

MINUTES OF THE MEETING  
BUSINESS AND LABOR COMMITTEE  
50TH LEGISLATIVE SESSION

March 11, 1987

The meeting of the Business and Labor Committee was called to order by Chairman Les Kitselman on March 11, 1987 at 8:00 a.m. in Room 312-F of the State Capitol.

ROLL CALL: All members were present.

SENATE BILL NO. 34 - Exempt Salaried Officers, Owners, and Directors From Unemployment Insurance, sponsored by Senator Ethel Harding, Senate District No. 25, Polson. Senator Harding stated this bill exempts certain salaried officers, directors of corporations and salaried owners and officers of partnerships, associations, and sole proprietorships from the unemployment insurance law. She stated this bill was originally intended to help small business, and it has been amended in the Senate to include corporate officers. Sen. Harding stated current law allows corporate officers to opt out or reject workers' compensation and receive benefits if they are injured, while at the same time they have to pay into the unemployment fund and can not draw from that fund because they are considered self-employed. She then addressed the amendments in the bill and the intention to affect only small, closely-held corporations.

PROPOSERS

Tim Bartz, from Anderson and ZurMuehlen CPA's, Helena. Mr. Bartz stated this bill is positive for small closely-held business, and a form of insurance and should be an elective proposition. He said the users of the insurance should be the ones that pay for it. He commented that this bill returns the insurance fund to a user-based system and brings parity into this area for businesses.

The following representatives wanted to be listed as proponents:

Rep. Ray Brandewie, House District No. 49, Bigfork

Rep. Clyde Smith, House District No. 5, Kalispell

Rep. Norm Wallin, House District No. 78, Bozeman

Rep. Larry Grinde, House District No. 30, Lewistown

Rep. Tom Jones, House District No. 4, Kalispell

OPPONENTS

None.

QUESTIONS

Rep. Driscoll asked Chuck Hunter, Department of Labor and Industry, what effect the Federal Unemployment Insurance Tax has on these people. Mr. Hunter responded that individuals opting out of the state program would have to participate in the federal unemployment tax at a much higher rate.

Rep. Driscoll asked if, in addition to the federal tax, a closely-held corporation had 4 people working and each qualified because they owned more than 10% of the stock, and had 10 workers who were seasonal workers, wouldn't that drive up the rate for that individual company because less money was going into the fund from that company. Mr. Hunter responded that was correct.

Rep. Brandewie asked if the federal government would charge a FUTA tax if a person is specifically prohibited by law from drawing unemployment from the state of Montana. Mr. Hunter responded that they do.

CLOSING

Senator Harding stated employers pay FUDA (federal tax) on the employees, and do not pay a higher rate or a rate on the directors, because it comes out across the employees. She said this was fair legislation for the small businesses in Montana who are paying into this fund but unable to draw from it as a resource.

Rep. Brandewie will sponsor the bill in the House.

SENATE BILL 99 - Require Dealer, Wholesale Seller to Disclose Gemstone Treatment, sponsored by Senator Jack Galt, Senate District No. 16, Martinsdale. Sen. Jack Galt stated this bill would require disclosure of sapphire treatment by a dealer and a wholesale seller, and to provide for civil cause of action against the same for failure to disclose sapphire treatment.

PROPONENTS

Ward Shanahan, Helena lawyer representing Ron Kunisaki, owner of the yogo sapphire mine at Lewistown. Mr. Shanahan stated this is actually a truth in advertising law to protect the producer and the consumer. He submitted written testimony. Exhibit No. 1.

Lanny Perry, representing Vortex Mining. Mr. Perry stated that he wanted the bill to be amended to address gemstones instead of sapphires because there have been cases of irradiated topaz coming out of South America with toxic levels. He stated other stones that are being treated are amber, beryl, emeralds, coral, corundum ruby, corundum sapphires, lapis lazurite, opal, pearls, quartz citrine, tanzanite, topaz, tourmaline, turquoise, and zircon.

#### OPPONENTS

Jim Adair, Jewelry Store owner, stated the only beneficiary of the legislation will be the people who have a vested interest in yogo sapphire mining. He stated this is not a consumer protection piece of legislation. He added there is no scientific test that will determine the treatment of a sapphire and the professional jeweler will be penalized by this legislation because there is no time limitation in the legislation and the inability to determine treatment of stones to guarantee their status.

Don Johnson, Johnson Jewelry, Helena, said he owns and operates the only heat treatment plant in Montana and treats Montana as well as foreign stones. He said he is also a retail jeweler and sees the same problems addressed by Mr. Adair. He stated heat treatment of a stone is not detectable 100% of the time. He stated certain portions of all Montana stones have been heat treated at one time or another to enhance or alter their value. He urged opposition of this legislation.

#### QUESTIONS

Rep. Grinde asked Mr. Adair if the quality of a yogo sapphire could be gotten from other mines. Mr. Adair responded that you could.

Rep. Grinde asked if other stones are being sold in the state from other mines that are being sold as yogo sapphires. Mr. Adair responded that he did not know, but a yogo has to be from a yogo mine and is stated as such at the point of sale.

#### CLOSING

Sen. Galt stated that if the heat treatment is so undetectable as the jewelers say, he suggests that it is even more important to identify it, or require guarantees concerning it. He said it is important to detect treatment of sapphires as well as their authenticity.

SENATE BILL NO. 364 - Allow Sale of Beer in Grandstand of Fairground or Public Sports Arena, sponsored by Senator Richard Manning, Senate District No. 18, Great Falls.

Senator Manning stated this bill would allow holders of special permits or catering endorsements to sell beer in the grandstand and bleacher area of a county fairground or public sports arena. He stated at the present time you can buy beer and take it into the grandstand area, and this legislation would allow the vendors to bring the beer to the customers.

PROPOSERS

Lonne Chatwood, representing MetraPark submitted written testimony. Exhibit No. 2.

OPPOSERS

None.

QUESTIONS

Rep. Thomas asked Senator Manning if the fair could prohibit the sale of beer if this allows them to sell it. Senator Manning responded they wouldn't have a catering license if the fair wouldn't allow them to have one.

Rep. Brandewie asked if fairs were considered as family entertainment, why does selling alcohol have to be introduced into this situation. Mr. Chatwood responded that it is available now, and the vending in the stands would make a difference.

CLOSING

Sen. Manning read a letter from Bill Chiesa, Billings, stating the purpose of the legislation was to generate more revenue which would result in less tax support for local fairs in the state.

Rep. Glaser will sponsor the legislation in the house.

EXECUTIVE ACTION

ACTION ON SENATE BILL NO. 364

Rep. Brandewie moved that Senate Bill No. 364 BE CONCURRED IN. The motion carried with Rep. Hansen, Rep. Wallin, and Rep. Brown opposed.

SENATE BILL 237 - Exclude Radio and Television Advertising Salesmen From Overtime Compensation, sponsored by Rep. Paul Boylan, Senate District No. 39, Bozeman. Senator Boylan stated this bill would exclude radio and television station advertising salesmen from the overtime compensation provisions of the state wage laws.

PROPONENTS

Jerry Loendorf, representing Montana Broadcasters Association. Mr. Loendorf stated that wage regulation laws have excluded outside salesmen from their scope. He said the salesman works away from his employer's place of business and does not work under direct supervision, and to a large extent is in business for himself, and in that respect he arranges his own contacts, and is paid on a commission basis. He commented that a salesman can sell at any time, and it would be difficult to limit working hours.

Bob Foster, KCAP/KZMT Radio, Helena. Mr. Foster stated he would be inhibited to work without this bill. He said he enjoys the flexibility and the freedom to set his time, and the markets could not afford to pay overtime for the amount of hours they work.

OPPONENTS

None.

QUESTIONS

None.

CLOSING

Senator Boylan made no further comments.

EXECUTIVE ACTION

ACTION ON SENATE BILL NO. 237

Rep. Brandewie moved that Senate Bill No. 237 BE CONCURRED IN.

Rep. Simon moved to amend the bill to include all media salesmen, change the title to "advertising media" and include a coordination clause. The motion failed with a tie vote.

Rep. Brandewie moved SB 237 BE CONCURRED IN. The motion carried with Rep. Driscoll and Rep. Nisbet opposed.

SENATE BILL 103 - Clarifies Method for Payment of the Standard Prevailing Rate of Wages, sponsored by Senator Tom Hager, Senate District No. 48, Billings. Senator Hager stated this bill would revise the method of payment of the standard prevailing rate of wages when an employer is not a party to a collective bargaining agreement, and eliminates the requirement to pay fringe benefits as wages. He stated

this does not change the prevailing wage rate of the Davis-Bacon Act wages.

#### PROPONENTS

Lloyd Lockrem, representing Montana Contractors Association. Mr. Lockrem presented the state prevailing wage rates and explained that this legislation would allow employers to buy pension and health insurance for their employees but only at those amounts as specified on the line by line basis. He stated there had been suggestions that an amendment be placed on the bill which would allow an election of the employees concerning fringes paid as benefits or wages. He stated they oppose these amendments because (1) the legislation is making these rules consistent with the federal Davis Bacon Act and (2) there is no bargaining on fringe benefits between an employer and an employee group. The state has unilaterally imposed the \$3.15 upon the employer for fringe benefits for his employees. He submitted information on the prevailing wage rates in Montana. Exhibit No. 3.

Marvin Leeman, contractor, Great Falls. Mr. Leeman stated they pay benefits out as wages, but his employees requested the benefits be paid into a trust on their behalf for insurance and a retirement plan. He said he was unaware that this could not be done until another contractor was audited and it was found that this was not an allowable practice. He stated this also places his company at a competitive disadvantage under the current law because they pay 35% to 40% additional taxes on the benefits paid directly to the employee, about \$1.05 per hour per man. He stated this legislation would provide medical retirement plans for the employees and place his company in line with competitive bidding on projects.

Tim Ecklund, National Western Life representative, described the trust accounts available to builders and contractors for themselves and their employees through their company. Exhibit No. 4.

Michael Hutton, Insurance Exchange, Billings. Mr. Hutton stated that the benefits to employers and employees to be able to establish trust accounts for insurance, retirement, or other purposes is important. He said it is a fairness issue, and the the Insurance Commissioner's Office enforces the legality and the financial strength of the companies. He said this bill is good for the economy and for the workers, as they need protection, pension plans, health insurance and disability.

John Felton, Felton Construction Company. Mr. Felton stated they have their own plan, and the way it now stands they

have to pay twice. He said that is the problem with the Davis-Bacon as it is set up.

#### OPPONENTS

Gene Fenderson, representing Montana State Building Construction Trades Council, and Labors Local 254. Mr. Fenderson stated this legislation cannot be dealt with lightly because it deals with people's lives and millions of dollars. He said the international labor union has a plan offered by National Western Life which tells them that it takes them almost one-third more to run programs that are not as good as theirs. He said the kinds of plans they are talking about are plans that are being put forward by National Western Life from Austin Texas, a company that is an international union with over 600,000 members now has six violations of ARISA statutes and rights in regard to trust assets. He submitted a flier distributed a month ago in the state to show employers how to save tax dollars. Exhibit No. 4.

He said the fiscal note states the Department of Labor approves those plans, but in the bill it states it is not the Department of Labor that will be approving but the federal government. He stated employers can only pay into this plan if they are performing Davis-Bacon work. He pointed out trust agreements unions have with employers call for the payment of pension, health and welfare, and vacations funds on all hours worked, whether in the private sector or the public sector. He submitted the cost of auditing and monitoring employers for compliance with the trust accounts and questioned the fiscal note attached with the legislation as well as who would be responsible for monitoring compliance with the legislation. Exhibit No. 5.

He submitted a copy from the Spokane Sunday, July 20, 1986 edition describing a contractor who supposedly provided benefits from a fund established with National Western Life. He said the funds were withheld but never deposited. He noted the public entity would have been responsible for the deficit if the bond had not covered this shortfall. Exhibit No. 6.

Bob Kinghorn, representing Operating Engineers and the Teamsters Union. Mr. Kinghorn submitted written testimony. Exhibit No. 7.

#### QUESTIONS

Rep. Driscoll asked if there was a penalty for early withdrawal from the plan. Mr. Ecklund responded there is a penalty for early withdrawal; the upfront penalty after 2 years without any contributions, if a worker stays with the

same contractor, or 6 months of nonemployment he can draw out his money, and is assessed an 18% early withdrawal penalty on the first year's contribution and a 3% penalty on the second to the fifth year.

Rep. Driscoll asked if the 18% is then divided among the other participants in the plan. Mr. Ecklund responded that it was a singular penalty assessed to that individual contract, and the company gets the 18%.

Rep. Driscoll asked if the employer signs up in the health insurance plan and pays the hours worked but he does not pay for it, is the employee covered. Mr. Ecklund said the employee was not covered. Rep. Driscoll said under the union plans if the employee proves he has worked, they provide them with the health insurance. Mr. Lockrem responded that the employee is protected under the Montana Little Davis Bacon Act, and that the Department of Labor provides for that under section 18-2-407.

Rep. Wallin asked if under a union contract, the union worker does not have any say as to whether the money is paid in cash and goes directly to the union insurance fund. Mr. Lockrem responded that Montana law without Senate Bill No. 103 states that predetermined fringe benefits have to be paid in wages. He said if the employer were to provide health insurance for his workers, he would still have to pay the fringes in cash and out of his own pocket provide the health insurance, so from a practical purpose they are not providing the coverage.

Rep. Bachini asked what would happen if the Little Davis Bacon Act is repealed. Mr. Lockrem responded that the only bill that is still alive is SB 10, and that bill only applies to the local governments, city, county, and school districts, and in that case, there would not be any predetermined fringe benefits, but Senate Bill 103 would still be applicable to state work.

#### CLOSING

Senator Hager stated that the "paid irrevocably" on line 1, page 2, means that the employer who puts the money into that fund cannot get any money from that fund.

SENATE BILL 213 - Regulating the Offering and Sale of Timeshares, sponsored by Senator Joseph Mazurek, Senate District No. 23, Helena. Senator Mazurek stated that this bill was at the request of the Board of Realty Regulation. He said the bill would regulate the offering and sale of timeshares, would provide for registration of offerings and licensure of salespeople, and provide remedies and penalties



for violations. He noted there is no current regulation of this industry in the state.

#### PROPOSERS

John Dudis, attorney, and chairman of Board of Realty, Kalispell. Mr. Dudis stated the Department of Commerce has had many complaints on the timeshare industry, and they felt that the industry needed regulation. He said this bill has been approved by the industry also.

Robert Holding, representing Montana Association of Realtors. Mr. Holding stated this bill was needed, submitted an amendment to clarify the legislation. Exhibit No. 9.

John Tripp, Double Arrow Ranch, Seeley Lake. Mr. Tripp stated this industry is regulated in virtually every state that has resort activity, and it should be regulated in Montana.

#### OPPOSERS

None.

#### QUESTIONS

Rep. Thomas asked what the problems were in the timeshare industry that resulted in the complaints. Mr. Dudis responded the majority of timeshare complaints dealt with individuals not receiving what they thought they would as prizes. He stated they are also asking for a three (3) day rider provision to allow buyers a chance to get out of the contract if they so choose. Mr. Doodis further stated this legislation would register the units and the salesmen who are selling the contracts.

Chairman Kitselman referred this bill into a subcommittee consisting of Rep. Brandewie, Rep. Hansen, and Rep. Bachini, with Rep. Brandewie as chairman.

#### CLOSING

Senator Mazurek stated the timeshares are like having securities, stocks and bonds and other things sold as investments, which need jurisdiction. He said he had no objections with the amendments to the legislation as long as there will be no potential for abuse.

#### EXECUTIVE ACTION

##### ACTION ON SENATE BILL 34

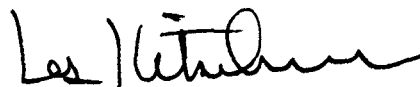
Rep. Jones made a motion that SB 34 BE CONCURRED IN.

Rep. Driscoll stated the Unemployment Insurance Act is a federal act which the states can take over if they comply with federal regulations. He stated if this bill passes it will raise the unemployment insurance taxes on every employer who is not a deficit employer. He stated they will be required to pay 6.2% on the first \$7,000 to the federal government, or \$434.00 for each person, instead of paying into the state. Rep. Driscoll said if they are a nondeficit employer at the 2.7% rate they presently pay \$393.50 on themselves; while at the highest nondeficit rate of 3.2% they pay \$456.00. He added the deficit employer, the one paying 6% to 6.5%, will save money. Rep. Driscoll explained the same scenario that the Workers' Compensation Fund has will result from taking money from it, and soon it will be insolvent or the trust fund level will be reduced which will trigger all employers into a higher schedule of taxes to cover the fund while sending money to the federal government instead of the state. He added this legislation would drain the trust fund and trigger an increase to the contributions for every employer.

