households per crew per shift in the study ranged from a minimum of 250 to a maximum of 719. In considering these figures, remember that climate and other local differences were factored out of this study. The mean was 445 households per crew per shift.

- Cost of refuse collection per ton varied from a low of \$12.48 to a high of \$43.62, with a mean of \$28.10.

- The average monthly wage of "laborers" in the study was \$1,237 for private refuse collectors, \$1,418 for city-employed workers. Labor and fringe benefits represented 39% of the total cost of privately provided service, 50% of city-provided refuse removal.

- For the 20 cities in the study, the "predicted average cost" of refuse removal services was \$21.16/ton for private contractors and \$29.97 ton for city-provided services. This assumes once-a-week curbside pickup of 27,390 tons of refuse per year from 20,520 households.

- For the 10 contract cities, the average percentage of total refuse removal cost attributed to payments to the contractor(s) was 95.6%; municipal monitoring costs accounted for the balance.

- The Ecodata study noted that its refuse removal conclusions, on the basis of studying 20 cities in a limited geographical area, "are in agreement" with the 1974 study of 315 United States cities.

- The study also noted that "the capital intensity of refuse collection has increased over the past decade." Refuse collection costs have increased 33% since the 1974 study—the rate of increase of the Consumer Price Index—while salaries paid to refuse collectors have increased 90% over that time.

- The difference in wage rates goes a long way toward explaining the difference in costs, the study said—but added: "As all cities are in the same market area, the fact that municipalities pay higher wages is a choice; contractors in the same market are able to employ workers at lower wages who deliver the same quality service."

WA

PRIVATE EMPLOYMENT AGENCIES AN INDUSTRY AT THE CROSSROADS

by

Roger Koopman
Bozeman Career Concepts

INTRODUCTION

In America today there are approximately 12,000 privately owned employment agencies. They range in size from one person operations to firms with staffs of considerable size. Some agencies specialize in one area of the job market; others are more general, handling all fields and all levels. Some offices are national and international in scope; others concentrate on the local market in their own communities. Perhaps the typical agency falls somewhere in between these distinctions. All together, they comprise an industry that places some four and one-half million Americans in productive jobs annually.

Private employment agencies are a tremendous resource to both the job seeker and the employer. A good agency will normally devote many hours of hard work to finding each applicant a lasting and rewarding position. Where people's livelihoods are concerned, there can be no substitute for this kind of personalized service. Genuine career placement is a process that has no shortcuts. To be done right, it must be done thoroughly, exhaustively and professionally, and only the private agency is in a position to offer that kind of service. Indeed, to the serious job seeker or career changer, professional assistance of that type is only logical way to go.

As with all private sector professionals, private employment consultants operate under the incentives of the American Free Enterprise System. The free market dictates that their rewards will be directly proportional to the success of their efforts, and their success will be directly proportional to their hard work and professionalism. The job seeker or the employer agrees to pay a placement fee when, and only when the consultant has secured appropriate employment for that applicant.

THE PRIVATE AGENCY: ENEMY OF THE STATE?

Unfortunately, the private employment industry, since the passage of the Wagner-Peyser Act in 1933 has found itself in the "unique" position of facing direct, head to head competition from an agency of the federal government in virtually every aspect of its activities. Originally established as a means of assisting the handicapped, disadvantaged and chronically unemployed in finding jobs, the United States Employment Service, better known as the "Job Service" has, in recent years, greatly expanded its scope to include the placing of engineers, accountants, executives — in short, anyone and everyone who desires to find or change employment.

Along with its shift in priorities has come an increasingly aggressive philosophy on the part of Job Service toward competition with private employment agencies. In almost every community, the attitude of Job Service has evolved to the point where it is not nearly as concerned about people becoming employed as it is about Job Service taking credit for the placements. Rather than welcoming the service provided by the private sector and showing a willingness to cooperate with it, they seem to harbor a feeling of animosity and wage a constant battle to brainwash the public against the private agency.

