

MINUTES OF THE MEETING  
BUSINESS & INDUSTRY COMMITTEE  
MONTANA STATE SENATE

February 6, 1987

The sixteenth meeting of the Business and Industry Committee was called to order by Chairman Allen C. Kolstad at 10 a.m. on Monday, February 6, 1987, in Room 410 of the Capitol.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 194: Rep. Joan Miles, District 45, Helena, sponsor of the bill, stated that this bill does away with the requirement in the laws on all-beverage licenses that the Department of Health and Environmental Sciences approve a catering endorsement to a license and a special permit to sell beer and wine at special events.

PROPONENTS: Tom Mulholland, Department of Revenue, expressed support for the bill after reviewing it.

OPPONENTS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 194: Chairman Kolstad called for questions from the committee.

Chairman Kolstad questioned Rep. Miles about the new section removing the extension of authority and asked the reason for so doing. She replied that during the House hearing they decided that nothing needed to be changed.

DISPOSITION OF HOUSE BILL NO. 194: Sen. Boylan MOVED that HB 194 BE CONCURRED IN, seconded by Sen. Walker. The MOTION PASSED UNANIMOUSLY. Sen. Boylan will carry the bill in the Senate.

CONSIDERATION OF HOUSE BILL NO. 41: Rep. Cal Winslow, chief sponsor of the bill, said that this bill requires that a liability and collision insurer provide a premium rate reduction to mature drivers (55 years or older) who meet certain eligibility requisites. To qualify, the older driver must successfully complete an approved highway traffic safety program. The reduced rate is effective for two years. The insurer may require, as a condition of maintaining the discount, that the driver not be involved in an accident for which he is at fault and not be convicted of, or forfeit bail for, a moving traffic violation. The discount is not applicable if the driver takes the approved safety course as punishment directed by a court or other governmental entity.

PROPONENTS: Col. R.W. Landon, Chief of Montana Highway Patrol, pointed out that the seniors need to drive but need to be

reminded of their limitations. The financial incentives in this bill will encourage the seniors to come back to the classroom and learn how to compensate for their losses and we'll all benefit. He said he found the AARP instructor's manual very professional. Col. Landon also submitted written testimony. (EXHIBIT 1)

Lois C. Shorey, Billings, State Coordinator for the AARP in the 55/ALIVE Mature Driving Program, supported the bill and submitted written testimony. (EXHIBIT 2)

Ladd Shorey, Billings, also supported HB 41 and submitted written testimony. (EXHIBIT 3)

Joe Upshaw, State Chairman of the AARP Legislative Committee, submitted EXHIBIT 4.

Elmer Hausken, Helena, volunteer registered lobbyist for AARP and a Senator in the Legacy Legislature, submitted written testimony. (EXHIBIT 5)

Fred Patten, President of Local Chapter #3536, AARP, presented his written support. (EXHIBIT 6)

Further proponents who briefly supported the bill were Bill Elliott, Highway Traffic Safety, Tanya Ask, Montana Insurance Department and Wade Wilkison, LISCA.

OPPONENTS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 41: Chairman Kolstad asked for questions from the committee and Sen. Williams asked if the test that is given has any bearing on the person receiving their license, to which the reply was that it did not.

Sen. Weeding asked Rep. Winslow if there would be an incentive and Ms. Ask replied that there would be a deduction in premium for successfully completing the program. If no reduction was offered the company would be in violation of state law and they could be censured either by an administrative fine or something similar.

Chairman Kolstad asked Ms. Ask if the rates are currently higher for senior citizens. Ms. Ask replied that she had checked with State Farm Insurance and they, as a general rule, automatically write senior drivers at 90% of their regular rate.

Sen. Neuman asked Ms. Ask if the companies are required to offer a lower rate for people who take this course as their profits are figured actuarially on all drivers, will they increase the premiums that others pay to offset the decrease that the seniors would receive. Ms. Ask referred to the next section

and said that this discount does not have to be offered if that driver is not a safe driver. He may have successfully completed the course but might have some motor vehicle violations or at-fault accidents, therefore, he would not be offered the deduction. Drivers are rated in groups.

Sen. Neuman then asked if the program is good for those over 55, why would it not be good for those under 55. Why shouldn't insurance companies be required to offer reductions for everyone who completes the course? Rep. Winslow replied this was discussed in the House and said the physical reactions change with age. This reduction only stays in place if they continue the safe driving course every two years.

Ms. Ask stated that over 55 the reaction time is slower and for most of them it has been a number of years since they did anything about improving their driving skills. This is just an option to take a safe driving class; it is not mandated.

Sen. McLane asked what size discount would they be looking at. Mr. Shorey responded any discount that would be appropriate for the insurance company's actuarial tables but most insurance associations have indicated anywhere from 1-10%, which would be an incentive to take the course.