Rep. Thomas moved that Senate Bill No. 34 BE TABLED. The motion carried.

ADJOURNED

The meeting was adjourned at 11:15 a.m.



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REP. LES KITSELMAN, Chairman

DAILY ROLL CALL

BUSINESS & LABOR

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date MARCH 11, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	✓		
REP. FRED THOMAS, VICE-CHAIRMAN	✓		
REP. BOB BACHINI	✓		
REP. RAY BRANDEWIE	✓		
REP. JAN BROWN	✓		
REP. BEN COHEN	✓		
REP. JERRY DRISCOLL	✓		
REP. WILLIAM GLASER	✓		
REP. LARRY GRINDE	✓		
REP. STELLA JEAN HANSEN	✓		
REP. TOM JONES	✓		
REP. LLOYD MCCORMICK	✓		
REP. GERALD NISBET	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CLYDE SMITH	✓		
REP. CHARLES SWYSGOOD	✓		
REP. NORM WALLIN	✓		

# STANDING COMMITTEE REPORT

MARCH 11

19 87

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report SENATE BILL NO. 237

do pass  
 do not pass

be concurred in  
 be not concurred in

as amended  
 statement of intent attached

REP. LES KITSELMAN

Chairman

Rep. Ray Brandewie to sponsor

*JMS*

**THIRD**

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color

# STANDING COMMITTEE REPORT

MARCH 11

19 87

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report SENATE BILL NO. 364

do pass  
 do not pass

be concurred in  
 be not concurred in

as amended  
 statement of intent attached

REP. LES KITSELMAN

Chairman

*MS* Rep. William Glaser to sponsor

THIRD

BLUE

reading copy ( \_\_\_\_\_ )  
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EXHIBIT 1  
DATE 3/11/87  
HB SB99

House Business and Labor Committee

NAME Ward A. Shanahan BILL NO. SB99

ADDRESS 301 First National Bank (442-8560) DATE 3/11/87

WHOM DO YOU REPRESENT Attorney--Roncor, Inc. (Owner Yogo Sapphire Mine)

SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

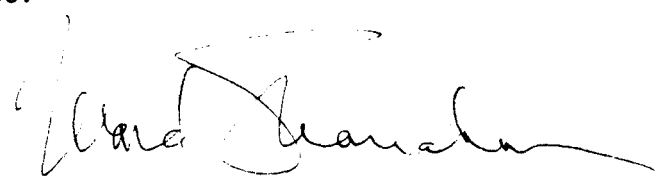
Comments:

Mr. Chairman and Members of the Committee:

For the record, my name is Ward Shanahan. I am a Helena attorney, and I am appearing at the request of Mr. Ron Kunisaki, President of Roncor, Inc., the owner of the Yogo Sapphire Mine near Lewistown, in support of SB99.

I am submitting to you the prepared testimony of Mr. Kunisaki and will try to answer any questions you may have. If I cannot answer these questions directly, I will try to get the information for you.

You may reach me at the above address.



T E S T I M O N Y   O F

RONALD H. KUNISAKI, PRESIDENT

RONCOR, INC.  
2056 S. BARRINGTON AVENUE  
LOS ANGELES, CA 90025

March 11, 1987

RE: SENATE BILL NO. 99

Roncor (formerly Sapphire International Corporation) is the current owner of the Yogo Sapphire Mine located near Utica, Montana.

THE PROBLEM

Almost everyone in the gem/jewelry industry now admits that there are serious abuses of ethical sales practices within the gem/jewelry marketplace. In fact, even the jewelry trade press documents and admits these abuses. For example:

THE NATIONAL JEWELER surveyed jewelers on the subject of gem treatment and reported that the Federal Trade Commission's (FTC) Rules requiring disclosure of treatment of colored gems have been widely ignored since 1957.

THE GOLDSMITH in an article on gem treatment notes "Of course, it's no secret that the industry does not follow this (FTC) rule...Some don't disclose because they don't want to, but many others simply don't know which of the stones they sell are treated despite the fact that almost every commercial stone sold today has been treated in some way."

AMERICAN GEM TRADE ASSOCIATION'S President is quoted in The National Jeweler as follows: " Since 1957, we have been under obligation to disclose treatments as outlined in the FTC Guidelines going back to that period...No one did it. It's not that we didn't want to disclose, it's that we didn't know how to go about it."

The above abuses and problems can be more specifically explained and understood as follows:

1. NATURAL GEMSTONES COMMAND THEIR HIGH VALUE PRIMARILY DUE TO THEIR RARITY

Natural gemstones command and maintain a high relative value primarily due to their rarity.

The scarcity of deposits of natural gem-quality gemstones has created the demand for technology to take relatively worthless non-gem quality material and make it appear dangerously equivalent to natural/rare gemstones.

There are three categories of gemstones today, i.e.

- a. Entirely natural, and therefore rare.
- b. Artificially treated/enhanced stones.
- c. Synthetically manufactured stones that appear equivalent to natural gemstones.

However, due to the consumer's ignorance and the jewelry industry's failure to disclose treatment and educate the consumer, the typical consumer is unaware of Category b, i.e. artificially treated/enhanced stones.

The result is that consumers are buying artificially treated gemstones under the false assumption that they are natural and rare. Furthermore, the price structure of treated gemstones is based largely upon this false assumption.

Unwary consumers are often purchasing treated gemstones at natural/rare gemstone prices. One can now begin to understand the lack of incentive for the gem/jewelry industry to educate the public.

2. GEMS/JEWELRY ARE UNIQUE, QUALITATIVE AND SUBJECTIVE IN NATURE; AND, THEREFORE DO NOT READILY PERMIT OBJECTIVE MEASUREMENTS, LABELING AND PRICE COMPARISON

The value of gems/jewelry is extremely qualitative and subjective in nature. Each gemstone and piece of jewelry is one-of-a-kind, much like paintings.

In fact, much like an artist's painting, gems/jewelry do not often lend themselves to objective/quantitative measurements, labeling and price comparisons. Moreover, the value of these unique products is often in the eye of the beholder, rather than a rigid price structure.



For example, depending upon qualitative differences, a 1 carat sapphire can range in price from \$15 to \$2,000.

The consumer finds it difficult to compare the prices of various merchants since very rarely do two merchants have the exact same gem/jewelry merchandise.

As such, the consumer protection provided by price competition does not often apply in the gem/jewelry industry.

3. HIGH LEVEL OF DEPENDENCE AND TRUST OF THE GEM/JEWELRY CONSUMER ON THE AFFIRMATIVE HONESTY AND DISCLOSURE OF THE GEM/JEWELRY MERCHANT

In light of the following factors, gem/jewelry consumers are placed in a position of inordinate dependence upon the affirmative honesty of the gem/jewelry merchant to fully and honestly disclose the full nature of the gem/jewelry being purchased:

- a. Precise technology readily available today to make synthetic and artificially treated gemstones appear natural to the untrained consumer.
- b. The unique nature of gems/jewelry does not permit consumers to price shop/compare, and therefore does not permit the competitive market forces to protect the consumer.
- c. The subjective/qualitative nature of the value of gems/jewelry often results in the value being left to the eyes of the beholder. As such, tremendous price differences in the marketplace can exist for equivalent gems/jewelry.
- d. Small differences in the quality of a gemstone (that typical consumers have a difficult time seeing and appreciating), can result in substantial price differences. For example, an inclusion-free gemstone is often worth 2-3 times more than a gemstone with a few slight inclusions. Often such inclusions are only visible under magnified vision and/or disclosure by the merchant.
- e. Gem/jewelry buying is extremely complex/technical. Typical consumers do not know the right and necessary questions to ask the gem/jewelry merchant.

Despite this inordinate degree of trust, the gem/jewelry industry remains one of the few U.S. industries not required to affirmatively and fully disclose the precise nature of the product being sold. Instead, the gem/jewelry industry has placed the burden on the consumer to ask all the right questions (knowing all along that the typical consumer knows too little to ask the necessary questions to make an informed decision).

4. SOPHISTICATED GEM TREATMENT TECHNOLOGY PERMIT TAKING RELATIVELY WORTHLESS GEM MATERIAL AND MAKING IT APPEAR DANGEROUSLY EQUIVALENT TO NATURAL/RARE GEMSTONES

Sophisticated technology has allowed man to take relatively worthless gem material and turn it into stones that are dangerously close in appearance to the natural/rare gemstones.

Whitish corundum, referred to as 'gueda', can be heat treated to blue sapphires. This process has been perfected in Sri Lanka, Thailand and Australia. A good example of the treatment of geudas was covered in an article about the "Idaho Geuda" in the February 1987 Lapidary Journal issue. (See attached copy.)

5. GEM TREATMENT CREATES THE TANTALIZING OPPORTUNITY FOR THE GEM/JEWELRY DEALER TO TURN THE PERCEPTION OF RARITY/HIGH VALUE TO A DECEPTION OF RARITY/HIGH VALUE

Gem/jewelry dealers/merchants are unable to sell treated gemstones to the informed purchaser for the same premium price of natural/rare gemstones.

Roncor has no objections to the treatment of stones in and of itself. Roncor's objections focus on unethical marketing of treated stones.

As long as treatment is disclosed and the price is reflective of such, the consumer is not harmed.

However, when treatment is not disclosed and the consumer purchases the merchandise at a price based upon the false assumption that the gemstones are natural, and therefore rare, the consumer is harmed.

Despite the FTC Rules of 1957, the gem/jewelry industry has knowingly let the unwary consumer believe he/she is purchasing a natural/rare gemstone when the gem/jewelry industry knows such is not the case with almost every gemstone on the market today.

Inshort, due to the lack of legal affirmative duty on the gem/jewelry industry to disclose gem treatment, the consumer (who is typically unaware / uninformed) is often deceived into paying the high premium price of natural/rare gemstones for lower quality/artificially treated stones.

Gem treatment has become so sophisticated that often only experts can detect the treatment. Knowing this, the dishonest gem / jewelry merchant cannot resist the tantalizing opportunity created thereby to sell treated stones as natural/rare gemstones.

These dishonest jewelers prey on the consumer's ignorance and trust to make unfair profits by turning the PERCEPTION of a natural/rare gemstone into a DECEPTION of a natural/rare stone.

6. GEM TREATMENT IS A WIDESPREAD PRACTICE, BUT A VERY WELL KEPT SECRET WITHIN THE GEM/JEWELRY INDUSTRY

Gem treatment is not a small and isolated occurrence. Most colored gemstones on the market today have been treated by means of heat, dyes, oils, radiation, lasering and other processes.

Gem experts have estimated that at least 95% of the sapphires and rubies on the market today have been heat treated; yet, despite this widespread gem treatment practice, very few consumers are aware of gem treatment.

The consumers ignorance of heat treatment and the lack of educational efforts by jewelry consumer groups, makes it unfair and unrealistic to place the burden upon the consumer to ask about gem treatment (as the gem/jewelry industry desires for obvious reasons).

Roncor is not accusing the entire gem/jewelry industry of being dishonest. Rather, Roncor believes it is time to place a more affirmative duty upon gem/jewelry industry to disclose treatment in light of the pervasive practice of gem treatment.

Legislation like SB 99 is required to protect the consumer against those dishonest gem/jewelry merchants who cannot resist the opportunity to sell treated stones as natural/rare gemstones.

7. FAILURE OF FTC AND JEWELRY INDUSTRY TO ENFORCE RULES TO DISCLOSE TREATMENT AND/OR EDUCATE THE PUBLIC

The failure of the FTC to enforce its rules and the failure of the jewelry industry to self-police itself, has resulted in consumers being deceived.

Once again, this is not to say that most gem/jewelry merchants are dishonest. However, any time an unchecked opportunity for deception is created, there will be some who are dishonest.

In fact, many of the supporters of gem treatment disclosure legislation (See Attached Pennsylvania Testimony) are the honest gem/jewelry merchants who cannot compete with the dishonest merchants who deceive the consumer with low prices for low quality/treated merchandise that are sold as high quality/natural/rare merchandise.

8. STATE LEGISLATION LONG OVERDUE AND NECESSARY

In light of the pervasive nature of the problems, high degree of gem/jewelry consumer vulnerability and the lack of other enforced-protection, State legislation is long overdue and necessary.

The consumer has a right to know the full nature of what he/she is purchasing. Moreover, the gem/jewelry merchant has an affirmative duty to disclose to the typically unwary consumer that most gemstones, and perhaps the gemstone being purchased, has been artificially treated.

Unless SB 99 is passed, there is no other feasible way that the Montana consumer will be educated about gem treatment. SB 99 is necessary to PROTECT and EDUCATE the consumer when nobody or nothing else will do so.

9. RELUCTANCE OF JEWELRY INDUSTRY

In the past, the gem/jewelry industry has opposed legislation requiring gem treatment disclosure on the following basis:

- a. Don't Know How To Disclose - Disclosure can be simply accomplished as specified in Section 2 a, b and c of SB 99.

- L. Don't Know Which Stones Are Treated - Opponents of legislation like SB 99 have argued that treatment is difficult to detect and would therefore place an unfair and unrealistic burden on the gem/jewelry merchant.

Since it is widely accepted that over 95% of all sapphires on the market today have been treated, it is safe and fair to assume that the sapphire being sold is treated, unless the gem/jewelry merchant can prove otherwise.

At the very least, since the practice of gem treatment is so pervasive, the consumer should be made aware of this fact to insure against a treated stone being sold as a natural/untreated gemstone.

Currently, the burden of asking about gem treatment is unrealistically on the uninformed consumer.

SB 99 places the burden of proving the exception (i.e. the gemstone is natural/untreated) on the gem/jewelry merchant/dealer.

The honest gem/jewelry merchant can protect himself by requiring the gem/jewelry dealer to warranty natural gemstones, and by disclosing to the consumer (as specified in Section 2c of SB 99) that the merchandise being sold is natural, treated or unknown.

- c. Disclosure Is Required, But Give Us Time - There is no justifiable reason to delay enactment and application of SB 99.

Compliance with SB 99 is very simple. Warranty documentation that a gemstone is natural is simple. Signs disclosing the pervasive nature of sapphire treatment are simple to get and display. Labeling on sales receipts about gem treatment are equally simple to get.

The gem/jewelry industry has been on notice for over 20 years. Nothing will change by delaying SB 99. Delays will only mean consumers will continue to be harmed and cheated.

THE SOLUTION

To protect the public from the DECEPTIVE sales practices that were occurring, as a result of gem treatment, the Federal Trade Commission issued Rules in 1937 that required full disclosure of gem treatment. Unfortunately, these Rules have never been enforced to truly protect the consumer.

The gem/jewelry industry has likewise failed to act to adequately protect the typically unwary consumer.

To protect the honest jewelers and the unwary consumers, it is my hope and recommendation that Montana enact as soon as possible a bill similar to Senate Bill No. 99 that requires disclosure of any and all treatment of any and all gemstones.

SB 99 would place an affirmative duty on the gem/jewelry industry to inform the consumer of gem treatment so that the consumer can protect himself/herself. After all, natural/untreated gemstones have become the exception in the gem/jewelry industry to the artificially treated/enhanced stone. The burden should therefore be on the gem/jewelry merchant/dealer to prove a gemstone is natural/untreated, and therefore justifies a higher price.

-----  
"HONEST JEWELERS, BY FAR THE MAJORITY, HAVE SAT BY  
MUM WHILE DISHONEST AND/OR UNETHICAL COLLEAGUES  
HAVE ABUSED CONSUMERS. DECEITFUL ADS HAVE NOT BEEN  
CHALLENGED."

Editor of Jewelry Circular Keystone  
-----

I thank you for your consideration of my testimony.

Respectfully Submitted By:

  
Ronald H. Kunisaki

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## GEMSTONES



Single Idaho geuda cut in half. The half on the left was not treated while the piece on the right was heated to an attractive blue.



Often during heating, several geudas will become "glued" together. One crystal here turned blue and became attached to another that retained its original milky color. Different chromophore impurities that react differently to heat-treatment parameters, such as time and temperature, account for the different reactions to the heating process.

# IDAHO GEUDA

A preliminary study and the first report of a newly discovered Idaho deposit of whitish corundum that has been successfully heat treated to blue sapphire.