JOB SERVICE: A BUREAUCRACY GONE WILD

Why, in recent years, has the U.S. Employment Service (Job Service) assumed such an actively hostile posture toward the nation's privately operated employment agencies? Why do we now see such an intensive effort on the part of Job Service to compete with private services over jobs, applicants and placements? If we assume that their whole reason for being is to facilitate greater employment across America, then shouldn't Job Service regard private agencies as allies rather than enemies? Indeed, why should Job Service care who succeeds in finding some individual a job, as long as that person is now employed?

These are reasonable questions that beg for rational answers. One might begin by pointing to the general trend our country has experienced toward a bigger, more powerful and more aggressive central government. Such government has a natural self-interest to perpetuate and indeed to expand its dominion over the private sector wherever possible. No doubt this process is at work where Job Service is concerned. And yet, the encroachment of government in the private employment industry has been so flagrant and so seemingly illogical that the situation demands a deeper understanding of the process at work.

Why has Job Service become a ruthless competitor to the private agency, bent upon "boxing out" the private service from every placement it possibly can? The answer is found in the funding formula that the U.S.E.S. has designed for the local Job Service offices — a formula that forces these offices into constant, head to head competition with the private agencies and precludes any possibility of cooperation between the two sectors. Federal policy dictates that the annual budgets of the local offices be largely determined by the number of job placements each office takes credit for in the previous fiscal year. The placements are in fact weighted, with high-skill, high-salary placements being assigned a higher value than lower level jobs.

The results of that policy have been all too predictable. What we have is a perfect set-up for bureaucratic empire-building at the expense of private enterprise. What we see is local Job Service offices using even unethical practice and unfair competitive advantage at their disposal to beat out the private services on specific placements. To do this, Job Service offices have largely turned away from their traditional role of helping the disadvantaged, unskilled and longterm unemployed and are now "skimming the cream" so to speak, by concentrating on placing the easily placeable. It is a classic case of government nest-feathering at the expense of the taxpayer and at the expense of economic freedom.

A CASE STUDY IN UNFAIR COMPETITION

What are some of the unethical practices and unfair competitive edges that Job Service employs in its war against the private entrepreneur. Here are some of the more obvious ones:

1 No Fees Charged. As one would expect, Job Service plays its so-called "free" service to the hilt. In its advertising and promotions, Job Service draws the distinction between itself and the private services by repeatedly stating "no fees charged." The impression they try to leave with the general public is that there is something wrong about charging someone to find them a job.

Job Service, of course, is not a "free" service at all. The difference is simply in the way private and public services are funded. Private agencies are supported through voluntary patronage, the Job Service is supported through mandatory taxation. One system rests on the principle of free choice, the other on compulsion.

This cost, of course, is hidden to the applicant who registers with Job Service. To him, the service appears to indeed be free, since the cost is passed on to the employer through the Unemployment Security Tax, thence to the consumer. Payment for the service is indirect and therefore not perceived. This places the private agency, which rightfully charges the user directly, at a terrific competitive disadvantage. The private agency is in fact penalized for operating under honest economics. The Job Service operates under dishonest economics, where no one knows who is paying for what. It is a blatant example of bureaucratic sleight of hand through the power to tax. It is consumer fraud, and Job Service is rewarded for it. One is reminded of the saying, "Government is that great myth by which everyone believes they are living at the expense of everyone else."

2. Mandatory Listings. Job Service benefits enormously from federal mandatory listing regulations that force all companies that do any business with the government or that bid on federal contracts to list all of their job openings with J.S. Again, we see the principle of government compulsion triumphing over the voluntarism of the marketplace. Obviously, private employment agencies have no such "free rides" to rely on. They must depend upon the willing acceptance of their services by local employers to get their job openings.

What can be the justification for these mandatory listing requirements with Job Service? Do these regulations create any new jobs? Do they cause even one more person to become employed who otherwise wouldn't? Absolutely not. Mandatory listing regs represent only one thing — a value judgment on the part of government that says it is better for an American to find a job through Job Service than through a private agency (or other means). Its effect is to create a very significant competitive advantage for Job Service over the private operation by creating an automatic file of job orders for Job Service whether their performance justifies it or not.

3. Employer Exclusives. In addition to the enforcement of mandatory listing requirements, Job Service offices pursue a very aggressive policy of establishing exclusive accounts with major employers in every community. In other words, Job Service goes to great lengths to lock out private agencies and their applicants from as many local jobs as possible by coming to agreements with employers to supply them with job applicants on an exclusive basis.