Chairman Kolstad asked about the charge for taking the course. Mr. Shorey replied that over the United States the course is \$7; the actual course costs \$22 to the Association and they make up the difference.

Sen. Hager asked how long this test has been available, and Mrs. Shorey responded that it has been since 1979.

Sen. Hager asked for an explanation on the 55 age because 65 is usually the retirement age. Mr. Shorey responded that tests show that the earlier you can catch them for training the better it is. Seniors are educable but they want practicum; the age is set by the individual states.

In closing, Rep. Winslow stated that this is a preventive measure that is an important issue. He reminded them that it is a voluntary course and provides incentives for seniors.

DISPOSITION OF HOUSE BILL NO. 41: Sen. Weeding MOVED HB 41 BE CONCURRED IN, seconded by Sen. Walker. Sen. Neuman asked if there was possibly a constitutional issue such as age discrimination. He also said that just because one attended the course does not make him a better driver. Col. Landon responded there is a participating examination and pointed out that the course deals with attitudes toward driving plus the limitations that occur in that age group, however, there is no written examination following the course. The question being called, the MOTION PASSED UNANIMOUSLY.

CONSIDERATION OF HOUSE BILL NO. 257: Sen. Gene Thayer, District 19, Great Falls, chief sponsor, said this bill creates a program whereby low income telephone users may have reduced rates of at least \$2 per month for local exchange services. To be eligible that person must have only one telephone at his residence and be certified as a recipient of Medicaid benefits. To pay for this program the PSC must authorize an additional monthly charge for each residential access line to fully reimburse providers of discounted service. The bill also requires the PSC to monitor the program's effectiveness and issue certain reports. The PSC, SRS, and participating providers of local telecommunications services must comply with federal requirements for the receipt of matching federal low income telephone assistance. He also submitted written testimony which is attached. (EXHIBIT 7)

PROPOSERS: Jim Hughes, Mountain Bell, said they had been working with the PSC and SRS to come up with this solution to make the process work smoothly and easily. People in the state who are now receiving Medicaid benefits would qualify for this program. Every month they receive a new Medicaid card from SRS. They propose to send out applications with those Medicaid cards from SRS and those interested in applying for the \$4 telephone discount on their service would send that application along with their last month's Medicaid card to Mountain Bell. They would accept that card as proof of their eligibility and they would be computerized to deduct \$4 from their local service bill.

Taffy Miller, Customer Service Representative, Montana Public Service Commission, submitted written testimony, EXHIBIT 8, with proposed amendments.

Cal Simshaw, Montana Telephone Association, said they had participated in the 1 1/2 year task force process along with the other groups, and they would support the bill as drafted because it would allow them to monitor how it is implemented and would allow their systems to participate at such time as it's clear they can do so without placing too high a burden on their non-qualifying subscribers. They would oppose the amendments submitted by the PSC.

Les Loble, representing General Telephone Company, spoke in favor of the bill and submitted written testimony. (EXHIBIT 9)

Jim Nolan, Department of Social and Rehabilitative Services, expressed support and said he would answer any questions. He stated there would be no additional charges and utilizes the current verifying system.

Jim Smith, speaking on behalf of Human Resource Development Council, had also participated in the task force process and felt they had come up with the best possible bill.

Jim Paine, Montana Consumer Counsel, expressed his support and stated he would answer any questions.

John Ortwein, Montana Catholic Conference, expressed support and submitted testimony. (EXHIBIT 10)

Wade Wilkerson, LISCA, had also been on the task force process and felt it was well done.

OPPONENTS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 257: Chairman Kolstad opened the discussion by asking for questions from the committee. Sen. Neuman asked about the costs and the reply was that it was strictly a dollar for dollar passthrough.

Sen. Williams asked Mr. Hughes if he had discussed the amendments with those who opposed them. He responded that he had but has problems with the amendments, particularly 3, 4, 5 and 6. He didn't think amendment no. 1 was necessary as it was too exclusive, however, he would agree with amendment #2. He stated he did not have a problem with amendment #7. He said they had made a commitment to people to try and work with what had been agreed to and wished to follow through on that.

Sen. Williams asked for a response from Ms. Miller concerning the complaints against her proposed amendments, however, Ms. Miller felt they were good amendments.

In closing, Sen. Thayer said the bill had been reworked because of potential problems and urged the committee to not adopt the amendments with the possible exception of amendment #7.

DISPOSITION OF SENATE BILL NO. 245: There was discussion between Chairman Kolstad and the researcher, Mary McCue, concerning an immediate effective date and also an applicability date. Sen. Walker MOVED ADOPTION OF AMENDMENT regarding effective date, seconded by Sen. Thayer, PASSED UNANIMOUSLY. Sen. Meyer MOVED the balance of the amendments concerning applicability date, and the word "daily" following "average" wherever needed, seconded by Sen. Thayer. The MOTION PASSED UNANIMOUSLY. Sen. Williams then MOVED that SB 245 DO PASS, AS AMENDED, seconded by Sen. Meyer. MOTION PASSED UNANIMOUSLY.