BY TED THEMELIS

Photos by Ted Themelis, specimens courtesy Craig Graber

Up to this writing, no sufficient data have been documented by the United States Geological Survey nor has any detailed mining survey been undertaken of a "geuda" or whitish corundum deposit found in the summer of 1982 in the wilderness of central-east Idaho.

The mining site is called Floodwood Blue and is located in Clearwater County, about 45 miles east of the town of Clarkia. The area is referred to generally as the Floodwood Drainage, near the Goat Mountains. The approximate location is given as 115°W longitude and 47°N latitude. The currently geuda-bearing deposit(s) is located roughly on 600 acres of private land at an elevation of 7100 feet in a heavily wooded area. Access by car to the site was not possible till the summer of 1985, when a reasonably good road was constructed.

The vast majority of the Floodwood Blue corundum material is opaque, heavily included, highly unattractive, nearly worthless sapphire, unsuitable for jewelry. But if these geudas (the Sinhalese term for their very distant but also worthless cousin corundums) are heat-treated,

color metamorphosis takes place: the whitish color is transformed to a deep blue color that appears desirable and marketable if it is cut en cabochon.

Approximately 100 rough natural crystal geuda fragments were examined for this study. About 20 speci-

mens of the lot were successfully heat-treated to blue coloration. The preliminary results follow in this report.

### Little History

Since this is truly a new discovery, there is no history to cover with



The complete story on Idaho Floodwood Blue geuda —

Row 1: Natural untreated rough Idaho corundum crystals. Note some greenish and very light blue translucent to nearly opaque, suitable for heat treatment.

Row 2: Natural untreated rough opaque crystals, probably not suitable for heat treatment.

Row 3: Natural particolored "ottu" geudas, suitable for heat treatment.

Row 4: Geudas that have been heat treated under strong reducing conditions, producing heavily saturated blue shades. Some crystals are "glued" together, indicating that high temperature was used.

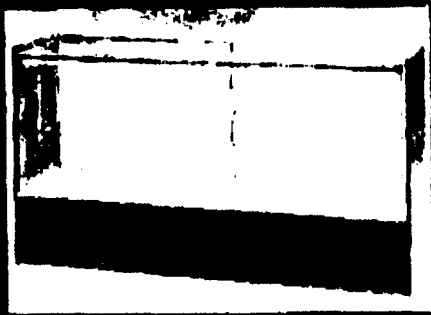
Row 5: Geudas heated to medium blue.

Row 6: Geudas heated to light blue.

Row 7: Some tabular, hexagonal shaped geudas right after heat treatment.



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## GEMSTONES

respect to geuda mining. However, the area has been mined for other materials.

Around the turn of the century, heavy gold mining and prospecting activities took place in the general area, centered around the then-booming town of Clarkia, whose surrounding areas at one point reached a population of over 30,000. No mention of sapphire was made.

Rumors of sapphire-bearing deposits have lately been confirmed by Delmar Brown, a geologist who has studied the sapphires of Yogo Gulch, Montana, via personal communication, but no specimens have actually been seen.

As a postscript, today, the town of Clarkia consists of 25 to 30 souls, one gas station, and three bars.

### Occurrence

Crystals are found mostly as fragments with pronounced hexagonal pyramidal habit and weigh up to two grams. Very rarely do they exhibit distorted bipyramidal formation. Other crystals occur simply as loose fragments and weigh up to four or five grams. The typical size is about 1 to 1-1/2 grams. Some interesting corundum specimens (up to 20mm long) were embedded in the matrix, which consists of muscovite mica, feldspar, and many other minute, nearly colorless geuda crystals that can be mistaken for quartz. Many transparent to translucent geudas up to 0.5 carats in size have been found. Well developed cubical corundum crystals are quite rare from the Floodwood Blue locality.

### Geology

Although the area has not been fully surveyed, neither explored, it is believed that there are several types of occurrences present in the general area. The following important and confirmed locations are described within the 600-acre area.

*Pegmatite dike:* The corundums found sporadically in this site are of pegmatitic origin. The pegmatite dike is very narrow, about 12-18 inches, and runs 15-20 feet deep (unconfirmed) branching out into the nearby mountain, in an unknown path and formation. Small orange-brown dravite tourmalines, quite often transparent and resembling Sri Lankan dravites, have been

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Jade B.C., fine chrome green	1 lb	\$20.00
Star Garnets, large	1 lb	\$10.00
Aquamarine Maine U.S. cabulstone	1 lb	\$10.00
Star Quartz, fine gem, large	1 oz	\$ 5.00
Jade, green, large	1 lb	\$15.00
Amethyst, Siberian, deep violet red, large facet	1 oz	\$28.35
semi-lacet, clean to mostly clean	1 oz	\$19.00
Opal, Nevada, fiery black	1 oz	\$10.00
Topaz, "Golden Imperial" fine facet grade	1 oz	\$60.00
Cats-eye, Kunzite, rare, sharp eye	1 oz	\$10.00
Aquamarine, dark gem blue, facet grade	1 oz	\$20.00
Aquamarine, medium dark blue, fine cats eye	1 oz	\$15.00
Emerald, Brazil, Imperial gem, cat, large	1 oz	\$45.00
Turquoise, Persian, fine, large, gem	1 oz	\$ 4.00
Amethyst, Siberian, dark color, large cab	1 lb	\$ 8.00
lilite, India, facet semi-facet	1 oz	\$ 6.00
Brazil Opal, fine, reds, blues, greens, etc	1 oz	\$20.00
Brazil Opal, gem grades to	\$20.00/gm	
Doublet Opal, facet fine layers	1 oz	\$10.00
Rose Quartz, Brazil, fine color	1 lb	\$ 3.00
Smoky Quartz (Morion) facet, Brazil	1 oz	\$ 3.00
Speculite, solid fine no waste	1 oz	\$ 7.00
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Cats-eye Enstatite, India	1 oz	\$ 5.00
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Peridot, facet grade, 3-6 cts	1 oz	\$ 8.00
Topaz, Brazil, Golden Imperial cabochon	1 oz	\$ 4.00
Peridot, facet grade, 4-20+ carats	1 oz	\$40.00
Topaz, sherry-pink, facet grade	1 oz	\$ 8.00
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Garnets, Brazil, facet grade, orange red	1 oz	\$ 8.00
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# GEMSTONES

found in the same dike. So too has some green to brown chrysoberyl been found there.

**Metamorphic deposit:** Around the edges of the pegmatite fingers, a metamorphic type of deposit is located. The geadas are found in much larger concentration. It is estimated that every cubic foot bears two or three gauda crystals.

The general area in Clearwater County is traditionally rich in high-grade metamorphic activity minerals associated with the corundum crystals: tolite, zoisite, almandine garnet, spessartite garnet, newly discovered grossular garnets in various colors (colorless, yellow, orange, and brown), kyanite, ilmenite, rutile, zircon, tourmaline (schorl), phenakite, sillimanite, and others.

The Floodwood Blue site has quite a different morphological configuration than that of the well documented southeastern Idaho mining site of Goose Creek, where the famous almandine garnets are found. In the same area many sapphires have been reported as well.

As recently as September 1986, in Tucson, someone bought for \$10 a 1900 carat rough star sapphire as an agate! The sapphire is actually a large hunk of asteriated gauda reportedly from Idaho.

## Mining

So far no systematic mining has taken place at the Floodwood Blue site, which is workable only from June to September because of the high elevation and long, severe winter encountered there.

Gauda recovery is very similar to placer gold recovery methods. Shovel and screen are the basic tools used by the prospectors in the sluice operation. The material is washed in a conveniently nearby creek. In the final stage, the crystals are handpicked from the washed material.

In the summer of 1986, over 600 pounds of geadas were recovered from an area of 30 square yards. This indicates that the size of the deposit(s) may be enormous.

## Classification

The collected geadas first are segregated according to the apparent

color and subsequently according to their diaphaneity as transparent, translucent, or opaque. The criteria for classification are based strictly upon the heat-treatment potential.

**Milky white:** The majority of the selected geadas are milky white, mostly translucent to opaque. Some transparent crystals are also found, but these are small, only up to 0.5 carats.

**Milky bluish:** A small percentage of the specimens examined are translucent to transparent milky bluish, with evidence of incomplete natural coloration. This type of gauda is likely to turn blue after proper heat treatment.

**Particolored:** Certain specimens are characterized by isolated areas of streaks, patches, or dots of blue coloration within the substance. Obviously, such specimens have undergone an incomplete coloration by nature. Their appearance closely resembles that of the Sri Lankan gauda. Although SEM (scanning electron microscopy) probe analysis has not been performed, the blue dot is probably titanium oxide, the substance that carries the impurities necessary to produce the blue color.

One should note that in Sri Lanka, the blue dot is referred to as *ottu*. Therefore we shall keep the same Sinhalese term to conform to the already established terminology of *gauda*. (A detailed description on the classification of gauda material and related topics is discussed in this author's book, *Heat Treatment of the Ruby & Sapphire*.) The Idaho *ottu* appears milky cloudy, while the Sri Lankan *ottu* is completely transparent.

It is interesting to observe that no green or yellow geadas have so far been found. This suggests the absence of ferrous elements.

## Heat Treatment

Without heat treatment and the potential for improved coloration the geadas would have no gemological interest. With such potential however, this material is of interest.

The geadas are heated under very strong reducing conditions at 1800°C for long periods (hours or possibly even days) in an open flame furnace. No crucible or additives are

## GEMSTONES

used. The purpose is to reduce the  $Fe^{3+}$  to  $Fe^{2+}$  in order to mobilize the chromophore agents, found in the lattice of the material, which perform the color transformation from white to blue.

Although the transparency was not improved, after the treatment over 80% of the heated geudas had turned blue, varying from light to dark shades. In most of the heated geudas that turned blue, the blue coloration was confined to the area around the center of the specimen. The edges remained colorless or white. This suggests a partially incomplete heat-process cycle, due to the temperature and/or the duration of the heat treatment. Also, it is observed that in many crystals the coloration occurred in alternate zones of white and blue.

### Properties

**Color.** Nearly 95% of the specimens are milky white and faded bluish white, about 4% pinkish, and the remaining 1% greenish white.

**Diaphaneity.** Over 50% of the crystals are opaque; 30% are translucent; and about 20% are nearly transparent. Translucent to nearly transparent crystals may be found up to half a carat in size.

**Clarity.** All specimens were medium to heavily included and highly characterized by many internal and external cracks, suggesting that the majority of the crystals are unsuitable as faceting material.

**Chemical composition.** Aluminum oxide (alumina),  $Al_2O_3$ .

**Crystallography.** Hexagonal system (trigonal in the British system).

**Hardness.** 9 on the Mohs scale.

**Toughness.** Excellent, but brittle if lamellae are present.

**Streak.** Colorless.

**Cleavage.** False cleavage observed parallel to the basal plane of the crystal.

**Fracture.** Uneven to conchoidal.

### Gemological Data

The following gemological tests were performed and observations recorded on those heat-treated Idaho geudas that turned blue.

**Specific gravity.** 3.98-4.2, determined using the hydrostatic method (Mettler balance plus density at-

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# GEMSTONES

tachment).

**Refractive index.** 1.762 and 1.770 with variations -0.002, + 0.004.

**Pleochroism.** Distinct, characteristic "sea green" (similar to untreated aquamarine color) and well defined medium blue dichroism were observed in nearly all specimens examined when viewed from any angle perpendicular to the c-axis of the crystal.

**Spectra analysis.** All absorption spectra observations were performed using GEMLAB scanning diffraction grating spectroscopy. Several specimens showed the broad iron absorption band at about 445-455nm. One particular specimen showed distinct absorption band at 445-455nm and a rather weak band at about 460nm. Light saturated blues did not show any absorption spectra at all.

**Luminescence.** Most specimens were inert to longwave radiation; some others exhibited soft but distinct blue fluorescence. One light bluish heat-treated specimen exhibited some patchy pinkish appear-

ance under longwave. All specimens were inert to shortwave radiation.

## Inclusions

Since the specimens examined were rough, detailed examination of the interiors was not possible. However, the existence of some kind of impurities that carry the necessary chromophores is certain, whether in the form of ilmenite, rutile or the like. Detailed study on the Idaho geuda will be reported as it becomes available.

**Color distribution/zoning.** Alternate bands of white and blue were observed in many heated geudas. Distinct patchy blue coloration was observed in others. Many specimens showed sharp, blotchy color banding due to color migration. Other specimens showed color banding parallel to the faces of the crystal.

**Tension cracks.** Due to the unequal thermal expandability of various solid guest crystals and the host corundum, internal cracks were common. Some extended to the surface of the specimen. In other crys-

als, some cracks caused the crystals to split.

**Guest crystal inclusions.** Due to the limited number of specimens, few undetermined molten guest crystal inclusions were observed.

Other characteristic inclusions, such as "silk," liquid, two- or three-phase inclusions, twinning, and secondary matters, were not observed in the specimens examined in this study, though they are certain to be present.

## On the Market?

Undoubtedly, many Idaho geudas will be available in the near future in the marketplace. However, the degree of their availability will depend on the cost of the heat-treatment process. At the present time, it is too early to speculate on the marketability of the Floodwood Blue geudas. Prospects, however, look good.

Many thanks to Mr. Craig Graber for the specimens supplied. Without his gracious assistance, this report would never have been written. ♦

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EXHIBIT 2  
DATE 3-11-87  
HB SB 364

March 11, 1987

Representative Les Kitselman, Chairman  
House Business and Labor Committee  
Helena, Montana

Dear Representative Kitselman:

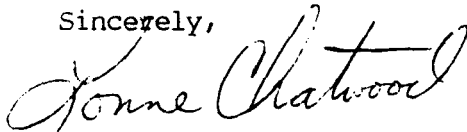
My name is Lonne Chatwood and I am appearing here today for Bill Chiesa, who was called out of the State to attend a meeting. Mr. Chiesa currently serves as the Legislative Committee Chairman for all of the 38 Fairs in Montana.

The purpose of Senate Bill 364 is simple. It is to generate more revenue that results in less tax support for local Fairs of our State.

The current Liquor Control Board regulation allows for a patron to purchase a beer and carry it to his seat. It prohibits us from carrying it to him. We would like to save him the walk. Montana has the distinction of being one of the last states in the Nation to prohibit vending at public facilities such as coliseums and grandstands.

Statistics show that vending in large facilities reduces congestion around concession areas and increases sales. This Amendment is in the best interest of the public and does not infringe on any current regulations, nor does it grant any extension to any existing regulations. We, therefore, urge you to consider a "do pass" on this matter.

Sincerely,



Lonne Chatwood  
Concessions Manager  
MetraPark

LC/cg

EXHIBIT 3  
DATE 3-11-87  
HB SB103

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Helena, MT 59624  
(406) 444-5600

STATE OF MONTANA  
PREVAILING WAGE RATES  
ADDENDUM

Listed below is a clarification of several issues concerning the published prevailing wage rates. Please make the changes to your copy of the rates.

1. Title page - the effective dates should read:  
EFFECTIVE DECEMBER 1, 1986 - NOVEMBER 30, 1987
  
2. page 2, paragraph 2, sentence 2: currently reads,  
"Federal Davis-Bacon wage rates have been adopted...";  
it should read "Proposed Federal Davis-Bacon wage rates  
have been adopted..."
  
3. page 2, paragraph 4 in entirety should read:  
Note that Section 18-2-405 of the wage and hour laws  
states that ... "whenever the employer is not a  
signatory party to a collective bargaining agreement,  
those monies designated as negotiated fringe benefits  
shall be paid to the employee as wages." In Section I  
all fringe benefits are in addition to the prevailing  
wage rates. In Section II the vacation benefit amount  
is included in the prevailing wage rate. It can be  
deducted from the wage rate provided the employer is  
signatory to a collectively bargained agreement which  
contains a vacation fund and the benefit is then paid  
into the fund. If an employer is not signatory to a  
collectively bargained agreement the vacation benefit  
must be paid as wages. It is not to be considered a  
part of the hourly rate of pay for overtime purposes.  
The other fringe benefits in Section II (health &  
welfare, pension, apprenticeship training, travel and  
per diem) are to be paid in addition to the prevailing  
wage rates.