This policy not only has a devastating effect on the private agency, but it has a disastrous impact upon the private agency applicant who finds the employment door slammed in his face thanks to Job Service.

Even in the case of companies that are already required through mandatory listing regulations to list all of their jobs with Job Service, they still press for exclusives. Job Service likes to refer to their exclusives as "avoiding duplication of effort." That is bureaucratic dialectic for "eliminating the competition." What Job Service seeks most is to become a monopoly, totally insulated from any competition from the private sector. Again we must ask the question: Where is the justification?

4. Statutory Exclusives. Job Service already has a great many built-in exclusives, either through statute or regulation. All federal openings, for example, are "off limits" to the private employment agency. Usually the same applies to all state positions and all openings at state universities. Public utilities are oftentimes the exclusive property of Job Service as well. Again, we would simply ask: Why?

Is it not ironic that most all of these employers print boldly across their stationery, "Equal Opportunity Employer?" They should add one line: "unless you are represented by a private agency," apparently that must taint you in some way, making you less suitable for employment with these institutions.

It should be noted that, as a government agency, Job Service benefits from many other exclusives or near-exclusives in the private sector. Many of the large chain stores, for example, instruct their local managers to hire through Job Service. This is particularly true in the case of new store openings, where Job Service is usually given exclusive rights to all placements. Private agency applicants are frequently turned away without even an interview.

5. Unemployment Insurance. Since it is also the administrator of unemployment benefits, Job Service has an enormous, ready-made applicant pool. Unemployment insurance recipients are compelled to register with the Job Service "placement services" whether they wish to or not. Indeed, a prerequisite to using any of the services of Job Service is to first be registered in their applicant file.

Job Service certainly uses this requirement to their advantage. Local J.S. offices have been known, for example, to encourage private agencies to send down their applicants for courtesy typing tests. Later, the agency would find out that Job Service required the applicants to first register with them before taking the tests.

In addition to unemployment insurance, there are numerous other federal programs that automatically feed applicants to Job Service. The so-called CETA program, which Job Service administers, is perhaps the best known of these. Although CETA officials claim otherwise, it is clear that most CETA jobs are either completely frivolous or are positions that the employer would have hired and paid for anyway. In reality, CETA is more than the businessman's welfare, which has the effect of: a) displacing permanent, productive employees from their non-subsidized jobs, and b) enticing employers to jump on the Job Service gravy train."

6. Federal Regulations. The Job Service also benefits substantially from the myriad of federal hiring regulations, tax incentives, etc., on which employers automatically turn to Job Service for guidance. If, for

example, an employer is concerned about Affirmative Action compliance, he is not likely to call a private agency for advice. He will go to the source, so to speak, by contacting the local Job Service office. In the process, he will probably become so confused and so fearful, that he will agree to do all his hiring through Job Service to cover himself. In this way, one branch of the federal government intimidates the businessman into working with another branch of the government — to the exclusion of private enterprise.

Much of the problem rests in the fact that the federal government seems to regard the Job Service as the only appropriate repository for information on federal regulations and tax policies. Absolutely no attempt is made by the federal government to keep licensed private agencies informed on these crucial matters. Moreover, when the private employment service attempts to gather this information on its own initiative, it finds the process to be a circuitous and time-consuming one indeed. Why? Does not the private placement service have just as much business knowing these things as Job Service?

7. Extensive Advertising. Job Service has an enormous advertising budget that private agencies cannot begin to match. In addition to the traditional newspaper and Yellow Pages ads, Job Service does extensive advertising over radio and television. Implicit in all of these ads is the idea that Job Service replaces the work of private agencies — at no cost, of course — and that the applicant will receive the same degree of personal attention and service at the Job Service office as anywhere else. This is pure deception, and causes many people to never consider the private agency alternative.

Along with the massive paid advertising campaign, Job Service is also the fortunate recipient of a huge amount of free "public service" advertising, to include daily radio reports, etc. None of this free time or space is ever made available to the private placement services. Not only do these ads increase the tremendous exposure that Job Service already receives, but they act as a kind of endorsement of Job Service as the "official" employment agency in the community.