DISPOSITION OF SENATE BILL NO. 239: Sen. Walker MOVED SB 239 DO NOT PASS, seconded by Sen. Boylan. The MOTION PASSED UNANIMOUSLY. Sen. Walker will explain the Adverse Committee Report.

FURTHER DISCUSSION ON SENATE BILL NO. 115: The committee discussed the fact that they had to vote on the Statement of Intent for the bill.

Sen. Thayer MOVED ADOPTION OF THE STATEMENT OF INTENT FOR SB 115, seconded by Sen. Meyer. The MOTION PASSED UNANIMOUSLY and the Statement of Intent will be attached to the Committee Report on SB 115 dated February 5, 1987.

DISPOSITION OF SENATE BILL NO. 218: It was MOVED that SB 218 DO PASS by Sen. Meyer, seconded by Sen. Williams. The MOTION CARRIED UNANIMOUSLY. Sen. Thayer will carry the bill.

DISPOSITION OF HOUSE BILL NO. 98: Amendments were submitted by Roger McGlenn and given to the members. Sen. Thayer said he opposed the amendments. Chairman Kolstad stated that as long as there was no motion to consider the amendments they would be disregarded and they would go to the bill itself.

Sen. Neuman MOVED THAT HB 98 BE CONCURRED IN, seconded by Sen. Walker. The MOTION CARRIED UNANIMOUSLY. Sen. Neuman will carry the bill.

Sen. Neuman stated that there is a lot of turmoil building on the bankers' bill and he asked for the committee's permission to draft the bill. There was no objection. This is the emergency chartering bill and if it isn't necessary they will not introduce it.

The meeting was adjourned by Chairman Kolstad at 11:20 a.m.

  
SEN. ALLEN C. KOLSTAD, CHAIRMAN

ROLL CALL

Business & Industry COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Friday  
Date 2/6/87

NAME	PRESENT	ABSENT	EXCUSED
ALLEN C. KOLSTAD, CHAIRMAN	✓		
TED NEUMAN, VICE CHAIRMAN	✓		
PAUL BOYLAN	✓		
TOM HAGER	✓		
HARRY H. McLANE	✓		
DARRYL MEYER	✓		
GENE THAYER	✓		
MIKE WALKER	✓		
CECIL WEEDING	✓		
BOB WILLIAMS	✓		

Each day attach to minutes.

2/6/87  
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Business & Industry

# VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
LADD S SHOREY	A.A.R.P. 55 ALIVE DRW	HB 41	X	
LOIS SHOREY	Legacy Legislation <sup>5-5/alive</sup> AARP	HB 41	✓	
Joe Upshaw	AARP	HB 41	✓	
Judy Miller	P.S.C.	SB 257	✓	
Les Locke	Gen. Tel. of the NW Inc	SB 257	✓	
Jim Patric	MT. Consumer Counsel	SB 257	✓	
Jim Nolan	SRS	257	✓	
Jim Hughes	MOUNTAIN BELL	257	✓	
Col. R.W. Landon	Highway Patrol	HB 41	✓	
Bill Elbert	Highway Traffic Safety	HB 41	✓	
David Harrison	AARP	HB 41	✓	
Jim Davidson	Montana Telephone Assn.	SB 257		
Judy H. Carlson	AARP	HB 41	✓	
John F. Brown	mt Catholic Cong	SB 257	✓	
John Smith	HRDC	257	✓	
Tanya Ask	MT. Ins. Dept	HB 41	✓	
Fred Walker	AARP Ch. Pres. 3536	HB 41	✓	
Tom McKelvey	Revenue - Liquor	HB 194	✓	
WADE WILKINSON	LISCA	HB 41	✓	

(Please leave prepared statement with 3

NAME: Paul R.W. Landon DATE: 2-6-87

ADDRESS: Highway Patrol

SENATE BUSINESS & INDUSTRY

PHONE: 444 - 3780

EXHIBIT NO. 1

DATE 2/6/87

REPRESENTING WHOM? Highway Patrol

BILL NO. HB 41

APPEARING ON WHICH PROPOSAL: HB 41

DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: Seniors need to drive to remain independent  
and self supporting. We have very little public  
transportation in Montana.

Seniors needed to be reminded of their  
limitations and learn how to compensate for  
that loss.

The AARP instruction program does that. I  
have reviewed the instructor's manual and find  
it very professional.

The financial incentives in this bill will  
motivate the seniors to come back to the class-  
room.