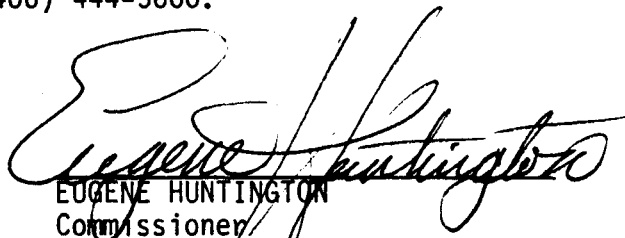
## MONTANA PREVAILING WAGE RATES

The wages herein specified and set by the Commissioner of Labor and Industry are controlling as to the minimum for the purposes of Section 18-2-401, et. seq., MCA. It is incumbent upon each employer to pay, as a minimum, the rate of wages, including fringe benefits for health and welfare and pension contributions and travel allowance provisions, applicable to the county or locality in which the work is being performed, provided in the attached wage determinations. Wage rates for apprentices registered in approved Federal or State apprenticeship programs are contained in those programs. However, apprentices not registered in approved Federal or State apprenticeship programs will be paid the prevailing wage rate.

Section 18-2-406, MCA, provides that contractors, subcontractors, and employers who are performing work or providing services under public works contracts as provided in this part shall post in a prominent and accessible site on the project or work area, not later than the first day of work, a legible statement of all wages to be paid to the employees on such site or work area.

18-2-403, MCA, requires contractors to give preference to the employment of bona fide Montana residents in the performance of the work on a public works project.

Inquiries about the state prevailing wage law or rates should be directed to the Department of Labor and Industry, Employment Relations Division, P.O. Box 1728, Helena, Montana, 59624, (406) 444-5600.



EUGENE HUNTINGTON  
Commissioner  
Department of Labor and Industry  
State of Montana



## MONTANA PREVAILING WAGE RATES

The Commissioner of the Montana Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 Montana Code Annotated, has determined the standard prevailing rate of wages for the occupations listed below.

Section I "Heavy/Highway" wage rates are used statewide and pertain to projects involved in the construction fields (other than building or residential), alteration or repair of roads, streets, highways, alleys, runways, trails, parking areas, utility projects and so forth. Federal Davis-Bacon wage rates have been adopted by the Montana Department of Labor for use in Heavy/Highway projects. Section II "All Other" wage rates contain prevailing wage rates for the state on a regional basis and are categorized by the type of industry under which the occupation occurs. The categories are: Section A - Construction and Special Trades, Section B - Equipment Operators, Section C - Metal Workers, Section D - Services. The five regions are described below. The "All Other" wage rates are applicable for any occupation involved in projects other than those which are considered Heavy/Highway. However, if an occupation is not listed under the section which applies to your project, a rate from the other section should be used as the prevailing wage rate.

The prevailing wage rates listed in this publication were compiled from a survey of major occupations common to public work projects in the state. Every major occupation is comprised of one or more sub-occupations. "Communications Technician" is an example of a sub-occupation within the major occupation of Electricians. Since sub-occupations were not surveyed the prevailing wage rate for some sub-occupations will be the collectively bargained rate. Sub-occupations qualifying for separate rates will be listed as a sub-group with the major occupation. Electricians also have a split scale wage rate. In most regions a lower wage rate has been provided for lower cost projects.

Note that Section 18-2-405 of the wage and hour laws states that..."when-ever the employer is not a signatory party to a collective bargaining agreement, those monies designated as negotiated fringe benefits shall be paid to the employee as wages." The health and welfare, pension, annuity, and apprenticeship training fringe benefits where indicated in both sections, or total fringe benefits package for some occupations in Section I, are to be paid in addition to the prevailing wage rate. The vacation benefit amount is included in the prevailing wage rate and is to be paid as wages unless the employer is signatory to a collectively bargained agreement which provides a vacation fund for its workers. It is not to be considered a part of the hourly rate of pay for overtime purposes.

"All Other" wage rates vary according to the region of the state in which a project is being completed. The counties within each region are listed below:

REGION 1: Flathead, Lake, Lincoln, Mineral, Missoula, Ravalli, and Sanders Counties

REGION 2: Beaverhead, Broadwater, Deer Lodge, Gallatin, Granite, Jefferson, Lewis and Clark, Madison, Meagher, Park, Powell, and Silver Bow Counties

- REGION 3: Blaine, Cascade, Chouteau, Fergus, Glacier, Hill, Judith Basin, Liberty, Pondera, Teton, and Toole Counties
- REGION 4: Carter, Custer, Daniels, Dawson, Fallon, Garfield, McCone, Petroleum, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Treasure, Valley, and Wibaux Counties
- REGION 5: Big Horn, Carbon, Golden Valley, Musselshell, Stillwater, Sweet Grass, Wheatland, and Yellowstone Counties

## SECTION I: HEAVY/HIGHWAY

November 1986

L A B O R E R S

CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates			
		Zone 1	Zone 2	Zone 3	Zone 4
1-1	Axeman; Carpenter Tender; Car and Truck Loaders; Scissorman; Chuck Tender and Nipper (above ground); Cosmolene applying and removing; Dumpman (Spotter); Fence Erector and Installer (includes the installation and erection of fences, guardrails, median rails, reference posts, right-of-way markers and guide posts); Form Stripper; General Laborer - Heavy Highway, Highway Bridge and Structure, Crusher and Batch Plant Laborers; Heater Tender (not covered by joint board decision - such as radiant type of butane fire, without blowers or fans - General Laborers scale); Landscape Laborer; Riprap Tender; Stake Jumper for Equipment; Sandblaster Tail Hoseman, Pot Tender; Sod Cutter, hand operated (General Laborers); Tool Checker; Tool Houseman	C 11.10	11.75	11.95	12.35
		<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
1-2	Burning Bar; Cement Mason Tender; Caisson Workers (free air); Cement Handlers; Choker Setter; Concrete Laborers (wet or dry); Bucketmen and Signalmen; Curb Machine; Dumpman (Grade Man); Form Setter; Hand Faller; Jackhammer, Pavement Breaker, Wagon Driller, Concrete Vibrator, Mechanical Tamper Vibrating Roller, hand steered and other power tools; Nozzleman - air, water; Guniting and Placo Machine; Concrete or Asphalt Saws; Pipelayer (all types); Laser Equipment Operator; Pipewrapper; Posthole Digger (power auger); Power Saw (bucking); Powderman Tender; Power Driven Wheelbarrow; Rigger; Riprapper; Spike Driver, single, dual or hand; Switchman; Tar Pot Operator	C 11.21	11.86	12.06	12.46
		<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
1-3	Asphalt Raker, Concrete Vibrator (5" and over); Drills, Air Track, self-propelled, Cat and Truck mounted air operated Drills; Drills, Air Track with dual masts; Drills, Air Tract, self-propelled Mustang type and similar; Equipment Handler; High Scaler; High Pressure Machine Nozzleman; Power Saw (falling); Sandblaster	C 11.35	12.00	12.20	12.60
		<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
1-4	Core Drill Operator, Grade Setter, Powderman, Welder, Cutting Torch and Air Arc Operator	C 12.05	12.70	12.90	13.30
1-5	Bluetop Surveying, Bridge Control Surveyors, weigh persons, dump persons	-0- *	-0- *	-0- *	-0- *
1-6	Flagpersons	C 9.00	9.65	9.85	10.25
	FRINGE BENEFITS C \$3.15				
	Health & Welfare \$1.75 Training \$0.05				* Not covered by Federal Davis Bacon Wage Rates
	Pension \$0.85 Vacation \$0.50				

The weigh person shall record weights to the nearest hundred pounds and other required information on forms furnished by the engineer. The dump person shall, at the delivery point, record on forms furnished by the engineer all information required for loads delivered and placed.

The zone hourly rate applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the nearest County Courthouse of the following listed towns to the center of the job:

Zone 1	0 - 15 miles	Billings	Glendive	Kalispell	Missoula
Zone 2	15 - 30 miles	Bozeman	Great Falls	Lewistown	Sidney
Zone 3	30 - 50 miles	Butte	Havre	Miles City	
Zone 4	Over 50 miles	Dillon	Glasgow	Helena	

TRUCK DRIVERS

CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates			
		Zone 1	Zone 2	Zone 3	Zone 4
	Combination Truck and Concrete Mixer and Transit Mixer				
2-1	To and including 4 cu. yds.	A \$14.20	14.85	15.05	15.45
2-2	Over 4 cu. yds. to and incl. 6 cu. yds.	A 14.28	14.93	15.13	15.53
2-3	Over 6 cu. yds. to and incl. 8 cu. yds.	A 14.36	15.01	15.21	15.61
2-4	Over 8 cu. yds. to and incl. 10 cu. yds.	A 14.44	15.09	15.29	15.69
2-5	Over 10 cu. yds. add 8¢ per hour each additional cu. yd. increment				
2-6	Distributor Driver and Helper	A 14.83	14.83	15.03	15.43
	Dry Batch Trucks				
2-7	3 batch or under	A 13.95	14.60	14.80	15.20
2-8	Over 3 batch to and incl. 5 batch	A 14.08	14.73	14.93	15.33
2-9	Over 5 batch to and incl. 10 batch	A 14.24	14.89	15.09	15.49
2-10	Over 10 batch to and incl. 15 batch	A 14.40	15.05	15.25	15.65
2-11	Over 15 batch add 15¢ per hour each additional 5 batch increment				
	Dumpman, Gravel Spreader Box Operator	13.95	14.60	14.80	15.20
	Dump Trucks and Similar Equipment DW20, DW21 or Euclid Tractors, pulling PR 21 or similar Dump Wagons				
2-12	Water Level Capacity, including sideboards 7 cu. yds or less	A 13.95	14.60	14.80	15.20
2-13	Over 7 cu. yds. to and incl. 10 cu. yds.	A 14.08	14.73	14.93	15.33
2-14	Over 10 cu. yds. to and incl. 15 cu. yds.	A 14.24	14.89	15.09	15.49
2-15	Over 15 cu. yds. to and incl. 20 cu. yds.	A 14.38	15.03	15.23	15.63
2-16	Over 20 cu. yds. to and incl. 25 cu. yds.	A 14.44	15.09	15.29	15.69
2-17	Over 25 cu. yds. to and incl. 30 cu. yds.	A 14.50	15.15	15.35	15.75
2-18	Over 30 cu. yds. to and incl. 35 cu. yds.	A 14.56	15.21	15.41	15.81
2-19	Over 35 cu. yds. to and incl. 40 cu. yds.	A 14.62	15.27	15.47	15.87
2-20	Over 40 cu. yds. to and incl. 45 cu. yds.	A 14.68	15.33	15.53	15.93
2-21	Over 45 cu. yds. add 10¢ per hour each additional 5 cu. yd. increment.				
2-22	Dumpsters	A 14.08	14.73	14.93	15.33
	Flat Trucks				
2-23	To and incl. 3-ton Factory Rating	A 14.11	14.76	14.96	15.36
2-24	Over 3-ton Factory Rating	A 14.30	14.95	15.15	15.55
2-25	Servicemen	A 14.44	15.09	15.29	15.69
2-26	Lowboys, Four-wheel Trailer, Float Semi-Trailer	A 14.30	14.95	15.15	15.55
2-27	Lumber Carriers, Lift Trucks and Fork Lifts	A 14.20	14.85	15.05	15.45
2-28	Pickup Driver, hauling materials	A 14.05	14.70	14.90	15.30
2-29	Pilot Car Driver	A 10.45	11.10	11.30	11.70
2-30	Powder Truck Driver (bulk unloader type)	A 14.13	14.78	14.98	15.38
2-31	Power Boom	A 14.04	14.69	14.89	15.29
2-32	Service Truck Drivers, Fuel Truck Drivers, Tiremen	A 14.38	15.03	15.23	15.63
2-33	Teamsters and Helpers	A 13.95	14.60	14.80	15.20
2-34	Warehouseman, Partsman, Cardex Men and Warehouse Expediter	A 14.20	14.85	15.05	15.45
	Water Tank Drivers, Petroleum Products Drivers				
2-35	2,500 gals. and under	A 13.95	14.60	14.80	15.20
2-36	Over 2,500 gals. to and incl. 4,500 gals.	A 14.24	14.89	15.09	15.49
2-37	Over 4,500 gals. to and incl. 6,000 gals.	A 14.44	15.09	15.29	15.69
2-38	Over 6,000 gals. to and incl. 8,000 gals.	A 14.50	15.15	15.35	15.75
2-39	Over 8,000 gals. to and incl. 10,000 gals.	A 14.58	15.23	15.43	15.83
2-40	Over 10,000 gals. add 10¢ per hour each additional 2,000 gal. increment				
2-41	Trucks with power equipment, such as Winch, A-frame Truck, Swedish Crane, Hydralift, Grout-crete Truck and Combination Mulching, Seeding and Fertilizing Truck	A 14.20	14.85	15.05	15.45
2-42	Truck Mechanic	A 14.66	15.31	15.51	15.91

FRINGE BENEFITS \$2.97

Health &amp; Welfare \$1.73

Pension \$1.24

T R U C K D R I V E R S (Continued)

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CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates
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All tunnel and underground work will be paid at 10% premium above the classification of equipment operated.

The zone hourly rate applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the nearest County Courthouse of the following listed towns to the center of the job:

Billings	Butte	Glendive	Havre	Kalispell	Miles City	Missoula
Bozeman	Dillon	Great Falls	Glasgow	Lewistown	Helena	Sidney
Zone 1	0 - 15 miles	Zone 3	30 - 50 miles			
Zone 2	15 - 30 miles	Zone 4	Over 50 miles			

P O W E R   E Q U I P M E N T   O P E R A T O R S

CODE NUMBER	CLASSIFICATION	Decision M-84-5041 U.S. Dept. of Labor Minimum Wage Rates			
		Zone 1	Zone 2	Zone 3	Zone 4
3-1	A-frame Truck Crane, Winch Truck & Similar	F \$ 13.60	14.25	14.45	14.85
3-2	Air Compressor Operator, Single	F 13.29	13.94	14.14	14.54
3-3	Air Compressor Operator, 2 or more	F 13.46	14.11	14.31	14.71
3-4	Air Doctor	F 13.76	14.41	14.61	15.01
3-5	Belt Finishing Machine Operator	F 13.46	14.11	14.31	14.71
3-6	Bit Grinder	F 13.76	14.41	14.61	15.01
3-7	Bitum, Mixer Paving, Travel Plant	F 13.76	14.41	14.61	15.01
3-8	Boring Machine Operator, Jeep, Pickup or farm tractor mounted	F 13.35	14.00	14.20	14.60
3-9	Broom Operator self-propelled	F 13.43	14.08	14.28	14.68
3-10	Cement Silo Operator	F 13.55	14.20	14.40	14.80
3-11	Chain Bucket Loader	F 13.48	14.13	14.33	14.73
	Concrete Batch Oiler, Asst. to Engineer				
3-12	up to and incl. 2 mixers	F 13.28	13.93	14.13	14.53
3-13	3 mixers and over	F 13.59	14.24	14.44	14.84
3-14	Concrete Bucket Dispatcher	F 13.76	14.41	14.61	15.01
3-15	Concrete Curing Machine	F 13.76	14.41	14.61	15.01
3-16	Concrete Conveyor under 40'	F 13.34	13.99	14.19	14.59
3-17	Concrete Conveyor over 40'	F 14.09	14.74	14.94	15.34
	Concrete Mixer Operator				
3-18	3 bags and under	F 13.35	14.00	14.20	14.60
3-19	4 bags and over	F 13.52	14.17	14.37	14.77
3-20	Concrete Power Saw, self-propelled	F 13.76	14.41	14.61	15.01
3-21	Concrete Travel Batcher	F 13.76	14.41	14.61	15.01
	Conveyor Loader Operator				
3-22	up to and including 42' belt	F 13.34	13.99	14.19	14.59
3-23	over 42' belt	F 13.46	14.11	14.31	14.71
3-24	Crane Oiler, Asst. to Engineer	F 13.33	13.98	14.18	14.58
3-25	Crusher Oiler & Helper, Asst. to Engineer	F 13.25	13.90	14.10	14.50
3-26	Crusher Conveyor Operator, when required	F 13.22	13.87	14.07	14.47
3-27	DW 10, 15, 20 Tractor Pulling Roller	F 13.48	14.13	14.33	14.73
3-28	Elevating Grader	F 13.76	14.41	14.61	15.01
3-29	Farm Type Tractor, up to and including 50 h.p. engine	F 13.22	13.87	14.07	14.47
3-30	over 50 h.p. engine	F 13.30	13.95	14.15	14.55
3-31	Field Equipment Serviceman Helper	F 9.90	10.55	10.75	11.15
3-32	Fireman	F 13.35	14.00	14.20	14.60
3-33	Forklift, on Construction Site	F 13.57	14.22	14.42	14.82
3-34	Form Grader Operator	F 13.53	14.18	14.38	14.78
3-35	Grade Setter	F 13.22	13.87	14.07	14.47
3-36	Heavy Duty Drills, Helper	F 13.35	14.00	14.20	14.60
3-37	Herman Nelson Heater & Similar Types	F 13.30	13.95	14.15	14.55
3-38	Hoist Operator, Single Drum	F 13.53	14.18	14.38	14.78
3-39	Hoist Operator, two or more drums	F 13.76	14.41	14.61	15.01
3-40	Helicopter Hoist Operator	F 14.26	14.91	15.11	15.51
3-41	Hot Plant Oiler, Asst. to Engineer, 100 Ton per hour or over	F 13.25	13.90	14.10	14.50
3-42	Hydralift and similar types	F 13.66	14.31	14.51	14.91
3-43	Mechanic on job helper	F 9.90	10.55	10.75	11.15
3-44	Mixermobile	F 13.84	14.49	14.69	15.09
3-45	Mountain Logger or similar type	F 13.76	14.41	14.61	15.01
3-46	Oiler, Hoist House, Dams, Asst. to Engineer	F 13.66	14.31	14.51	14.91
3-47	Oiler-Driver, Rubber-tired Cranes, Asst. to Engineer	F 13.33	13.98	14.18	14.58
3-48	Oilers, other than shovels & cranes, Asst. to Engineer	F 13.25	13.90	14.10	14.50
3-49	Pavement Breaker, Emsco & similar	F 13.76	14.41	14.61	15.01
3-50	Power Mixer, single or double drum	F 13.76	14.41	14.61	15.01
3-51	Power Saw, self-propelled, multiple cut	F 13.76	14.41	14.61	15.01
3-52	Pumpman	F 13.29	13.94	14.14	14.54
3-53	Radiator Repairman	F 13.57	14.22	14.42	14.82
3-54	Refrigerator Plant Operator	F 13.76	14.41	14.61	15.01
3-55	Retort Operator	F 13.35	14.01	14.20	14.60
3-56	Roller, on other than hot mix oil paving	F 13.46	14.11	14.31	14.71
3-57	Roller, 25 ton or over	F 13.76	14.41	14.61	15.01
3-58	Shovel Oiler, Asst. to Engineer, 3 cy. and under	F 13.25	13.91	14.10	14.50
3-59	Shovel Oiler, Asst. to Engineer, over 3 cy.	F 13.66	14.31	14.51	14.91
3-60	Turnhead Conveyor Operator or Head Tower Operator on Batch Plant	F 13.76	14.41	14.61	15.01
3-61	Wagner Roller and similar type	F 13.76	14.41	14.61	15.01
3-62	Whirley Crane Oiler, Asst. to Engineer	F 13.66	14.31	14.51	14.91
3-63	Water Pull when used for compaction	F 13.76	14.41	14.61	15.01
3-64	Washing & Screening Plant Oiler, Asst. to Engineer	F 13.25	13.90	14.10	14.50