8. Tax Supported. The enormous operating budget, staff and office facilities that the government Job Service possesses in each town once again eclipses that which a private agency can normally afford. To the private service, the bottom line is profitability. If it cannot show a profit, it ceases to exist. Job Service, on the other hand, has no such restrictions to worry about. It cannot go out of business, no matter how much money it spends and no matter how poor a job it might be doing. After all, it has the entire U.S. Treasury behind it!

9. State Regulations. In virtually every state, private services are very strictly regulated by state law. Indeed, there are few if any industries that are regulated more. They are literally told everything they can do and everything they can't do. In about half the states they are even told exactly what fees they all must charge.

Job Service, by comparison, operates totally outside of the framework of employment agency regulation in the various states. In other words, all the rules and regulations that private agencies are forced to comply with, Job Service can (and does) summarily ignore. They do as they please.

10. Policy of Hostility. Time and time again, Job Service has demonstrated throughout the country, a total unwillingness to assist or cooperate with private agencies in any way. Instead, Job Service offices invariably assume a highly antagonistic posture toward the private sector, allowing their employees to openly criticize and downgrade the private employment service industry. Indeed, these employees seem to go out of their way to make private agencies look bad whenever possible. In many cases, their tactics are extremely ruthless and highly unethical. The unofficial policy seems to be "no holds barred" when competing with a private employment agency over placements. Clearly, the perpetuation and expansion of the Job Service bureaucracy has become an end in itself, and Job Service has become rather like a steamroller in its relationship with the nation's private agencies.

THE U.S. CONGRESS: A TIME TO ACT

In recent years it has become increasingly clear that the American private employment industry is in a fight for its very life. Government competition with the private agency has become so intensive and so far-reaching that the private placement service has literally become an endangered species. Many fine offices are already on the casualty list — offices that were literally driven out of the market by the activities of Job Service.

Will the private employment agency survive, or will it become an impressive trophy in the den of Big Government? Ultimately, Congress will decide. In 1933 Congress created a monster in its infancy. Through the gradual evolution of administrative law, the monster grew up. Clearly, it is the responsibility of Congress to now do something about it.

3-7-85

From the desk of

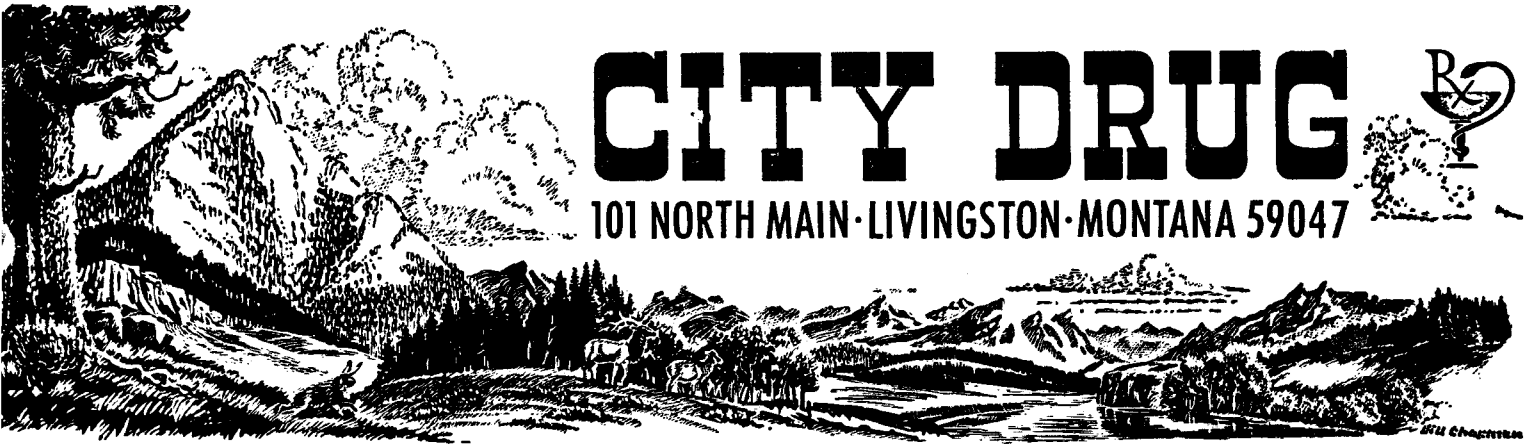
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HELLO MR JOHNSON