We strongly support this positive legislation.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

February 6, 1987

HB 41 MATURE DRIVING BILL

Business and Labor Committee  
Chairman-Senator Allen C. Kols  
Sponsor-Rep. Calvin Winslow  
Co-sponsor-Senator Harry H. "Doc"  
McLane

My name is Lois C. Shorey and I live at 2115 Dahlia Lane, Billings, Montana. I am an unpaid full time volunteer in the senior movement. At present I am the State Coordinator for the American Association of Retired Persons in the 55/ALIVE Mature Driving Program. I have been involved in Legacy Legislature since it's inception, and serve as an Information and Referral Technician for the State Unit on Aging in an unpaid basis. Today, I speak in behalf of all the seniors in Montana who are still driving their cars and remaining independent as long as physically possible.

Seniors now constitute 24% of the drivers and the number is growing because of demographics and the graying of the population. There are many driving courses in the nation but ours is the only one geared to the elderly driver. Driver retraining for the senior takes into consideration, the normal related physical changes due to aging, and the advances in educational material which enables them to compensate for old age changes. The course touches on physical changes, characteristics and accident experiences of the older driver, common hazards encountered, rules of the road, some freeway driving, effects of alcohol and medication, adverse driving conditions, defensive driving, and many other issues. A law similar to this bill is in effect in 20 other states and Washington D. C. The latest state to pass such a law was California. 55/ALIVE helped to bring the needs of the older driver to public recognition and served as a basis for legislation to attain insurance discounts on auto premiums for graduates of the retraining classes. The course we offer has been subjected to stringent evaluations by many organizations and in particular by the United States Dept. of Transportation. The material is taught by certified volunteer instructors, keeping the cost to a minimum and affordable to all seniors.

Most of the seniors learned to drive forty to fifty years ago and have had no formal instruction. The purpose of this bill is to give seniors a small economic incentive to come to the classes for the purpose of being better older drivers.

In the past, older drivers did not receive attention because there were not enough of them and the transportation system was less complex. While the current concern is most sobering, it is a healthy sign that we are interested. It is time we recognize that all of us can do things to lessen some of the problems of the elderly driver and make the roads safer for drivers of all ages. The system we have now was designed for younger drivers with faster perception ability, but with the greater number of seniors driving, more attention must be paid to them. The myth that older people cannot learn has been dispelled by research. They can still learn if relatively healthy and if motivated. In our huge state and with the lack of public transportation, it is imperative that our older citizens remain independent and able to drive as long as possible.

This bill would require that any insurance company doing business in the State of Montana would grant a suitable discount to any older citizen who takes the driver training course. Many insurance companies now grant a discount to seniors that is built into their rates. By the same token, many companies are not even writing policies for the older driver, or cancelling their coverage because of age. We are requesting the same discount now granted to 16 year old drivers who take a driver education course. Many direct writers of insurance are now capturing the older market with good results. We would like this business to remain in Montana, keeping insurance dollars and insurance jobs in the state.

If we can retrain the older driver by granting a small economic incentive, everyone wins. The senior remains independent and driving, the company has fewer claims, the accident statistics go down, many serious injuries avoided and lives would be saved.

There would be no fiscal impact on this bill.

Thank you.

(This sheet to be used by those testifying on a bill.)

NAME: Lois B. Shorey DATE: Feb 6, 1985

ADDRESS: 2115 Dahlia Lane Billings, Mont

PHONE: 252-2563

REPRESENTING WHOM? The Defense Driving Program from AARP,  
Legacy Legislation and grassroots seniors

APPEARING ON WHICH PROPOSAL: H.B. 41 - Mature Driving Act

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENT: I speak in support of this bill. It is a fact  
of life that we have many physical changes as  
we grow older. Our course is to teach the <sup>elder person</sup> ~~elderly~~  
how to cope better with their aging and remain  
driving as long as possible in a safe manner.  
It takes an incentive to get that senior who has  
driven for 50 years into a safe driving class. This  
is no different than the many discounts that insurance  
companies already give for non smokers, seat belt  
wearers, people who reach a certain age, high school  
students who take a similar course, two car households  
etc. By taking the course, the elderly driver has  
taken a positive step for his safety and that  
of the general public also. This is a prime  
PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

ex ample of seniors helping other seniors.  
There is no fiscal impact to the state.  
We ask for your support and thank you  
for listening.

NAME: LADD S SHOREY DATE: FEB 6, 1987

ADDRESS: 2115 DAHLIA LN. Billings, MT

SENATE BUSINESS & INDUSTRY

PHONE: (406) 252-2563

EXHIBIT NO. 3

DATE 2/6/87

REPRESENTING WHOM? AMER ASSN. OF RETIRED People

BILL NO. HB 41

APPEARING ON WHICH PROPOSAL: HB-41

DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: See Attached Testimony

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SOME POINTS TO BE CONSIDERED FOR THE MATURE DRIVING BILL NO. 3

DATE 2/6/87  
BIBL NO. 78

Demographics: In Montana there are 131,000 persons over the age of 60. With increased longevity for the elderly of our nation, the older population of Montana is expected to continue to grow steadily. During the years 1980-1984, our population aged 60 plus realized a 9.8 percent increase. The latest census data indicate that this same age group of 60 plus constitutes 15.9 percent of Montana's total population and 24 percent of the total number of drivers.