FRINGE BENEFITS \$3.34

## POWER EQUIPMENT OPERATORS (Continued)

CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates			
		Zone 1	Zone 2	Zone 3	Zone 4
Group 2					
3-65	Chip-Gravel Spreader, self-propelled	F 13.58	14.23	14.43	14.83
3-66	Concrete Float Operator & Spreader	F 13.86	14.51	14.71	15.11
3-67	Distributor Operator	F 13.86	14.51	14.71	15.11
3-68	Electric Overhead Cranes	F 14.04	14.69	14.89	15.29
3-69	Heavy Duty Drills all types	F 13.86	14.51	14.71	15.11
3-70	Hot Plant Fireman (when in operation)	F 13.86	14.51	14.71	15.11
3-71	Roller, on blade or hot mix oil paving	F 13.86	14.51	14.71	15.11
3-72	Ross and similar type carriers on construction site	F 13.86	14.51	14.71	15.11
3-73	Scraper, DW 15, 20, 21 & similar Type				
	if power is not used	F 13.86	14.51	14.71	15.11
3-74	Self-propelled Sheeps Foot & Similar Type	F 13.86	14.51	14.71	15.11
FRINGE BENEFITS \$3.34					
Group 3					
3-75	Asphalt Paving Machine Operator	F 13.96	14.61	14.81	15.21
3-76	Asphalt Paving Machine Screed Operator	F 13.96	14.61	14.81	15.21
3-77	Automatic Finegrader, Gurries & other similar types	F 14.09	14.74	14.94	15.34
3-78	Boring Machine Operator, large	F 13.96	14.61	14.81	15.21
3-79	Cableway Highline Operator	F 14.47	15.12	15.32	15.72
3-80	Central Mixing Plants, concrete dams & stationary Concrete Batch Plant Operator	F 14.21	14.86	15.06	15.41
3-81	1 and 2 mixers	F 13.96	14.61	14.81	15.21
3-82	3 and 4 mixers	F 14.16	14.81	15.01	15.41
3-83	5 mixers and over	F 14.36	15.01	15.21	15.61
3-84	Concrete Finish Machine Paving	F 13.96	14.61	14.81	15.21
3-85	Concrete Pump	F 14.29	14.94	15.14	15.54
3-86	Crane Operator, to and including 80' boom	F 14.12	14.77	14.97	15.37
3-87	Crane Operator, 81' to 130' boom	F 14.27	14.92	15.12	15.52
3-88	Crane Operator, 131' to 180' boom (Additional \$ .05 per hour is added for each 50' of boom. Jibs to be included in boom length.)	F 14.32	14.97	14.67	15.07
3-89	Creter Crane	F 14.12	14.77	14.97	15.37
3-90	Tower Crane Skyhorse & Ringer Crane	F 14.12	14.77	14.97	15.37
3-91	250 Ton through 399 Ton	F 15.12	15.77	15.97	16.37
3-92	400 Ton through 599 Ton	F 16.12	16.77	16.97	17.37
3-93	600 Ton and Over	F 17.12	17.77	17.97	18.37
3-94	Crusher Operator	F 13.96	14.61	14.81	15.21
3-95	Field Equipment Serviceman	F 13.88	14.53	14.73	15.13
3-96	Gradall Operator	F 13.96	14.61	14.81	15.21
3-97	Hot Plant Operator	F 13.96	14.61	14.81	15.21
3-98	Industrial Locomotives (all types)	F 13.96	14.61	14.81	15.21
3-99	Mechanic	F 14.06	14.71	14.91	15.31
3-100	Motor Patrol Operator	F 14.09	14.74	14.94	15.34
3-101	Mucking Machine Operator	F 13.96	14.61	14.81	15.21
3-102	Paving & Mixing Machine Operator	F 14.09	14.74	14.94	15.34
3-103	Power Auger, large truck or tractor, mounted & punch	F 13.96	14.61	14.81	15.21
3-104	Pumpcrete or Grout Machine Operator	F 13.96	14.61	14.81	15.21
3-105	Push Tractor, Dozer, or Side Boom, Rubber-tired Dozer	F 13.96	14.61	14.81	15.21
3-106	Quad Cat	F 14.26	14.91	15.11	15.51
3-107	Quad Loader & similar type	F 14.54	15.19	15.39	15.79
3-108	Raygo Giant Rubber-tired Front End Loader	F 14.54	15.19	15.39	15.79
3-109	1 cy and under	F 13.67	14.32	14.52	14.92
3-110	over 1 cy to and including 3 cy.	F 13.96	14.61	14.81	15.21
3-111	over 3 cy to and including 5 cy.	F 14.08	14.73	14.93	15.33
3-112	over 5 cy to and including 10 cy.	F 14.18	14.83	15.03	15.43
3-113	over 10 cy. to and including 15 cy.	F 14.28	14.93	15.13	15.53
3-114	over 15 cy (Factory rating, not to include sideboards)	F 14.38	15.03	15.23	15.63
3-115	Scraper, Single Engine	F 14.09	14.74	14.94	15.34
3-116	Scraper, Single or Twin Engine, pulling belly dump trailer	F 14.34	14.99	15.19	15.59
3-117	Scraper, Twin Engine	F 14.19	14.84	15.04	15.44
3-118	Scraper, Tandem or 3 engined	F 14.45	15.10	15.30	15.70
3-119	Shovels, including all attach under 1 cy.	F 13.96	14.61	14.81	15.21
3-120	Shovels, including all attach 1 cy to & including 3 cy.	F 14.14	14.79	14.99	15.39
3-121	Shovels, including all attach over 3 cy & including 5 cy.	F 14.41	15.06	15.26	15.67
3-122	Shovels, including all attach over 5 cy.	F 14.54	15.19	15.39	15.79

P O W E R   E Q U I P M E N T   O P E R A T O R S (Continued)

CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates				
			Zone 1	Zone 2	Zone 3	Zone 4
3-123	Slip Form Paver Operator	F	14.09	14.74	14.94	15.34
3-124	Stiff-leg Derrick & Guy Derrick Track-type Front End Loaders	F	14.41	15.06	15.26	15.66
3-125	up to and including 5 cy.	F	13.96	14.61	14.81	15.21
3-126	over 5 cy. to and including 10 cy.	F	14.19	14.84	15.04	15.44
3-127	over 10 cy. to and including 15 cy.	F	14.29	14.94	15.14	15.54
3-128	over 15 cy.	F	14.39	15.04	15.24	15.64
3-129	Track-type Tractor, on Euclid Loader	F	14.14	14.79	14.99	15.39
3-130	Trenching Machine Operator	F	13.96	14.61	14.81	15.21
3-131	Washing & Screening Plant Operator	F	13.96	14.61	14.81	15.21
3-132	Yo-Yo Cat. both ends	F	14.16	14.81	15.01	15.41
3-133	Whirley Crane Operator	F	14.49	15.14	15.34	15.74
3-134	Cold Mill Planer Operator	F	13.96	14.61	14.81	15.21

## FRINGE BENEFITS \$3.34

Health & Welfare	\$1.62	Training	\$0.07
Pension	\$1.05	Vacation	\$0.60

All tunnel and underground work will be paid at 10% premium above the classification of equipment operated.

The zone hourly rate applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the nearest County Courthouse of the following listed towns to the center of the job:

Billings	Butte	Glendive	Havre	Kalispell	Miles City	Missoula
Bozeman	Dillon	Great Falls	Glasgow	Lewistown	Helena	Sidney

Zone 1	0 - 15 miles	Zone 3	30 - 50 miles
Zone 2	15 - 30 miles	Zone 4	Over 50 miles



CARPENTERS

CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates			
		Zone 1	Zone 2	Zone 3	Zone 4
	All Counties except Area #1: <u>Beaverhead &amp; Silverbow</u>				
4-1	Carpenters	C \$12.53	13.18	13.38	13.48
4-2	Piledriver Sawfiler, Stationary Power Saw Operator Carpenters working w/burned, charred, creosoted, or similar material	C 12.78	13.43	13.63	14.03
4-3	Millwrights	C 13.53	14.18	14.38	14.78
	FRINGE BENEFITS		\$3.76		
	Health & Welfare	\$1.70	Vacation	\$0.50	
	Pension	\$1.50	Training	\$0.06	
	Area #2: <u>Beaverhead &amp; Silverbow Counties</u>				
4-4	Carpenters	C 13.06			
4-5	Millwrights	C 14.06			
4-6	Pile drivers	C 13.56			

## FRINGE BENEFITS C \$4.61

Health & Welfare	\$1.70	Vacation	\$1.35
Pension	\$1.50	Training	\$0.06

## Zone Definitions - Carpenters

The zone hourly rate applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the County Courthouse of the following listed towns to the center of the job:

Anaconda	Great Falls	Kalispell	Miles City	Sidney
Billings	Havre	Lewistown	Helena	Glendive
Bozeman	Glasgow	Livingston	Missoula	

Zone 1	0 - 15 miles	Zone 3	30 - 50 miles
Zone 2	15 - 30 miles	Zone 4	Over 50 miles

C E M E N T M A S O N S

CODE NUMBER	CLASSIFICATION	Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates			
		Zone 1	Zone 2	Zone 3	Zone 4
		5-1	Cement Mason Journeyman	F 13.03	13.68
5-2	Grinder, Bush hammer, and chipping gun when finishing work is to follow	F 13.18	13.83	14.03	14.43
5-3	Epoxy Work	F 13.33	13.98	14.18	14.58

FRINGE BENEFITS C \$2.15

Health & Welfare \$1.35

Pension \$0.80

**Zone Definitions - Cement Masons**

The zone hourly rate applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the County Courthouse of the following listed towns to the center of the job:

Billings	Butte	Glendive	Havre	Kalispell	Miles City	Missoula
Bozeman	Dillon	Great Falls	Glasgow	Lewistown	Helena	Sidney

Zone 1 0 - 15 miles

Zone 2 15 - 30 miles

Zone 3 30 - 50 miles

Zone 4 Over 50 miles

**Geographical Jurisdiction**

Statewide Montana

I R O N W O R K E R S

- Area 6-1      Statewide (except those counties listed in Area 2).  
 Area 6-2      Flathead County, Glacier County, Lake County, Lincoln County, Mineral County, Missoula  
 County, and Sanders County

CODE NUMBER	CLASSIFICATION		Decision MT-84-5041 U.S. Dept. of Labor Minimum Wage Rates
6-1-1	Ironworker	Structural & Ornamental	C 15.36
6-1-2	Ironworker	Reinforcing	C 15.36
6-1-3	Ironworker	Fence Erector	C 15.36
		FRINGE BENEFITS	\$3.15
		Pension	\$1.60
		Health & Welfare	\$1.30
		Training	\$0.25
6-2-1	Ironworker	Structural & Ornamental	15.18
6-2-2	Ironworker	Reinforcing	15.18
6-2-3	Ironworker	Fence Erector	15.18
		FRINGE BENEFITS	\$6.71
		Pension	\$2.15
		Health Security	\$2.36
		Apprenticeship	\$0.25
		Vacation	\$1.50
		Annuity	\$.045

P A I N T E R SAREAS**A R E A - 1**

Deer Lodge County, Silver Bow County, Beaverhead County, Madison County, Jefferson County from a line running due west from the south limits of Toston, Montana, southern part of Granite County from a line running east and west through the southern city limits of Philipsburg.

**A R E A - 2**

Glacier County, excluding the northwest tip of the county; (that which contains Glacier National Park), Toole County, Pondera County, Teton County, Lewis and Clark County, Cascade County, Judith Basin County, Fergus County, Petroleum County, Wheatland County, Choteau County, Phillips County, Valley County, Daniels County, Sheridan County, Roosevelt County, Richland County, McCone County, Garfield County, Liberty County, Hill County, Blaine County, Meagher County, Broadwater County, the northern portion of Jefferson County from a line running east and west five (5) miles south of the southern city limits of Boulder, Montana; the southern portion of Powell County from a line running east and west through the southern city limits of Helmville, Montana.

**A R E A - 3**

Sweetgrass, Golden Valley, Stillwater, Carbon, Musselshell, Yellowstone, Big Horn, Treasure, Rosebud, Custer, Powder River, Prairie, Dawson, Wibaux, Fallon, Carter, Gallatin and Park Counties.

**A R E A - 4**

Lincoln County, Flathead County, Sanders County, Lake County, Mineral County, Missoula County, Ravalli County, the northern portion of Granite County from a line running east and west through the southern city limits of Philipsburg, Montana, the northern part of Powell County from a line running east and west through the southern city limits of Helmville, Montana.