I WOULD LIKE TO LEND MY SUPPORT
FOR H.J.R. #31'S APPROVAL. I HAVE
TRUCKS SITTING WITH ALL TAXES AND
LICENSES PAID WANTING WORK, WHEN
I SEE TWO STATE OWNED FREIGHTLINERS
HAULING OUT OF SALT CREEK'S WAREHOUSE
GOING ALL AROUND THE STATE. THESE
TRUCKS ARE TAX EXEMPT, NO MARKINGS
ON THE DOORS, AND ARE BEING PAID
FOR BY OUR TAXES. I HAVE TO
PAY. G.W.U., P.S.C., IRS, UNEMPLOYMENT,
AND ALSO HAVE TO HAVE MY DOORS
MARKED. WE STOP AT ALL SCALES, AND
THEY DON'T. IF THIS ISN'T PREFERRED
TREATMENT I DON'T KNOW WHAT IS.

THANK YOU FOR LISTENING
TO MY VERSION



Tel. 406-222-0750

R. D. Petersen, R. Ph.

Riley Johnson, NFB
9 North Last Chance Gulch
Helena, Montana 59601

Dear Riley:

I am writing concerning HJR31 which addresses government competition with private enterprise and particularly small business. This occurs directly most often in the areas of Veterans benefits and retired military personnel who have access to VA Hospital prescription services and PX stores.

Perhaps more devastating, however, is the growing number of Medicaid recipients. These prescriptions are paid for via a system of fixed fees and Maximum Allowable costs (MAC) which does not take into consideration the escalating fixed costs of doing business or the rising cost of prescription merchandise.

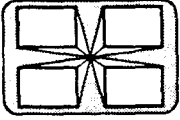
If HJR31 can accomplish anything in the way of relieving these problems, it would ease the burden of government competition from the shoulders of small business.

Sincerely yours,

CITY DRUG

R.D. Petersen, R.Ph.

Prop.



THOMPSON MEDIA PRODUCTIONS

(406) 587-3180

609 West Mendenhall Box 401 Bozeman, Montana 59715

March 5, 1985

Riley Johnson
NFIB
9 Last Chance Gulch
Helena, MT 59601

Dear Mr. Johnson:

SUBJECT: Comments supporting HJR 31

I support the idea of initiating a review to discover those areas of state government services that are duplicated or in direct competition with business in the private sector.

As a Montana businessman-taxpayer, employer, I believe the cost of government needs to be reduced whenever possible. I firmly believe an excellent way to accomplish cost reductions while boosting employment and Montana's tax base is to eliminate unnecessary duplication and competition between state government and private enterprise.

Sincerely,


Richard E. Thompson
Owner
THOMPSON MEDIA PRODUCTIONS

Advertising
Marketing

Graphic Design
Public Relations

Photography
Research

Davidson Kuhr 401 Davidson Building Telephone David S Davidson • John W Armstrong
Architects PC Post Office Box 3064 406 781 2277 William H Kuhr Kenneth R Sievert
Great Falls Montana Gordon W Whirry
59403

DAVIDSON/KUHR

4 March 1985

Mr. Riley Johnson
National Federation of Independent Business
9 North Last Chance Gulch
Helena, Montana 59601

Dear Mr. Johnson:

I am writing in support of House Joint Resolution 31, which would create and fund an interim study commission to study areas where state and local governments are operating in direct competition with the private sector.

Such competition has been prevalent in the architectural and engineering professions for as long as I can remember at federal, state and local levels. Examples in Montana include the Highway Department, Department of Fish, Wildlife and Parks, and to a lesser extent the Department of Administration and local Public Works Departments.

The argument always used is that such services are more economical when performed by in-house agencies. The facts of the matter are that study after study have proven that private sector design services are less expensive when all costs are taken into account.