Various national safety surveys point out that a significant segment of the population is not having its needs met. Driver improvement programs of a generic nature do not meet the criteria. The alternatives for older persons are reliance on relatives and friends, public transportation, or vehicles for hire. All of these fall far short of accomplishing the goal of independence and mobility for nearly one-fourth of our population. A retraining program is not the end of driver education; it is the beginning.

Motivation: Studies indicate that while older people are less motivated than younger people to take on a learning task, they will learn what is meaningful to them (from Calhoun & Gaunard, 1979). Other researchers (Davis, 1981) defined meaningfulness for older learners to be that which is concrete and oriented to reality. To be moved to voluntarily attend driver training or retraining, older drivers must be convinced it has value for them, (i.e. an economic incentive.)

Informational and Educational Needs: Older drivers need to be kept abreast of changes and new developments in highway design, environmental controls, laws and regulations, and vehicle design. Up to now, older-driver improvement activities have been developed more from a punitive point of view: restrict the elderly rather than help them to improve their performance.

Summary: (Quotes from "Needs and Problems of Older Drivers. 1985).

Older drivers appear to be a sufficiently educable and receptive audience for more tangible coping mechanisms. They indicated a willingness to learn and to apply updated driving knowledge and skills. For example, older drivers would be willing to

participate in classroom driver education and in-car driver training courses as well as to try innovations in automobile design.

Older drivers are well enough off to afford the initial purchase of an automobile. However, they are concerned with automobile insurance claims and premiums. Professionals working in this and other fields should be trained in understanding and serving the special needs and problems of older drivers.

The majority of older drivers (78 percent) think the national maximum speed limit of 55 MPH is just right. However, in view of their higher vulnerability to injury and protracted recovery from it, it is unfortunate that a larger percentage of older drivers do not always wear their seatbelts.

Although many older drivers said that they would no longer wish to be able to drive at about age 80, older drivers also said that no specific age requirements should be applied for driver licensing renewal through reexamination.

Methods are needed for identifying incompetent drivers, without unduly penalizing others.

HB-41, the Mature Defensive Driving Act was passed by the House of Representatives by a vote of 90 to 8 and has been sent to your Senate Committee for consideration. This same bill is also now being considered in Montana's sister states of South Dakota and Utah with hope of becoming law. It is my hope, and the hope of many of the mature citizens that I speak for here today, that this bill will receive your careful consideration and favorable vote. Thank you.

Ref: Ladd S. Shorey, Area Field Coordinator, AARP, 2115 Dahlia Lane, Billings, Mt.

(This sheet to be used by those testifying on a bill.)

NAME: Joseph W. Upshaw DATE: 2/6/77  
SENATE BUSINESS & INDUSTRY  
ADDRESS: 2016 Highland EXHIBIT NO. 4  
PHONE: 442-5956 DATE: 2/6/87  
BILL NO. HB 41

REPRESENTING WHOM? American Assoc of Retired Persons

APPEARING ON WHICH PROPOSAL: HB 41

DO YOU: SUPPORT? X AMEND?        OPPOSE?       

COMMENT: I am Joe Upshaw, appearing as <sup>STATE</sup> Chairman of  
The American Assoc of Retired Persons, Legislative Committee.  
We, as an organization wholeheartedly support this bill. ~~and~~  
and I hope that the merits of this bill have been  
thoroughly explained by those appearing before me, so I will close  
by urging you to favorably consider this legislation.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: ELMER HAUSER DATE: 6/28/87

ADDRESS: 1200 HIGHLAND, HELENA, MT

PHONE: 442-8319

REPRESENTING WHOM? AARP

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 2/6/87

BILL NO. HB 41

APPEARING ON WHICH PROPOSAL: HB 41

DO YOU: SUPPORT? X AMEND?        OPPOSE?       

COMMENTS: I AM AN UNPAID VOLUNTEER REGISTERED  
LOBBYIST FOR THE AMERICAN ASSOCIATION OF  
RETIRED PERSONS. I AM ALSO A SENATOR IN  
THE LEGACY LEGISLATURE THAT APPROVED  
HB 41 IN ITS SESSION IN SEPT 1986

I URGE YOU TO PASS THE DEFENSIVE DRIVING  
TRAINING BILL. RISKS ARE LOWERED  
WHEN PEOPLE ARE REMINDED OR REFRESHED  
OF THE RULES OF DRIVING AT ANY  
AGE. YOUR OWN LIFE MAY BE SAVED!  
THANK YOU FOR PASSING HB 41

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Elmer Hauser  
AARP



SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 6

DATE 2-6-87

BILL NO. S.B. 257

February 6, 1987

For the Records:

My name is Fred Patten. I am President of the local chapter  
Number 3536 of AARP.