CODE NUMBER	AREA	CLASSIFICATION	BASIC HR. RATE	FRINGE BENEFIT PAYMENTS PER HOUR IN ADDITION TO HOURLY RATE
7-1-1	A-1	Painter, Brush or Rollers, Prep. Work; Pot Tender; Water & Sandblasting.	12.99	1.87 + 1%
7-1-2	A-1	Application of Cold Tar, Epoxies, Polyurethanes and Acid Resistant Paints.	15.24	1.87 + 1%
7-1-3	A-1	Parking Lot Striping & Related Work.	12.99	1.87 + 1%
7-1-4	A-1	Brush or Roller on Steel.	12.99	1.87 + 1%
7-1-5	A-1	Spraying & Airless Spray.	12.99	1.87 + 1%
7-2-1	A-2	Painter, Brush or Rollers, Prep. Work; Pot Tender; Water & Sandblasting.	12.99	1.87 + 1%
7-2-2	A-2	Application of Cold Tar, Epoxies, Polyurethanes and Acid Resistant Paints.	15.24	1.87 + 1%
7-2-3	A-2	Parking Lot Striping & Related Work.	12.99	1.87 + 1%
7-2-4	A-2	Brush or Roller on Steel.	12.99	1.87 + 1%
7-2-5	A-2	Spraying & Airless Spray.	12.99	1.87 + 1%

P A I N T E R S (Continued)

<u>CODE NUMBER</u>	<u>AREA</u>	<u>CLASSIFICATION</u>	<u>BASIC HR. RATE</u>	<u>FRINGE BENEFIT PAYMENTS PER HOUR IN ADDITION TO HOURLY RATE</u>
7-3-1	A-3	Painter, Brush and Roll (Comm.).	12.82	1.97
7-3-2	A-3	Painter, Spray; Epoxies, Brush & Roller.	13.82	1.97
7-3-3	A-3	Painter, on Structural Steel & Tanks.	14.07	1.97
7-3-4	A-3	Sandblaster, Commercial & Steel Pot Tender.	13.07	1.97
7-3-5	A-3	Painter, Epoxies, Spray; Coal Tar, Brush & Roller.	14.82	1.97
7-3-6	A-3	Painter, Epoxies, Steel.	15.07	1.97
7-3-7	A-3	Painter, Coal Tar, Spray.	15.82	1.97
7-3-8	A-3	Painter, Coal Tar, Steel.	16.07	1.97
7-4-1	A-4	Painter, Brush; Prep Work; Pot Tender; Water & Sandblasting; Spraying & Airless Spray; Rollers; App. of Cold Tar Prod., Epoxies, Acid Res. Paints & Polyurethanes.	15.42	1.91

ELECTRICIANS

(LINE CONSTRUCTION)

Decision MT-84-50241

CODE NUMBER	CRAFT Or TRADE	CLASSIFICATION	FLATHEAD LAKE LINCOLN	CODE NUMBER	REMAINDER OF COUNTIES
8-1	Line Const.	Cable Splicer	C 19.68	8-1-1	C 17.61
8-2	Line Const.	Lineman Operator	C 17.68	8-2-2	C 16.48
8-3	Line Const.	Line Equipment Operator	C 15.07	8-3-3	C 14.59
8-4	Line Const.	Jackhammerman, Compressorman	C 13.06	8-4-4	
8-5	Line Const.	Groundman A	C 12.26	8-5-5	C 11.86
8-6	Line Const.	Pole Sprayer	C 15.71	8-6-6	
8-7	Line Const.	Tree Trimmer	C 16.30	8-7-7	0
8-8	Line Const.	Powerman	C 13.06	8-8-8	

FRINGE BENEFIT PAYMENTS PER HOUR  
IN ADDITION TO HOURLY RATE

CRAFT or TRADE	AREA	
Line Const.	Flathead, Lake, Lincoln	B 1.50 + 3½%
Line Const.	Remainder of Counties	B 1.75 + 3½%

All work for Power Utilities  
all Highway Lighting, Street Lighting & Motor Traffic Controlling.

WAGE RATES - ELECTRICIANS  
(INSIDE CRAFT)

Decision MT-84-5041

FRINGE BENEFIT PAYMENTS PER HOUR  
IN ADDITION TO HOURLY RATE

CODE NUMBER	CLASSIFICATION	RATE	
AREA 1: Beaverhead, Deer Lodge, Granite, Jefferson, Madison, Silver Bow and Powell Counties			
AREA 2: Big Horn, Carbon, Carter, Dawson, Golden Valley, Musselshell, Powder River, Prairie, Rosebud, Stillwater, Treasure, Wibaux, and Yellowstone Counties.			
AREA 3: Blaine, Chouteau, Daniels, Fergus, Glacier, Hill, Judith Basin, Liberty, McCone, Petroleum, Pondera, Phillips, Richland, Roosevelt, Sheridan, Teton, Toole, Valley and Wheatland Counties.			
AREA 4: Broadwater, Lewis & Clark, and Meagher Counties.			
AREA 5: Cascade County			
AREA 6: Flathead, Lake, Lincoln, Mineral, Missoula, Ravalli and Sanders Counties			
AREA 7: Gallatin County			
AREA 8: Park and Sweet Grass Counties			
First Digit = Craft			
Second Digit = Area of State			
Third Digit = Classification within the Craft			
9-1-1	Journeyman Electrician	C 16.35	C 1.55 + 3½%
9-2-1	Journeyman Electrician	C 18.05	C 1.55 + 3½%
9-2-2	Cable Splicers	C 18.95	C 1.55 + 3½%
9-3-1	Electrician	C 15.15	C 1.80 + 3½%
9-3-2	Cable Splicers	C 15.90	C 1.80 + 3½%
9-4-1	Journeyman Electrician	C 16.60	C 1.80 + 3½%
9-5-1	Journeyman Electrician	C 17.20	C 1.80 + 3½%
9-5-2	Cable Splicer	C 18.06	C 1.80 + 3½%
9-6-1	Journeyman Electrician	C 18.95	C 1.35 + 3½%
9-6-2	Cable Splicer	C 19.89	C 1.35 + 3½%
9-7-1	Journeyman Electrician	C 15.40	C 1.55 + 3½%
9-7-2	Cable Splicer	C 16.17	C 1.55 + 3½%
9-8-1	Journeyman Electrician	C 15.40	C 1.55 + 3½%
9-8-2	Cable Splicer	C 16.17	C 1.55 + 3½%

SHEET METAL WORKERS (STATEWIDE)

CODE NUMBER	CRAFT or TRADE	CLASSIFICATION	AREA	FRINGE BENEFIT PAYMENTS PER HOUR IN ADDITION TO HOURLY RATE	
10-1	Sheet Metal	Journeyman	C 16.42	C 3.51	

PLUMBERS

Decision MT-84-5041  
US Department of Labor  
Minimum Wage Rates

CODE NUMBER	CRAFT or TRADE	CLASSIFICATION	AREA	FRINGE BENEFIT PAYMENTS PER HOUR IN ADDITION TO HOURLY RATE	
				RATE	
11-1-1	Plumber	Journeyman	A-1	E 18.63	E 3.50
11-2-1	Plumber	Journeyman	A-2	E 17.95	E 2.42
11-3-1	Plumber	Journeyman	A-3	E 18.40	E 2.25
11-4-1	Plumber	Journeyman	A-4	E 19.25	E 3.00

AREA DESCRIPTIONSPLUMBERS

AREA 1: Flathead, Lake, Lincoln, Mineral, Missoula, and Sanders Counties

AREA 2: Blaine, Cascade, Chouteau, Fergus, Glacier, Hill, Judith Basin, Liberty, McCone, Meagher, Phillips, Pondera, Roosevelt, Teton, Toole, and Valley Counties

AREA 3: Beaverhead, Broadwater, Deer Lodge, Gallatin, Granite, Jefferson, Lewis and Clark, Madison, Park, Powell, Silver Bow and Sweet Grass Counties

AREA 4: Big Horn, Carbon, Carter, Custer, Daniels, Dawson, Fallon, Garfield, Golden Valley, Musselshell, Petroleum, Powder River, Prairie, Richland, Rosebud, Sheridan, Stillwater, Treasure, Wheatland, Wibaux and Yellowstone Counties

SECTION II: ALL OTHER WAGE RATES

TITLE & DOT      REGIONS      PREVAILLING WAGE      HEALTH & WELFARE      PENSION      APPRENTICESHIP TRAINING      VACATION\* (TO BE DEDUCTED FROM WAGES)      TRAVEL AND PER DIEM

SECTION A - CONSTRUCTION AND SPECIAL TRADES

Bricklayer 861.381-018	1	14.25	1.60	.75	0	0	0-25 miles free zone
							25-34 miles \$ 5.00 per day
							35-59 miles \$10.00 per day
							60-89 miles \$20.00 per day
							90+ miles \$25.00 per day
	2	17.60	0	1.00	0	0	0-30 miles free zone
							30-60 miles \$10.00
							60+ miles \$18.00
	3	16.50	0	1.10	0	0	\$25.00 overnight
							0-25 miles free zone
							25-90 miles \$ .25 per mile
	4	15.00	0	1.10	0	0	\$25.00 overnight
							0-10 miles free zones
							10-20 miles \$ 4.00 per day
							20-35 miles \$13.00 per day
							35-55 miles \$17.00 per day
	5	17.95	0	1.10	0	0	\$25.00 overnight
							0-10 miles free zones
							10-20 miles \$ 4.00 per day
							20-35 miles \$13.00 per day
							35-55 miles \$17.00 per day
Carpenter 860.381-022	1	12.98	1.70	1.50	.06	.50	0-15 miles free zone
							15-30 miles \$ .65 per hour additional
							30-50 miles \$ .85 per hour additional
							50+ miles \$1.25 per hour additional
							0-15 miles free zone
	2	12.50	1.70	1.50	.06	.50	15-30 miles \$ .65 per hour additional
							30-50 miles \$ .85 per hour additional
							50+ miles \$1.25 per hour additional

\*Vacation benefits are included in the prevailing wage rate. It can be deducted from the wage rate provided the employer is signatory to a collectively bargained agreement which contains a vacation fund and the benefit is then paid into the fund. If an employer is not signatory to a collectively bargained agreement the benefit must be paid as wages.



TITLE & DOT	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM	
Carpenter (Continued) 860.381-022	3	12.93	1.70	1.50	.06	.50	0-15 miles free zone 15-30 miles \$ .65 per hour additional 30-50 miles \$ .85 per hour additional 50+ miles \$1.25 per hour additional	
	4	13.03	1.70	1.50	.06	.50	0-15 miles free zone 15-30 miles \$ .65 per hour additional 30-50 miles \$ .85 per hour additional 50+ miles \$1.25 per hour additional	
	5	12.50	1.70	1.50	.06	.50	0-25 miles free zone 25-50 miles \$10.00 per day 50-75 miles \$14.00 per day 75+ miles \$22.00 per day	
	Carpenters Foreman 860.131-018	1	13.85	1.70	1.50	.06	.50	0-15 miles free zone 15-30 miles \$ .65 per hour additional 30-50 miles \$ .85 per hour additional 50+ miles \$1.25 per hour additional
		2	13.85	1.70	1.50	.06	.50	0-15 miles free zone 15-30 miles \$ .65 per hour additional 30-50 miles \$ .85 per hour additional 50+ miles \$1.25 per hour additional
		3	13.90	1.70	1.50	.06	.50	0-15 miles free zone 15-30 miles \$ .65 per hour additional 30-50 miles \$ .85 per hour additional 50+ miles \$1.25 per hour additional
		4	13.85	1.70	1.50	.06	.50	0-15 miles free zone 15-30 miles \$ .65 per hour additional 30-50 miles \$ .85 per hour additional 50+ miles \$1.25 per hour additional
		5	13.50	1.70	1.50	.06	.50	0-25 miles free zone 25-50 miles \$10.00 per day 50-75 miles \$14.00 per day 75+ miles \$22.00 per day

\*Vacation benefits are included in the prevailing wage rate. It can be deducted from the wage rate provided the employer is signatory to a collectively bargained agreement which contains a vacation fund and the benefit is then paid into the fund. If an employer is not signatory to a collectively bargained agreement the benefit must be paid as wages.

TITLE & DOT	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Cement Mason 844.364-010	1	13.03	1.35	.75	0	0	All regions: 0-15 miles free zone
	2	13.03	1.35	.75	0	0	15-30 miles \$ .65 per hour additional
	3	13.03	1.35	.75	0	0	30-50 miles \$ .85 per hour additional
	4	13.03	1.35	.75	0	0	50+ miles \$1.25 per hour additional
	5	13.03	1.35	.75	0	0	
Construction Worker (General Laborer) 869.664-014	1	11.20	1.75	.85	.05	.50	All regions: 0-15 miles free zone
	2	11.10	1.75	.85	.05	.50	15-30 miles \$ .65 per hour additional
	3	10.50	1.75	.85	.05	.50	30-50 miles \$ .85 per hour additional
	4	12.25	1.75	.85	.05	.50	50+ miles \$1.25 per hour additional
	5	10.50	1.75	.85	.05	.50	
Dry Wall Applicator 842.381-010	1	13.03	1.70	1.50	.06	.50	Regions 1-4: 0-15 miles free zone
	2	13.03	1.70	1.50	.06	.50	15-30 miles \$ .65 per hour additional
	3	13.15	1.70	1.50	.06	.50	30-50 miles \$ .85 per hour additional
	4	13.03	1.70	1.50	.06	.50	50+ miles \$1.25 per hour additional
	5	12.98	1.70	1.50	.06	.50	0-25 miles free zone 25-50 miles \$10.00 per day 50-75 miles \$14.00 per day 75+ miles \$22.00 per day
Electrician 824.261-010	1	17.20 (16.25 for projects less than \$250,000)	1.30	3%+.50	$\frac{1}{2}\%$	0	0-10 miles free zone 10-45 miles \$ .36 per mile 45+ miles \$36.00 per day
	2	16.42 (15.15 for projects less than \$250,000)	1.30	3%+.50	$\frac{1}{2}\%$	0	0-5 miles free zone 5-55 miles \$ .33 per mile 55+ miles \$33.00 per day
	3	17.20 (14.90 for projects less than \$250,000)	1.30	3%+.75	$\frac{1}{2}\%$	0	0-4 miles free zone 4-54 miles \$ .32 per mile 54+ miles \$32.00 per day
	4	15.35 (14.90 for projects less than \$250,000)	1.30	3%+1.00	$\frac{1}{2}\%$	0	0-18 miles free zone 18-50 miles \$ .32 per mile 50+ miles \$32.00 per day
	5	16.42 (15.75 for projects less than \$90,000)	1.30	3%+1.00	$\frac{1}{2}\%$	0	0-18 miles free zone 18-50 miles \$ .32 per mile 50+ miles \$32.00 per day

\*Vacation benefits are included in the prevailing wage rate. It can be deducted from the wage rate provided the employer is signatory to a collectively bargained agreement which contains a vacation fund and the benefit is then paid into the fund. If an employer is not signatory to a collectively bargained agreement the benefit must be paid as wages.

TITLE & DOT	REGIONS	PREVAILING WAGE & WELFARE	HEALTH	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Communications Technician	1	12.50	1.30	3%+.50	0	0	All regions: \$.30 per mile using employees vehicle and expenses
	2	12.50	1.30	3%+.50	0	0	
	3	12.50	1.30	3%+.50	0	0	
	4	12.50	1.30	3%+.50	0	0	
	5	12.50	1.30	3%+.50	0	0	
Electrician Foreman 829.131-014	1	17.39 (All projects)	1.30	3%+.50	½%	0	0-10 miles free zone 10-45 miles \$.36 per mile 45+ miles \$36.00 per day
	2	18.40 (16.21 for projects less than \$250,000)	1.30	3%+.50	½%	0	0-5 miles free zone 5-55 miles \$.33 per mile 55+ miles \$33.00 per day
	3	18.40 (15.94 for projects less than \$250,000)	1.30	3%+.75	½%	0	0-4 miles free zone 4-54 miles \$.32 per mile 54+ miles \$32.00 per day
	4	15.94 (All projects)	1.30	3%+1.00	½%	0	0-18 miles free zone 18-50 miles \$.32 per mile 50+ miles \$32.00 per day
	5	20.00 (16.85 for projects less than \$90,000)	1.30	3%+1.00	½%	0	0-18 miles free zone, 18-50 miles \$.32 per mile, 50+ miles \$32.00 per day
Millwright 638.281-018	1	14.23	1.70	1.50	.06	.50	Regions 1-4: 0-15 miles free zone
	2	14.03	1.70	1.50	.06	.50	15-30 miles \$.65 per hour additional
	3	14.15	1.70	1.50	.06	.50	30-50 miles \$.85 per hour additional
	4	14.03	1.70	1.50	.06	.50	50+ miles \$1.25 per hour additional
	5	13.98	1.70	1.50	.06	.50	0-25 miles free zone 25-50 miles \$10.00 50-75 miles \$14.00 75+ miles \$22.00
Painter 840.381-010	1	12.66	1.27	.50	.04	0	0-15 miles free zone 15+ miles \$.20 per mile using employee's vehicle \$25.00 overnight

\*Vacation benefits are included in the prevailing wage rate. It can be deducted from the wage rate provided the employer is signatory to a collectively bargained agreement which contains a vacation fund and the benefit is then paid into the fund. If an employer is not signatory to a collectively bargained agreement the benefit must be paid as wages.

