

MINUTES OF MEETING
HIGHWAYS & TRANSPORTATION COMMITTEE
MONTANA STATE SENATE

The meeting of the Highways & Transportation Committee was called to order at 1 p.m., February 10, 1987, by Chairman Larry Tveit in Room 410, State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 92: Representative Gilbert, House District No. 22 testified that House Bill 82 was a bill that would require pole trailers, which are used primarily for transporting logs and other long irregular objects and equipped with fenders, splash aprons, or flaps. House Bill 82 was requested by the Highway Patrol Officers in the Missoula District, who work with logging activities.

He further stated that pole trailers are similar to other vehicles, including trucks, buses, and semi-trailers, used on the highways. They have the ability to deflect rocks, mud, or any other objects on the roadway from their wheels and toward other highway users.

PROPONENTS: Sgt. Mike Frellick, Montana Highway Patrol, testified that pole trailers, which are used primarily for transporting logs and other regular objects, supports House Bill 92. Exhibit I.

OPPONENTS: There were none.

QUESTIONS FROM THE COMMITTEE: There were none.

CONSIDERATION OF HOUSE BILL HJR 5: Representative Ed Grady, House District No. 47, testified that HJR5 is a joint resolution bill which urges Congress to take immediate action on the passage of the federal surface transportation program. He said this would mean one hundred million dollars for the state of Montana for the construction of deteriorating roads.

PROPONENTS: Bill Goznell, Department of Highways told committee members that the Department of Highways supports HJR5. He said this bill will send a message back to the Congress of the United States to take immediate action to approve the Federal Surface Transportation Program Reauthorization Act for fiscal 1987 and beyond.

Gary Bennett, Highways Users', testified that Montana Motor Carriers' Association, and etc., supports HJR5.

Bill Olson, Montana Contractors' Association, testified that they urged immediate passage of HJR5. It would mean around 1500 jobs for the construction of highways in the state of Montana. He said it would take two to three months before the federal government will act on this bill to receive funding in time for construction.

Jim Manion, Montana Automobile Association, testified that they urged passage of HJR5. Without funding from the national level, there would not be a highway program, he said.

OPPONENTS: There were none.

QUESTIONS FROM THE COMMITTEE: Senator Farrell asked if there were funding for asphalt for the construction of highways this summer. Mr. Goznell responded by saying the Department of Highways no longer has the funds for the March letting of bids; therefore, with the passage of HJR5, the department would be able to move forward with the construction.

CLOSING REMARKS: Because the construction season is drawing very close, Representative Ed Grady urged passage of HJR5. Senator Beck will carry HJR5 on the floor of the Senate.

CONSIDERATION OF HOUSE BILL 73: Representative Dorothy Bradley, House District 79, testified that House Bill 73 would revise the manner in which the motor vehicle laws apply to persons under age 18. She said that under this title, a person who commits an offense would be tried as an adult and if convicted, would be punished by incarceration. She further stated, that House Bill 73 sends a message to juveniles who owns a vehicle that they are responsible the same as an adult.

Representative Bradley told members of the committee that this bill stems from a court case that went all the way to the Supreme Court for the young person who was charged and had several DUI charges against his driving record and when he reached the age of 18 years of age, they were dismissed; and, she said, when he was 20 years old he was charged again with DUI and, because prior charges were dropped, they could not hold any of the prior DUI charges against him and these charges were no longer on his record.

She further stated that a person who is under 18 years of age and commits an offense under this title would be tried as an adult and, if convicted, shall not be punished by incarceration. Section 61-8-401, MCA would be amended to read: "Persons under the influence of alcohol or drugs."
(1) It is unlawful and punishable as provided in 61-8-714 for any person who is under the influence of a alcohol and drugs.

PROPONENTS: Bill Furois, Department of Justice, testified the department supports House Bill 92. He said that 4% are under the age of 18 and that 7% of our drivers of accidents are under the age of 18. He further stated that 12% of the drivers injured are also under 18 years of age.