The local chapter fully supports HB-41 to create Mature Defensive  
Driving Act.

Fred Patten  
President Local Chapter #3536  
A.A.R.P.

Low Income Assistance Testimony  
for Senator Thayer

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 7

DATE 2/6/87

BILL NO. SB 257

Mr. Chairman, Members of the Committee,

In recent years, the means by which we all obtain telephone service has undergone significant change. Telephone service, to some portions of our society has become somewhat of a necessity. Citizens, including the elderly, handicapped, and disabled find themselves needing telephone service for medical and many serious situations. Some of these people are on fixed incomes and must struggle to afford the basics of life.

Alternative services presently do exist that address the needs of some of these people. Examples include 2 party lines, local measured service or simply using a coin telephone.

Some citizens however, do not readily benefit from the existing options. I propose today that you consider an additional mechanism that specifically addresses a reduced rate for single party service. This would apply to those that are certified to meet established income criterion.

The Federal Communications Commission recently approved the waiver of the federally imposed customer access line charges. This waiver is contingent upon states having established a Low Income Telephone Assistance Telephone Plan. The federal credit is \$2.00/month on a qualified subscriber's telephone bill.

My legislation would provide this "Low Income Telephone Assistance Plan" and would allow the FCC, upon approval of the Montana plan to credit those qualified with an additional \$2.00 per month credit.

The legislation enables Montana telephone utilities with over 50,000 subscribers a means by which the federal credit of \$2.00 could be matched. This would be accomplished with an additional \$2.00 credit funded through residential rate payers in Montana. The additional cost to these subscribers is estimated to be 12 cents per month. Those utilities with less than 50,000 subscribers would have the option to provide the program.

The legislation has no impact upon the general fund. It is an opportunity for (business) to help solve the problems of our handicapped and elderly by utilizing a matching credit provided by the FCC.

The Plan you have before you is one developed over the past year and one half by a task force of interested people. They include representatives from Low Income, Senior Citizens, Montana Telephone Utilities, St. Peter's Hospital, Montana Department of Social and Rehabilitations Services, and the Montana Public Service Commission. A complete list of participants is available upon your request.

In summary then, Mr. Chairman, you have before you a plan that utilizes matching federal monies, that credits those eligible with \$4.00/month on their local telephone service, that has no impact on the General Fund and represents a means by which private business can help to solve some of the problems of our less fortunate citizens.

I urge you to give this proposal a do pass recommendation!

Thank you.

**PUBLIC SERVICE COMMISSION**

2701 Prospect Avenue • Helena, Montana 59620  
Telephone: (406) 444-6199

Submitted by:  
Taffy Miller  
Customer Service Rep.  
PSC

**SENATE BUSINESS & INDUSTRY**

EXHIBIT NO. 8

DATE 2/6/87

BILL NO. 257

Clyde Jarvis, Chairman  
Howard Ellis, Vice Chairman  
John Driscoll  
Tom Monahan  
Danny Oberg

February 6, 1987

Written testimony of the Public Service Commission on SB 257.

The PSC supports the concept of SB 257. As drafted this bill would provide a \$4 discount to Mountain Bell customers who receive Medicaid. Mountain Bell would be reimbursed for the \$4. Two dollars of each discount would be funded by an increase in the rate Mountain Bell's residential customers pay for basic service and \$2 would come from the FCC through a waiver of the Medicaid recipient's federal carrier access line charge. The charge for business service would not be increased by this program.

Until the program is established the PSC does not have the data to calculate the exact rate impact of providing the assistance but it estimates that the monthly rate increase to residential consumers would be in the 6 to 9 cent range. The Department of Social and Rehabilitative Service estimates that there are 18,500 Medicaid recipients. If all Medicaid recipients lived in Mountain Bell service areas and all received the discount, both unlikely assumptions, the charge for basic residential service would increase approximately 12 cents per month to fund this program.

# AMENDMENTS:

The PSC proposes four amendments:

1. Strike the portion of Section 7 that makes the bill only applicable to telephone providers with more than 50,000 lines. Mountain Bell is the only Montana company with more than 50,000 lines so this bill would only assist Mountain Bell customers. The PSC proposes to make the bill apply to all regulated companies for two reasons:

One, this is a social welfare program to promote universal availability of telephone service; this assistance should be available to all qualified telephone subscribers not just Bell customers. The federal carrier access charge, which funds half the cost of the program, is paid by every telephone subscriber in the state.

Two, there will be considerable consumer confusion if the bill is adopted as drafted. Receiving Medicaid is the eligibility criteria and all Medicaid recipients will be informed of the discount. With SB 257 as drafted, however, only Bell customers would receive the \$4 discount.