TITLE & DOT	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Painter (continued) 840.381-010	2	10.52	1.23	.50	0	0	0-30 miles free zone 30+ miles \$ .20 per mile using employee's vehicle \$20.00 overnight
	3	12.99	1.37	.50	1%	0	0-10 miles free zone 10+ miles \$ .20 per mile using employee's vehicle \$28.00 overnight
	4	12.82	1.37	.50	.10	0	\$ .25 per mile using employee's vehicle \$25.00 overnight
	5	12.66	1.37	.50	.10	0	\$ .25 per mile using employee's vehicle \$25.00 overnight
	1	17.95	1.15	1.10	.25	2.00	0-20 miles free zone 20-35 miles ½ hours pay 35-50 miles 1 hours pay 50+ miles \$32.00 per day
Plumber 862.381-030	2	18.55	1.30	1.10	.20	1.45	0-10 miles free zone 10-35 miles \$15.00 or transportation 35+ miles \$30.00 per day
	3	17.95	1.15	1.10	.17	.75	0-15 miles free zone 15+ miles \$ .40 per mile using employee's vehicle \$32.00 overnight
	4	18.95	1.55	1.20	.25	1.00	0-10 miles free zone 10-20 miles \$ 4.50 20-25 miles \$ 6.00 25-30 miles \$ 7.50 30-35 miles \$ 9.00 35-40 miles \$10.50 \$35.00 per day
	5	18.95	1.55	1.20	.25	1.00	0-10 miles free zone 10-20 miles \$ 4.50 20-25 miles \$ 6.00 25-30 miles \$ 7.50 30-35 miles \$ 9.00 35-40 miles \$10.50 \$35.00 per day

\*Vacation benefits are included in the prevailing wage rate. It can be deducted from the wage rate provided the employer is signatory to a collectively bargained agreement which contains a vacation fund and the benefit is then paid into the fund. If an employer is not signatory to a collectively bargained agreement the benefit must be paid as wages.

TITLE & DOT	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Sprinkler Fitters	1	18.13	1.70	1.60	.10	0	All regions: 0-40 miles free zone
	2	18.13	1.70	1.60	.10	0	40-60 miles \$10.50 per day
	3	18.13	1.70	1.60	.10	0	60-80 miles \$15.00 per day
	4	18.13	1.70	1.60	.10	0	80-100 miles \$19.00 per day
	5	18.13	1.70	1.60	.10	0	100+ miles \$35.00 per day and \$.25 per mile using employee's vehicle
Plumber Foreman 862.131-018	1	20.41	1.15	1.10	.25	2.00	0-20 miles free zone 20-35 miles 1/2 hour pay 35-50 miles 1 hour pay 50+ miles \$32.00 per day
	2	20.40	1.30	1.10	.20	1.45	0-10 miles free zone 10-35 miles \$15.00 or transportation 35+ miles \$30.00 per day
	3	20.64	1.15	1.10	.17	.75	0-15 miles free zone 15+ miles \$.40 per mile using employee's vehicle \$32.00 overnight
	4	21.18	1.55	1.20	.25	1.00	0-10 miles free zone 10-20 miles \$4.50 20-25 miles \$6.00 25-30 miles \$7.50 30-35 miles \$9.00 35-40 miles \$10.50 \$35.00 per day
	5	21.18	1.55	1.20	.25	1.00	0-10 miles free zone 10-20 miles \$4.50 20-25 miles \$6.00 25-30 miles \$7.50 30-35 miles \$9.00 35-40 miles \$10.50 \$35.00 per day

SECTION B - EQUIPMENT OPERATORS

Dump Truck Driver 902.683-010	1	14.08	1.73	1.24	0	0	All regions: 0-15 miles free zone
	2	14.08	1.73	1.24	0	0	15-30 miles \$.65 per hour additional
	3	14.08	1.73	1.24	0	0	30-50 miles \$.85 per hour additional

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TITLE & DOI	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Dump Truck Driver (continued) 902.683-010	4	14.08	1.73	1.24	0	0	50+ miles \$1.25 per hour additional
	5	14.08	1.73	1.24	0	0	
Front-End Loader Operator 921.683-042	1	14.27	1.62	1.05	.07	.60	All regions: 0-15 miles free zone
	2	12.33	1.62	1.05	.07	.60	15-30 miles \$ .65 per hour additional
	3	14.81	1.62	1.05	.07	.60	30-50 miles \$ .85 per hour additional
	4	14.81	1.62	1.05	.07	.60	50+ miles \$1.25 per hour additional
	5	14.27	1.62	1.05	.07	.60	
Heavy Truck Driver 905.663-014	1	10.10	1.73	1.24	0	0	All regions: 0-15 miles free zone
	2	10.10	1.73	1.24	0	0	15-30 miles \$ .65 per hour additional
	3	12.50	1.73	1.24	0	0	30-50 miles \$ .85 per hour additional
	4	10.10	1.73	1.24	0	0	50+ miles \$1.25 per hour additional
	5	12.58	1.73	1.24	0	0	
Operating Engineer 859.683-010	1	14.13	1.62	1.05	.07	.60	All regions: 0-15 miles free zone
	2	14.13	1.62	1.05	.07	.60	15-30 miles \$ .65 per hour additional
	3	14.13	1.62	1.05	.07	.60	30-50 miles \$ .85 per hour additional
	4	14.13	1.62	1.05	.07	.60	50+ miles \$1.25 per hour additional
	5	14.13	1.62	1.05	.07	.60	
Truck Crane Operator 921.663-062	1	14.72	1.62	1.05	.07	.60	All regions: 0-15 miles free zone
	2	14.72	1.62	1.05	.07	.60	15-30 miles \$ .65 per hour additional
	3	13.93	1.62	1.05	.07	.60	30-50 miles \$ .85 per hour additional
	4	13.93	1.62	1.05	.07	.60	50+ miles \$1.25 per hour additional
	5	13.93	1.62	1.05	.07	.60	

SECTION C - METAL WORKERS

Reinforced Steel Placing Foreman 801.134-010	1	18.18	2.36	2.15	.20	1.50	0-16 miles free zone
							16-25 miles \$ 6.50
							25-35 miles \$10.00
							35-45 miles \$14.00
							45-60 miles \$18.00
							60+ miles \$30.00

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TITLE & DOT	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Reinforced Steel Placing Foreman (continued) 801.134-010	2	16.11	1.30	1.60	.25	0	0-7½ miles free zone 7½-12 miles \$ 2.50 12-25 miles \$ 4.50 25-50 miles \$ 9.00 50+ miles \$25.00
	3	16.11	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	4	16.11	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	5	16.11	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	1	16.68	2.36	2.15	.20	1.50	0-16 miles free zone 16-25 miles \$ 6.50 25-35 miles \$10.00 35-45 miles \$14.00 45-60 miles \$18.00 60+ miles \$30.00
Reinforcing Metal Worker 801.684-026	2	15.36	1.30	1.60	.25	0	0-7½ miles free zone 7½-12 miles \$ 2.50 12-25 miles \$ 4.50 25-50 miles \$ 9.00 50+ miles \$25.00
	3	15.36	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	4	15.36	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	5	15.36	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	1	12.50	1.15	1.73	.56	0	All regions: 0-20 miles free zone
Sheet Metal Worker 804.281-010	2	16.42	1.15	1.73	.56	0	21+ miles \$ .25 per mile using employers vehicles
	3	16.42	1.15	1.73	.56	0	\$ .55 per mile using employees vehicles
	4	16.42	1.15	1.73	.56	0	\$30.00 overnight
	5	12.50	1.15	1.73	.56	0	\$12.00 return day

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TITLE & DOI	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Structural Steel Worker 801.361-014	1	16.68	2.36	2.15	.20	1.50	0-16 miles free zone 16-25 miles \$ 6.50 25-35 miles \$10.00 35-45 miles \$14.00 45-60 miles \$18.00 60+ miles \$30.00
	2	15.36	1.30	1.60	.25	0	0-7½ miles free zone 7½-12 miles \$ 2.50 12-25 miles \$ 4.50 25-50 miles \$ 9.00 50+ miles \$25.00
	3	15.36	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	4	15.36	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day
	5	15.36	1.30	1.60	.25	0	40+ miles \$ .30 per mile transportation allowance \$25.00 subsistence per day

SECTION D - SERVICES

Garbage Collector 909.687-010	1	9.31	.52	.86	0	.36	None
	2	10.38	.87	.75	0	.48	None
	3	9.93	.45	.61	0	.55	None
	4	6.00	.36	.27	0	.40	None
	5	5.15	.89	.41	0	.37	None
Groundskeeper 406.684-014	1	5.83	.32	0	0	0	None
	2	5.83	.32	0	0	0	None
	3	5.83	.32	0	0	0	None
	4	5.83	.32	0	0	0	None
	5	6.00	.32	0	0	0	None
Janitor 382.664-010	1	5.57	1.21	0	0	0	None
	2	5.00	.33	0	0	0	None
	3	4.51	.52	0	0	0	None

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TITLE & DOT	REGIONS	PREVAILING WAGE	HEALTH & WELFARE	PENSION	APPRENTICESHIP TRAINING	VACATION* (TO BE DEDUCTED FROM WAGES)	TRAVEL AND PER DIEM
Janitor (continued) 382.664-010	4	4.50	.92	0	0	0	None
	5	5.00	.65	0	0	0	None
Janitorial Services Supervisor 381.137-010	1	8.10	1.21	0	0	0	None
	2	7.52	.33	0	0	0	None
	3	9.13	.52	0	0	0	None
	4	8.72	1.11	0	0	0	None
	5	7.37	1.48	0	0	0	None
Mechanic, Automobile 620.261-010	1	14.94	1.73	1.24	0	0	All regions: 0-15 miles free zone
	2	12.32	1.73	1.24	0	0	15-30 miles \$ .65 per hour additional
	3	14.94	1.73	1.24	0	0	30-50 miles \$ .85 per hour additional
	4	14.94	1.73	1.24	0	0	50+ miles \$1.25 per hour additional
	5	14.94	1.73	1.24	0	0	
Mechanic, Construction Equipment 620.261-022	1	14.17	1.62	1.05	.07	.60	All regions: 0-15 miles free zone
	2	14.17	1.62	1.05	.07	.60	15-30 miles \$ .65 per hour additional
	3	14.17	1.62	1.05	.07	.60	30-50 miles \$ .85 per hour additional
	4	14.17	1.62	1.05	.07	.60	50+ miles \$1.25 per hour additional
	5	14.17	1.62	1.05	.07	.60	

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# Bidding on a Davis-Bacon or State Prevailing Wage Project?

Learn the secret that can give YOUR firm the COMPETITIVE EDGE!



Contractors and Employees Re-created in 1977. It is administered by:

Life Insurance Company (entirely) by A. M. Best Company

Contractors Insurance Trust (entirely) by A. M. Best Company

Insurance Company (entirely) by A. M. Best Company

For more information, contact your local rep-

or:

WEST, CLU  
 as Director  
 Life Benefit Trust  
 531-5225  
 250-5023

WESTERN LIFE  
 LIFE COMPANY  
 Anderson Lane  
 Texas 78776

EXHIBIT

DATE

HB

4  
 3-11-81  
 SB 103

## YOUR PROBLEM:

How to bid competitively on Davis-Bacon/State Prevailing Wage Projects.

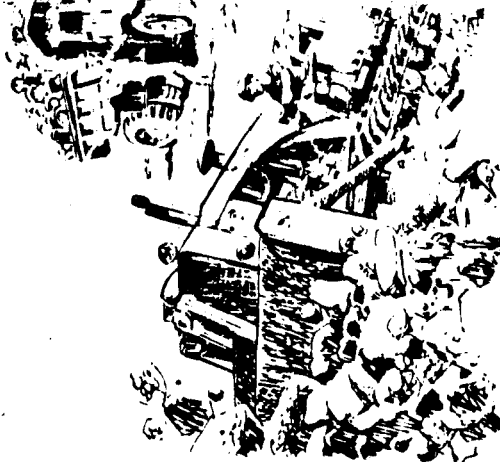
## YOUR SOLUTION:

The Builders, Contractors and Employees Retirement Trust.

As a contractor, you have long faced the problem of wage scales on Davis-Bacon State Prevailing Wage projects, as well as projects under the Service Contract Act. The chart below gives base hourly wage and fringe figures for a number of occupations—figures you have to comply with when bidding on public work projects.

However, the law does not require you to pay the exact hourly base rates and hourly fringe rates shown in the chart. Any combination of cash wages, insurance, or trust payments for approved fringes is acceptable, provided the total is at least as much as the total cash and fringe rates determined by the Secretary of Labor.

The Builders, Contractors and Employees Retirement Trust gives you a way to pay your people a lower cash base rate and a higher fringe rate. This lets you: (1) save money; (2) bid more competitively; and (3) "level out" your employees pay between private and public work.



EMPLOYMENT CLASSIFICATION	BASE HOURLY WAGE	FRINGE BENEFITS PAYMENTS				Total Fringes	TOTAL BASE AND FRINGE
		Health & Welfare	Pension	Vacation	Training		
Carpenter	\$10.44	\$0.85	\$1.25	\$0.50	\$0.08	\$2.68	\$13.12
Plumber	11.15	1.05	1.50	0.55	0.14	3.24	14.39
Electrician	12.66	1.60	1.70	0.60	0.10	4.00	16.66
Laborer	7.60	0.70	1.00	0.30	0.04	2.04	9.64
Millwright	10.99	0.90	1.60	0.50	0.09	3.09	14.08
Operator	12.04	1.55	1.65	0.60	0.12	3.92	15.96

The Builders, Contractors and Employees Retirement Trust can give you a competitive edge you need to succeed! See inside for more details.

## 1 More sky-high payroll taxes and insurance costs.

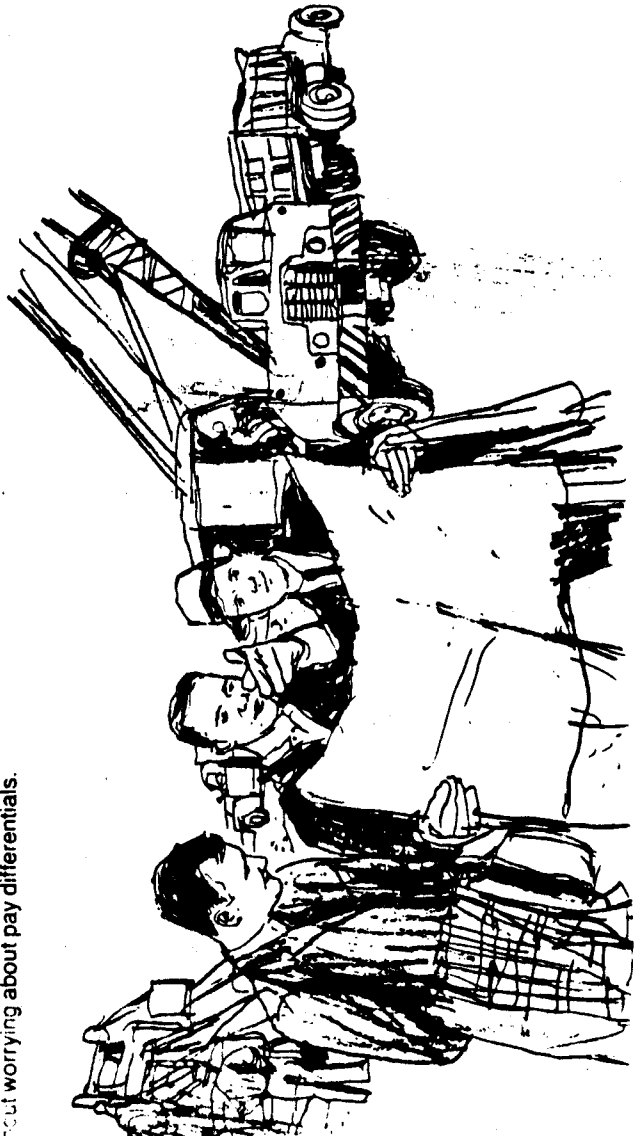
As you say you're adding the base hourly rate to the hourly fringe rate and paying the total to your employees in cash wages. This means you are paying the full amount of payroll taxes and insurance (FICA, Social Security, Medicare, State and Federal Unemployment and Public Liability) on gross wages. Not only does this make your firm less competitive in bidding, but it becomes extremely difficult for you to move employees between public and private work.

When you pay a percentage of compensation as a fringe benefit, you lower the total payroll on which you pay payroll taxes and pay insurance costs. This saves you money, lets you bid more competitively, and allows you to move your employees between private and public jobs without worrying about pay differentials.