Mickey Nelson, Lewis & Clark County Coroner, testified that House Bill 73 was discussed at the Lewis & Clark County DUI Task Force and that teenagers are treated differently when someone is killed. He said it is still the same burden on families as well as the economically affects on our state and, he said, juveniles should not be treated any different when it comes to complying points.

Rayleen Beaton, City Commissioner with the city of Helena, expressed support of House Bill 73. As a member of the DUI task force, Mrs. Beaton felt the House Bill 73 is an important piece of legislation. She urged passage of the bill.

Mrs. Beaton also testified that when a juvenile has an alcohol problem and, by calculation points, they would receive the help that is needed quicker.

Jim Manion of the Montana Automobile Association also testified in support of House Bill 73.

OPPONENTS: There were none.

QUESTIONS FROM THE COMMITTEE: There were none.

CONSIDERATION OF SENATE BILL 271: Senator Hirsch, Senate District No. 13, testified that Senate Bill 271 eliminates the unfair and deceptive business practice which is the advertising, offering for sale or sale of motor fuel in the state of Montana with the intent of injuring competitors or lessening competition. He said that this act shall provide the wholesalers of motor fuel be required to add a minimum markup of three percent to their current invoice price plus applicable freight costs.

He also stated that this act would provide that the retailers of motor fuel shall add a minimum markup of six percent to his current invoice price and shall also provide that if the wholesaler is also retailing motor fuel, he must add both markup percentages to this cost.

PROPONENTS: Doug Alexander, President of the Montana Petroleum Marketers' Association, testified on Senate Bill 271. See Exhibit I; Mr. Alexander's testimony.

Howard Wheatley, Great Falls, Montana, Petroleum Marketer, testified that he was in support of Senate Bill 271. He said that 95% of the control was held by companies out of state; 5% was held by people in the state and, today, 95% by local people and 5% out-of-state people. He further stated that without some kind of legislation, we again, are going to find that the control will be held by companies from out of the state of Montana.

Ron Leland, Automotive Trades of Montana (ATOM), testified that basically, Senate Bill 271 would limit unfair and deceptive business practice in the state of Montana which is the advertising, offering for sale or sale of motor fuel in the state with the intent of injuring competitors or lessening competition. He further stated that the means by which this bill will act will provide that the wholesalers of motor fuel shall be required to add a minimum markup of three percent to their current invoice price plus applicable freight costs.

He said the act shall also provide the retailers of motor fuel to add a minimum markup of six percent to his current invoice price. He said this act shall also provide that if the wholesaler is also retailing motor fuel, he must add both markup percentages to his cost. He told the committee the basis for this bill is derived from the Montana Cigarette Sales Act 16-10-101 and the 1985 Wisconsin Act #313, covering sales of alcoholic beverages, tobacco and motor fuels.

He further stated the reason for this bill is to help low cost selling in the state of Montana; the refineries or brokers add the cost of 6% for the retailer and the wholesaler would take a minimum markup of 3 percent. See Exhibit II.

Proposed Amendments to Senate Bill 271 were presented as Exhibit III.

QUESTIONS FROM THE COMMITTEE: There was a lengthy discussion by Senator Hager, Senator Lybeck, and Senator Hofman, on Senate Bill 271, voicing their concern on whether or not this would cause a price war among the gasoline dealers with the larger companies who can afford to come into the state and sell their goods at a lower price. They felt by selling below cost, the independent wholesaler and retailer are no longer in business and small companies with a lot of money could start a price war to increase a particular item.

Persons who have Conoco and Exxon dealerships are not able to buy products from other companies; they have to buy from their own companies making it difficult to compete with companies that can sell below the retail and wholesale price.

They also felt that by having a 3 and 6% for gas dealers on wholesaler and retailer markups that this would not affect the farmers and ranchers because the language of the bill refers to retailing motor fuel. Wholesale jobbers do not own retail markets in Montana.

Joe Roberts, Attorney with the Department of Justice, testified that Senate Bill 271 would prevent sales below cost which would apply to retail products that forbids sales below costs. Mr. Roberts testified that Senate Bill 271 does not include the Attorney General's Office and that the unfair trade act has extensive enforcement powers which would be referred to the Department of Commerce.