The attached map shows the effect of this change. The area added by the PSC's amendment is shaded yellow. Because the PSC has no jurisdiction over the Cooperatives we would amend Section 1 to make it clear that this bill applies only to regulated companies.

2. Strike Section 3 parts 2 and 3. These sections require the PSC to adjust rates on a company by company basis. This means the residential rate increase to fund the program would

vary from company to company depending on the the number of customers a company has and the percentage who receive Medicaid. It is possible Company A's customers would pay 9 cents per month and Company B's pay 6 cents per month to fund the program. It may be more appropriate to pool the costs of the program on a state wide basis and the PSC prefers to have flexibility to make this decision.

3. Strike the word "shall" in Section 3 part 1 and replace with the word "may." The PSC proposes this amendment to clarify that it is not required to authorize a rate increase until the FCC approves the Montana plan and provides the matching waiver of the carrier access line charge. Without this change the PSC believes that Section 1 of this bill could be read to require a \$2 discount in the charge for local service regardless of whether a matching \$2 is available.

4. Strike Section 8. This section is unnecessary if the regulated telephone utilities file tariffs that detail the discount available to eligible subscribers. The PSC will require that tariffs be filed and prefers that no amendment be made to 69-3-305, MCA.

SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 8  
DATE 2-6-87  
BILL NO. S.B. 257

LC 1374/01

1. Page 1, line 21.

Following: "subscriber:

Insert: "of a regulated telephone utility"

2. Page 2, line 18.

Following: "commission"

Strike: "shall"

Insert: "may"

3. Page 2, line 22 through Page 3, line 3.

Strike: Sections 3(2) and 3(3) in their entirety

4. Page 4, line 13.

Following: "apply to"

Insert: "all"

5. Page 4, line 14.

Following: "services"

Strike: "with more than 50,000 subscribers"

6. Page 4, lines 16-23.

Strike: "(2) Regulated providers ... require otherwise."

7. Page 4, line 24 through Page 5, line 25.

Strike: Section 8 in its entirety

[illegible]

= Mountain Bell service area.

= Other independent telephone companies' service area.

		Approximate No. of Residential Lines	Rate For Basic Residential Service*
	<u>Telephone Company</u>		
Included in the bill as drafted	Mountain Bell	300,000	\$ 13.11
Included in the bill under PSC amendment	Northwestern Tele.	32,000	7.38
	General Tele. of the NW	6,500	9.30
	Project Tele. Co.	2,400	10.00
	Ronan Tele. Co.	1,800	8.00
	Lincoln Tele. Co.	600	9.00
	Southern Mont. Tele. Co.	600	5.45
	Hot Springs Tele. Co.	600	2.50
	<u>Telephone Cooperatives**</u>		
Not included under either version of the bill	Blackfoot	4,400	8.50
	Interbel	700	10.00
	Mid-Rivers	5,600	12.65
	Nemont	2,300	6.50
	Northern	1,400	6.25
	Range	2,600	10.65
	Three Rivers	7,100	7.00
	Triangle	7,900	7.00
	Valley Rural	700	8.50

\* This rate is for one party service in a basic rate area, some companies add zone charges for service beyond the basic rate area. Multi-party service is generally available at a lower rate. In some areas Mountain Bell offers local measured service at a lower flat rate. In addition, all consumers are charged \$2 for the federal carrier access line charge.

\*\* The PSC does not regulate the cooperatives. This information is accurate to the best of our knowledge and is provided for comparative purposes.

NAME: Les Lobitz DATE: 2/6/87

ADDRESS: PO Box 176 Helena SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 9

PHONE: 442 0070 DATE: 2/6/87  
BILL NO. SB 257

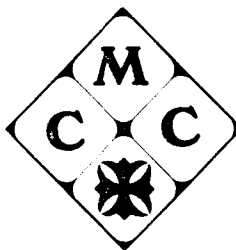
REPRESENTING WHOM? Gen. Tel. Co. of the NW, Inc

APPEARING ON WHICH PROPOSAL: SB 257

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: Agree to amendments requiring  
all companies participating, but  
oppose PSC amendments to give  
it discretionary authority whether  
to reimburse the provider (the telephone  
company) for the cost of this  
service or not.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



# Montana Catholic Conference

SENATE BUSINESS & INDUSTRY

February 6, 1987

EXHIBIT NO. 10

DATE 2-6-87

BILL NO. SB 257

CHAIRMAN KOLSTAD AND MEMBERS OF THE SENATE BUSINESS AND INDUSTRY COMMITTEE:

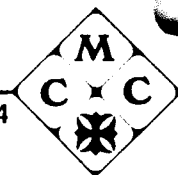
I am John Ortwein representing the Montana Catholic Conference. The Montana Catholic Conference serves as the liaison between the two Roman Catholic Bishops of the State in matters of public policy.