## 2 No costly, time-consuming administrative duties.

You can, of course, set up your own company fringe benefit programs. However, you then have the responsibility of designing a program that is fair for all the different types of workers and wages you have. You are also required to obtain DOL approval and IRS approval. And once you overcome all these obstacles, you then have to set up an administrative system, as well as pay set-up charges and ongoing administration fees as a company expense.

With the Trust, you have no plan design or legal problems, and you bear none of the cost for administration.



# Let the Trust go to work for you Here's how...

## 1 Set your basic hourly rates.

The rate you set is normally governed by your usual rates on private work. You then take credit for any fringe benefits you provide or apprenticeship payments you make to your association, or group health for your hourly workers.

## 2 Adopt as company policy the fringes you want.

**A. A Money Purchase Pension Plan.** You can contribute up to 25% of taxable income on prevailing wage work only. (Overtime pay must be included in the basic hourly rate in cash. Only 1 times the fringe rate is required.) This pension plan provides each employee with a portable plan that he can take and retain throughout his working years. It lets him build a sizable nest egg of before-tax dollars. This is a very important benefit in today's economy, especially for workers in the construction industry.

**B. Group Health Insurance.** This plan is administered on an hour-by-hour basis for hourly workers. You can install this program and use it for your hourly workers while they are working on prevailing wage work or not. The premium is based on a set amount each month.

Benefits are on a cost-sharing basis with the employee in order to keep costs as low as possible. However, there is no dollar limit on the amount of benefit available. This is a very important feature in light of today's escalating health-care costs.

## 3 Figure and submit your bid on your next Davis-Bacon Project, secure in the knowledge that you are in the best possible competitive position. You have to do to maintain your competitive edge is send a monthly cost breakdown for your employees. The rest is taken care of for you... understand and are responsive to your needs.

EXHIBIT 5  
 DATE 3.11.87  
 HB SB103

AUDIT SERVICES, INC.  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
 YEAR OF 1986

CEIVED:	LABORERS	IRON WORKERS	ELECTRICIANS	OPERATING ENGINEERS	CARPENTERS	TEAMSTERS	PIPE TRADES	TOTAL
CONTRIBUTIONS	\$ 76,398.22	\$ 7,997.43	\$ 1,744.95	\$ 111,655.32	\$ 45,353.30	\$ 61,827.91	\$ 4,718.71	\$ 309,695.84
DATED DAMAGES	24,163.61	1,579.75	589.51	29,485.07	5,441.58	4,116.14	812.67	66,188.33
EST	12,884.59	193.38	27.69	28,387.83	6,213.94	3,285.06	106.73	51,099.22
FEEES	413.96	0.00	0.00	4,827.04	150.00	496.84	0.00	5,887.84
FEEES	6,309.17	139.38	0.00	5,492.08	2,925.86	2,103.93	0.00	16,970.42
AL	\$ 120,169.55	\$ 9,909.94	\$ 2,362.15	\$ 179,847.34	\$ 60,084.68	\$ 71,829.88	\$ 5,638.11	\$ 449,841.65
DISBURSED:								
FEEES	\$ 27,878.50	\$ 5,344.79	\$ 2,777.49	\$ 32,912.71	\$ 24,997.67	\$ 6,256.69	\$ 1,706.50	\$ 101,874.35
FEEES	20,476.46	4,511.33	5,929.66	27,030.35	14,146.11	3,905.41	4,273.41	80,272.73
FEEES	4,224.36	428.00	273.92	3,548.12	3,556.68	586.36	222.56	12,840.00
AL	\$ 52,579.32	\$ 10,284.12	\$ 8,981.07	\$ 63,491.18	\$ 42,700.46	\$ 10,748.46	\$ 6,202.47	\$ 194,987.08
RECEIPTS								
EMENTS	\$ 67,590.23	\$ (374.18)	\$ (6,618.92)	\$ 116,356.16	\$ 17,384.22	\$ 61,081.42	\$ (564.36)	\$ 254,854.57

52753

of the university's \$3.5 million in five company buildings in South Africa. "He has to do more than just write a letter," Goldman said.

that do business in South Africa. Gerberding was one of 94 presidents who signed a letter written by Harvard President Derek Bok, which Gerberding says "directs its

# GOP

EXHIBIT

DATE 3/11

HB

"We hate the sin, we sinners," said Boddie Everett, leader of the anti-abortion movement at their hearing, Lord heard Margaret Regan of two GROU members try middle of the prayer circle.

"I believe I'm a child of God as much as any of them and we share God's love," said Regan, a former nurse and a Catholic. Regan said she stayed inside the circle because "we have to educate those people who are so down on us."

Robbins sent a letter to the GOP platform committee last week warning it not to drive gays from the party. He was trying to block a platform statement that says: "We are opposed to laws that grant special privileges and protections based on sexual orientation, such as homosexuality and lesbianism. Therefore we oppose legislation hiring or continuing employment of individuals with such deviant

think worry and conce anything." It's hard not to feel Mary Jones and the They are definitely he seedy. And perhaps it care in their plans to here and become prod bers of Spokane. I hope they are. Bt again, they have been chance of a lifetime — offers and a place to si days ahead will deter Jones family dreams stance or if they can

Bill until last week to register for work with the Washington Employment Security Department. Not that the Joneses didn't have \$200 to spare for a new stereo system from J.C. Penney. But, as Bill puts it, "It was half price and there was no way I was going to pass that deal up."

And although they were down to their last \$10 before Thursday's newspaper feature stirred our emotions, a one-time \$132 grant from the state welfare department was expected to arrive any day. "Sure, I understand why some people down there (California) are

# Clark

(Continued from page 1)

Orchardists, meanwhile, are frustrated by the thought of water costs increasing for the next 50 years. Once completed, the project will be turned over to the Oroville-Tonasket Irrigation District.

The local water district must pay the federal government \$259,200 a year for the next 50 years. Acreage within the water district produces \$20 million worth of apples a year.

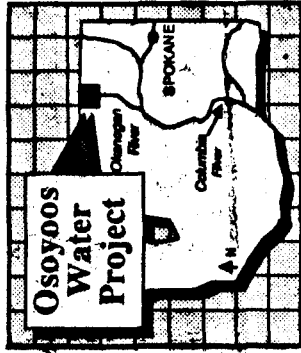
Dan Smith, who operates a roadside grocery store in Ellensburg, said orchardists he knows are growing angrier over the muddy water and high bills.

The \$60 a year per acre assessment is levied whether or not the orchardists use the water. "When this thing was first put out, it was supposed to be \$60 a year," Smith said. "Now, the last letter I saw is it was proposed to be \$102 by next spring."

"This expense is probably the biggest concern to the orchardists," said the businessman, whose grocery store is a gathering place for many growers.

Smith said some orchardists quietly are talking about refusing to pay their bills in protest. Water district manager Thompson said he hasn't heard about any such revolt.

"We have a lot of problems you wouldn't believe," he said. "So far, it's just something the growers feel is not right, based on what rates we were predicting in 1979 when this thing got started."



executive said. "Some of these companies will be broken financially because of this," Runge said.

Subcontractors are owed amounts ranging from \$904 to \$330,000. The government contract required the contractor to post a bond. Federal procurement regulations, however, only required a \$2.5 million bond on any federal projects in excess of \$5 million.

When suppliers' claims exceeded the bond, the bonding company, Travelers Indemnity Co., turned the bond over to U.S. District Court in Spokane in April. A federal judge will decide later this year how the money will be distributed.

Dickensheet said suppliers aren't shipping additional material needed to complete the project because they haven't been paid.

"If the contractor does not come up with the money to pay them, it could seriously affect the completion of the project in time for next year's crops," he said.

The suppliers aren't the only participants in the project that are upset.

About 160 Kit-San Axleba employees are demanding to know what became of \$903,000 in trust funds withheld from the paychecks to provide benefits, but never deposited in a bank with Western Life in Texas.

Rod W. Smith, an Oroville consultant involved in the project, said his pay stubs show approximately \$2,000 in trust payments was withheld from his paychecks over a six-

In Spokane earlier this year because of the financial problems associated with the Osoyoos Project. Krueger, reached for comment in Eugene, Ore., said problems with Osoyoos Project's final phase developed last year because Azusa Construction, a partner in the joint venture, did not forward adequate capital.

His company, Kit-San, was to provide administrative support and Azusa to install the major pipeline and handle initial financing.

Krueger said he told John A. Artukovich, owner of Azusa, last November that an infusion of \$3.5 million in cash was needed to get suppliers paid and keep the project moving on its timetable.

"The whole problem started over a money issue, and the money issue is still there," Krueger said. The federal government is particularly concerned that at least 41 subcontractors and suppliers — many of them located in the Pacific Northwest — have not been paid claims that currently total \$3.7 million, project director Dickensheet said.

When suppliers deliver material to such a federal job site, they release their lien so the contractor can transfer the material to the government and federal funds can be dispersed.

The federal funds were released as supplies were delivered, but were not distributed to all subcontractors and suppliers on the project.

Dickensheet said he thinks the problems are linked to the lack of adequate start-up money on the part of the contractor.

Krueger's company isn't the only one that's been financially hard-hit by the project.

Mid-Mountain Machinery in Spokane was owed \$20,414 for equipment it supplied for the project. The contractor has made partial payments, and the remaining balance is \$14,400, said Duncan Runge, credit manager for Mid-Mountain.

"There are a lot of companies that are a lot worse off than we are in this deal," the Spokane business

Leon Artukovich, who became the authorized representative for the joint venture contractor in February, said his firm is scrambling to sort out various financial problems and to complete the water project.

"We have nothing to hide," Artukovich said. "We just don't know all the answers."

Congressional funding for the project came in the late 1970s with backing from the state's influential Democratic senators, Henry Jackson and Warren Magnuson.

They got their "pork barrel" project through at a time when the Carter administration was talking about axing federal water projects. It was the last of its kind in the United States funded with federal money.

The new system, operated with state-of-the-art electronics, will take 196 cubic feet of water a second from the Okanogan and Similkameen rivers and deliver it to orchards through 100 miles of underground irrigation pipe.

It will replace an antiquated, above-ground wooden flume system built in the 1920s.

The joint venture contractor was awarded a \$14.9 million contract in August 1984, with scheduled completion

of this August. But now the contractor says the job won't be done until October at the earliest.

Artukovich replaced Robert Krueger, owner of Kit-San Construction, as authorized representative of the joint venture. Krueger's company filed for financial reorganization in U.S. Bankruptcy Court

**An infusion of \$3.5 million in cash was needed to get suppliers paid and keep the project moving on its timetable.**

EXHIBIT 1  
DATE 3.11.87  
HB SB103

TESTIMONY OF BOB KINGHORN ON SB 103, HOUSE BUSINESS & LABOR COMMITTEE, MARCH 11, 1987

Mr. Chairman, Members of the Committee:

My name is Bob Kinghorn. I am here today representing the Operating Engineers and Teamsters Unions.

We have an amendment to offer on SB 103 that we believe will substantially improve the bill and better serve the employees affected by the Legislation and will also better serve the public interest.

The amendment would provide that the affected employees would be given the opportunity to decide on an annual basis whether or not they want to have a portion of their wage package spent by their Employer for Fringe Benefit Programs. If the employees so choose, they could receive the cash on their pay check and buy their own private insurance and/or Pension.

Those employees who are covered by collective bargaining agreements and not affected by SB 103 do have a similar opportunity to choose how this wage package is spent. The National Labor Relations Act and State Labor Laws guarantee Union members democratic processes in the government of their Union and in ratification of the collective bargaining agreement each time, it is renegotiated. We believe that similar opportunity should be provided to the employees of non-union contractors. After all, the money is first earned by the employee and once earned should be spent only in ways that the employee approves of.

We do not believe that any Employer should have a right to spend his employees' money without the prior written authorization by the employee. SB 103 as presently written allows the Employer to make unilateral decisions on fringe benefit purchases without any input from the affected employees. We think that it is unfair and unethical to allow such unilateral decisions to be made. The amendment we are offering for the Committee's consideration would correct this problem and make SB 103 a much better bill.

As I mentioned earlier, the public interest is also affected by SB 103. Public works monies are the source of the funds that are addressed in this bill. One of the main reasons that prevailing wage laws were enacted was to assure the public that tax monies used for public works projects were spent responsibly and fairly. The amendment that we offer here today will help serve the public interest by assuring the affected workers that they have some right in deciding how their money will be spent.

We urge this Committee to give favorable consideration to this amendment.

Thank you.



MONTANA  
ASSOCIATION  
OF REALTORS®

EXHIBIT 9  
DATE 3-11-87  
HB SB 213

EXECUTIVE OFFICE  
910 HELENA AVENUE  
HELENA, MONTANA 59601  
TELEPHONE: (406) 443-4032  
IN MONTANA CALL TOLL FREE  
1-800-421-1864

March 4, 1987

SUGGESTED AMENDMENTS TO

SB 213  
MONTANA TIME SHARE ACT

- Page 11, line 6: After the word "licensed" insert the words  
"as a real estate broker or salesperson"
- Page 11, line 7: Delete the words "become licensed" and insert  
the word "act"
- Page 11, line 11: Add new sentence "No license other than that  
issued pursuant to Title 37, Chapter 51 shall  
be required."



SB 103 - Blue Copy

Amendments

1. Page 2, line 3  
Strike: "or"  
Insert: "and"
  
2. Page 2, line 19  
Following: line 18  
Insert: "NEW SECTION. Section 2. Annual option by employee. An employee who is entitled to wages and fringe benefits under [section 1] annually must choose between the fringe benefits options in subsections (1)(a) and (1)(b) of [section 1]. The choice must be made in writing on a form provided by the department on which both options are clearly defined. The employer shall retain the form completed by each employee for not less than 3 years."
  
3. Page 1, line 25  
Strike: "Section 1 is"  
Insert: "Sections 1 and 2 are"
  
4. Page 2, line 3.  
Strike: "section 1"  
Insert: "sections 1 and 2"

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. SENATE BILL NO. 34

DATE March 11, 1987

SPONSOR SENATOR ETHEL HARDING

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
TIMOTHY J. BARTZ	ANDERSON FUR MUEHLENBACH	X	
CHUCK HUNTER	D. OF LABOR		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER  
BUSINESS AND LABOR COMMITTEE

BILL NO. SENATE BILL NO. 99      DATE MARCH 11, 1987

SPONSOR SENATOR JACK GALT

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Ward Yawshan	Bob Corliss	X	
Larry Perry	Arby Mising	X	
Jim Adams	Adams		X
Don M. [unclear]	BUREAU		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR  
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER  
 BUSINESS AND LABOR COMMITTEE

BILL NO. SB 364

DATE March 11, 1987

SPONSOR Senator Manning

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
NORMAN G. MANNING	M. G. AND F. G.	✓	
Richard Manning	SPONSOR	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.  
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. SB 237

DATE March 11, 1987

SPONSOR Senator Boylan

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
<i>Dean Williams</i>	<i>Mt. Broadcasters Assn</i>	<input checked="" type="checkbox"/>	
<i>Benson Adams</i>	<i>Mt. Broadcasters Assn</i>	<input checked="" type="checkbox"/>	
<i>Dean Williams</i>	<i>MT. Broadcasters Assoc.</i>	<input checked="" type="checkbox"/>	
<i>Bob Foster</i>	<i>Mt. Broadcasters Assoc.</i>	<input checked="" type="checkbox"/>	
<i>Jackie Maulden</i>	<i>MBA - KTHV</i>	<input checked="" type="checkbox"/>	
<i>Don Bradley</i>	<i>MBA - KTHV</i>	<input checked="" type="checkbox"/>	

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VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. SENATE BILL NO. 103

DATE MARCH 11, 1987

SPONSOR SENATOR TOM HAGER

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Lloyd Lockrem	Mont. Cont. Assoc.	✓	
Robert Throssell	State Auditor		
Michael J. Hutten	The Insurance Exchange	✓	
<del>John</del>	Jensen Real	✓	
John Peterson	RTM Const.		
J. H. Bales	MT CHAMBER	✓	
Riley Johnson	MHBA	✓	

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VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. SENATE BILL NO. 213

DATE March 11, 1987

SPONSOR SENATOR JOSEPH MAZUREK

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
John Dudas	Board of Realty	X	
John Tripp	Double Arrow Ranch	X	
Son M. McNeil	DEPT. OF COMMERCE/Bd OF REALTY	X	
Michael			
Bob Helming	Mt. Assoc. Realtors	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR  
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.