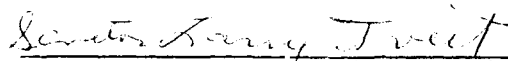
The Department of Commerce and the Attorney General's Office felt that even if Senate Bill 271 does pass, the question would be if there are enough people to enforce this law. Mr. Roberts said the law is just a piece of paper until you have the enforcement authority to do so.

Senator Weeding questioned whether the participation by the Department of Commerce and the county attorneys would cause additional expense. Mr. Roberts, once again, testified that this would not be a high priority for law enforcement and they probably would put it on the bottom of the pile and take care of the homicides or other more important matters.

Senator Hirsch testified in his closing remarks that there was some confusion regarding the 3% and 6% that would be added to the product on the wholesale and retail basis.

Senator Hirsch proposed amendments to Senate Bill 271. (See Exhibit III and IV).

The meeting was adjourned.



Senator Larry Tveit, Chairman

ROLL CALL

HIGHWAYS & TRANSPORTATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date _____

NAME	PRESENT	ABSENT	EXCUSED
<u>Chairman: Larry Tveit</u>	✓		
<u>Vice Chairman: Lawrence Stimatz</u>	✓		
<u>Senator Hubert J. Abrams</u>	✓		
<u>Senator William Farrell</u>	✓		
<u>Senator Tom Hager</u>			
<u>Senator Sam Hofman</u>	✓		
<u>Senator Ray Lybeck</u>	✓		
<u>Senator Darryl Meyer</u>	-		
<u>Senator Cecil Weeding</u>	-		
<u>Senator Bob Williams</u>	✓		

Each day attach to minutes.

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

NAME: Ron Leland DATE: 2/10/87

ADDRESS: 2127 Euclid Ave Helena MT 59601

PHONE: 442-6409

REPRESENTING WHOM? HTO/111

APPEARING ON WHICH PROPOSAL: SB 271

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

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

NAME: Howard Wheatley DATE: 7/10/87

ADDRESS: Box 1607 Great Falls MT 59405

PHONE: 453-0971

REPRESENTING WHOM? Howard Wheatley

APPEARING ON WHICH PROPOSAL: SB 271

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Day Alexander DATE: 2/11/56

PHONE: 587-0702

APPEARING ON WHICH PROPOSAL: SB-271

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

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

NAME: Ray Taggart DATE: 2-15-87

ADDRESS: 1611 S. 14th Road

PHONE: 586-9447

REPRESENTING WHOM? A.T.O.W.

APPEARING ON WHICH PROPOSAL: Bill 271

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DATE 1-10-87

COMMITTEE ON

NB 73, HB 92, HJ 5 -

SB - 27/

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

ATOM

Automotive Trades of Montana

P.O. Box 1236, Helena, MT 59624 • Phone: 442-6409

SB BILL NO 271

SENATE HIGHWAYS

EXHIBIT NO. 2

DATE 2-10-87

BILL NO. SB 271

NAME OF BILL: The Montana Gasoline Sales Act

SUBJECT OF THE BILL: To eliminate an unfair and deceptive business practice.

That unfair and deceptive practice is: the advertising, offering for sale or sale of motor fuel in the State of Montana, with the intent of injuring competitors, or lessening competition.

The means by which this bill will act is: this act shall provide that the wholesalers of motor fuel, shall be required to add a minimum markup of three (3%) percent to their current invoice price plus applicable freight costs.

This act shall also provide that the retailers of motor fuel shall add a minimum markup of six (6%) percent to his current invoice price.

This act shall also provide that if the wholesaler is also retailing motor fuel, he must add both markup percentages to his cost.

The basis for this bill is derived from the Montana Cigarette Sales Act 16-10-101 and the 1985 Wisconsin Act #313 covering sales of alcoholic beverages, tobacco and motor fuels.

Wisconsin has been trying for nine years to strengthen its minimum markup law and finally did it. Now Will it Work?

Minimum Markup Law Makes it in Wisconsin

By: Tom Coenen, Executive Director, Retail Gasoline Dealers' Association of Wisconsin, Inc.