At a time when governmental deficits are a major problem at all levels, a study such as that proposed by HJR31 could have a noticeable impact on future governmental budgeting requirements.

Sincerely yours,



David S. Davidson

d



REALTORS • 910 Central Avenue, Great Falls, Montana 59401 • [406]761-4520

March 4, 1985

Mr. Riley Johnson
NFIB
9 Last Chance Gulch
Helena, Mt. 59601

re Government competition with private enterprise.

Mr. Johnson:

My son and I have a small business mowing weeds on vacant lots in Great Falls. This came about due to the city's aggressive involvement in an ordinance against noxious weed control, and my involvement in the subdivision of residential lots in the city. Over the past seven years, mainly through word of mouth, we have built up a good clientele which helps with my son's college education.

At first, we would call the city and tell them that we were doing a certain clients mowing; tell them the lot and block and they would leave it alone. Now, they have a full time city employee driving the streets 8 hours per day all summer long looking for lots to mow. As a taxpayer, I pay his wages, pay for his tractor, and mower. Now, if we call in a customer, the city seems to get the job done the next day. When we call them about it, "it was just a coincidence". It seems to take the city all summer to do the parks and other city property, but the revenue producing jobs which they can bill the person on their taxes, they seem to get done before we can get the tractor out to the job.

The city charges about 4 times what we do, but the client can't do anything about it as they have police power in the ordinance, and they are very well aware of it!

Best Regards,

A handwritten signature in dark ink, appearing to read "Don Blumfield", with a stylized flourish at the end.

Don Blumfield

NORCO PRODUCTS[®]

A MILL WOOD SYSTEMS COMPANY

March 5, 1985

Riley Johnson
National Federation of Independent Business
9 North Last Chance Gulch
Helena, Montana 59601

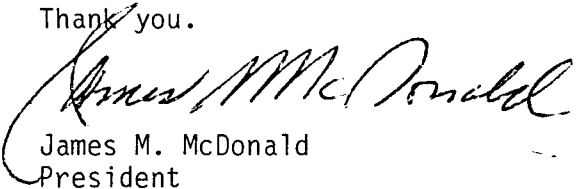
Dear Riley:

Doing business in Montana is very difficult. Ninety-eight percent (98%) of our business is done outside the State. I believe this is due to a preception problem within our own State. State Purchasing, the University System and other Government Agencies find it hard to believe that Montana has these assets. They find it easier to do business outside the State, or create a prison industries program.

This letter is in support of House Joint Resolution #31. I am very concern about the private sectors well being in relation to Prison Industries or any other public sector enity that eats tax payers dollars at the expense of the private sector and the taxpayers.

The bureaucrats believe that sponsoring a prison industry program will help lower costs. This is not true, because for every 100 basic industry jobs lost to Prison Industries we lose another 67 jobs in the services and retail sector. We cannot afford this kind of competition. Let us work together, getting Montana the public sector out of the private sector and support more Montana business.

Thank you.



James M. McDonald
President

JMM/ds

INSURANCE
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TELEPHON
245-6224

BIDLAKE AGENCY, Inc.

145 GRAND AVENUE

P. O. BOX 1172

BILLINGS, MONTANA 59103

3-05-85

Mr. Riley Johnson
N.F.I.B.
9 North Last Chance Gulch
Helena, MT. 59601

Dear Riley,

We are writing in regard to House Joint Resolution 31, which would provide for an interim committee to study the areas and degree to which state and federal government competes with private enterprise.

We wish it to be known that we lend our full support to this joint resolution.

Sincerely,

BIDLAKE AGENCY, INC.



Rita Bidlake Anderson
President



John J. Bidlake
Vice-President



Douglas L Bidlake
Sec.-Tres.

jj

VISITOR'S REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL Senate Bill 95

DATE March 7, 1985

SPONSOR Senator Lynch

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL Senate Bill 17

DATE March 7, 1985

SPONSOR Senator Goodover

[illegible]

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HOUSE BUSINESS AND LABOR

COMMITTEE

BILL Senate Bill 139

DATE March 7, 1985

SPONSOR Senator Thayer

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL House Joint Resolution 31

DATE March 7, 1985

SPONSOR Representative Jan Brown

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.