Catholic social teaching throughout the ages has stressed the concept of distributive justice, which requires that the allocation of income, wealth and power in society be evaluated in light of its effects on persons whose basic material needs are unmet.

Basic justice calls for the establishment of a floor of material well-being on which all can stand. This is a duty of the whole of society and it creates particular obligations for those with greater resources. These duties call not only for individual charitable giving but also for a more systematic approach by all groups that shape economic life.

The telephone low income assistance program supports the concept of distributive justice.

The Montana Catholic Conference urges your support of SB 257.



## STATEMENT OF INTENT

SB Bill No. 257

A statement of intent is required for this bill because it delegates rulemaking authority to the public service commission and the department of social and rehabilitation services. It is the intent of the legislature that the low income telephone assistance program be narrowly targeted to the low income individuals identified in the bill and be administered in the most cost-effective way. Any rules of the public service commission promulgated under this act must be narrowly written to meet requirements for matching federal assistance.

# STANDING COMMITTEE REPORT

February 6, 1937

MR. PRESIDENT

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE BILL No. 41

Third reading copy ( blue )  
color

**WINSLOW (MC LANE)**

**CREATE MATURE DEFENSIVE DRIVING ACT; REDUCE PREMIUM RATES OVER AGE 55**

Respectfully report as follows: That HOUSE BILL No. 41

BE CONCURRED IN

XXXXXX  
DO PASS

XXXXXXXXXX  
DO NOT PASS

*Kolstad*  
SENATOR KOLSTAD,

Chairman.

# STANDING COMMITTEE REPORT

February 6, 19 87

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **HOUSE BILL** No. **98**

Third reading copy ( blue )  
color

**MANUEL (NEUMAN)**

**ALLOWING A FARM MUTUAL TO INSURE LIABILITY RISKS**

Respectfully report as follows: That **HOUSE BILL** No. **98**

BE CONCURRED IN

~~XXXXXX~~  
DO PASS

~~XXXXXXXXXX~~  
DO NOT PASS

*Kolstad*  
SENATOR KOLSTAD,

Chairman.

# STANDING COMMITTEE REPORT

February 6, 1937-

MR. PRESIDENT

## BUSINESS & INDUSTRY

We, your committee on

having had under consideration HOUSE BILL No. 194

Third reading copy ( blue color )

MILES (BOYLAN)

ABOLISH DRES APPROVAL OF CERTAIN ALCOHOLIC BEVERAGES SALES

HOUSE BILL 194

Respectfully report as follows: That No.

BE CONCURRED IN

XXXXXX  
DO PASS

XXXXXXXXXX  
DO NOT PASS

SENATOR KOLSTAD,

Chairman.

# STANDING COMMITTEE REPORT

February 5, 19 87

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **SENATE BILL** No. **218**


**First** reading copy ( **white** )  
color

## REGULATE TRANSFERS OF MEDICARE SUPPLEMENT INSURANCE POLICIES

Respectfully report as follows: That **SENATE BILL** No. **218**

DO PASS

DO NOT PASS

  
**ALLEN C. KOLSTAD,**

Chairman.

# STANDING COMMITTEE REPORT

February 6, 19 87

MR. PRESIDENT

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE BILL No. 239 ✓

First reading copy ( white )  
color

**MOTOR FUEL SUPPLIER MAY OPERATE RETAIL OUTLET IN ONLY LIMITED CIRCUMSTANCES**

Respectfully report as follows: That SENATE BILL No. 239

XXXXXXX  
DO PASS

~~DO NOT PASS~~

*Kolstad*  
SENATOR KOLSTAD,

Chairman.

# STANDING COMMITTEE REPORT

February 6, 1987

MR. PRESIDENT

We, your committee on BUSINESS & INDUSTRY

having had under consideration SENATE BILL No. 245

First reading copy ( white )  
color

## COMPUTATION OF FINANCE CHARGE ON RETAIL CHARGE ACCOUNT AGREEMENT

Respectfully report as follows: That SENATE BILL No. 245

be amended as follows:

1. Title, line 6.  
Following: "AVERAGE"  
Insert: "DAILY"
2. Title, line 7.  
Strike: "AND"
3. Title, line 8.  
Following: "MCA"  
Insert: "; AND PROVIDING AN APPLICABILITY DATE"
4. Page 4, line 22.  
Following: "average"  
Insert: "daily"
5. Page 7, line 8.  
Following: "average"  
Insert: "daily"
6. Page 8, following line 4.  
Insert: "NEW SECTION. Section 3. Applicability. This act applies to finance charges computed on or after October 1, 1987."

And as amended,

~~DO PASS~~

XXXXXXXXXX  
~~DO NOT PASS~~

*Kolstad*  
..... ALLEN C. KOLSTAD,

Chairman.