In March of 1986, the Retail Gasoline Dealers' Association of Wisconsin passed a minimum markup law which it is positive will work. In the short period of time the law has been in effect, it has had positive results.

The markup law concept is not new to Wisconsin. In the late 1930's such a law was passed to avoid "unfair methods of competition in commerce." This law was unenforceable — therefore, it was useless. The law was intended to cover all sales at retail.

In 1977, RGDA of Wisconsin attempted to strengthen the existing law through legislation. As a result of that attempt, we realized the markup law was very controversial. During the next legislative session another attempt was made to stiffen the law. This was countered by the opposition with a bill to repeal the existing markup law — or the 6% law as it was becoming known because of the required 6% markup. The session ended in a standstill. The bill to repeal failed and so did our bill to strengthen the law. During the next session another battle took place with the same conclusion except for one very positive result. A Legislative Council Study was done on the markup law. A professor from the University of Wisconsin's Economics Department took part in the council study. He had recently done a study on the effects of markup laws and below-cost laws in other states. His findings showed that such laws were

beneficial to both the businessman and the consumer.

Relying on the positive findings of the Legislative Council Study, RGDA of Wisconsin again introduced legislation to fortify the 6% law. A concerted effort was made to form a coalition of business to help lobby the bill through the legislature. Again, we failed. The other trade associations that promised us support, seldom showed up to lobby for the bill.

In 1984 we decided to try and change the law one step at a time. This bill passed the Senate by a large majority, but failed to reach the House floor because of opposition by the floor leader. But the votes were there to pass it if the bill reached the floor!

We followed the same course in 1985. This time we were assured the bill would reach the floor of the House. The bill moved rapidly through the Senate and was on its way to the House. RGDA was positive it would pass very early in the session. The opposition, who knew they were going to lose, wanted to work out a compromise. If we were to accede to the repeal of the law's coverage on all products except petroleum, they would support all the other changes we had fought for over the years. Because the support from other retail businesses we were trying to help had been nonexistent up to this point, we decided to look out for ourselves and agree to the compromise.

Compromise Drew Fence-Sitters Out to Share

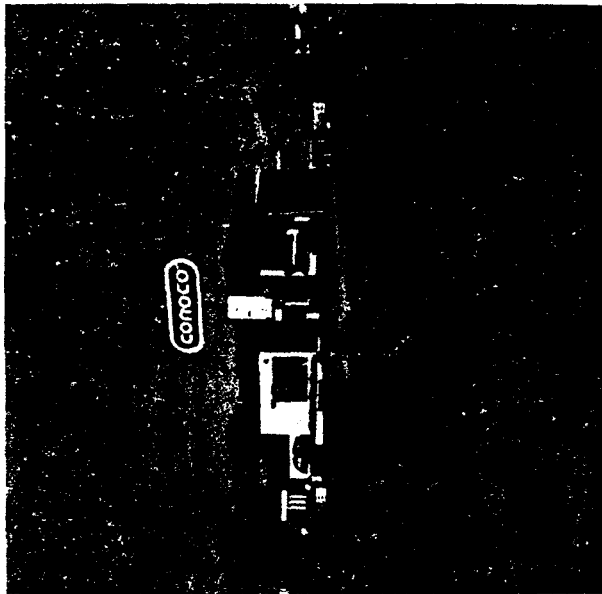
The compromise bill began to move through the legislature with little opposition; and then, all those businesses that had been in hiding during the long struggle to fortify the law began to emerge from the woodwork. They wanted the same strong protection that the gasoline retailers were going to receive. The end result was the passage of a very strong markup law that protects all retailers in the state. The bill was passed in March of 1986 after almost nine years of hard work!

Here is what the law provides for gasoline dealers:

- * A retailer must take a minimum markup of 6%.
- * A wholesaler must take a minimum markup of 3%.
- * A wholesaler who also retails, must take a 3% wholesale markup plus a 6% retail markup.
- * A retailer has the right to meet competition even if it brings him below the required minimum markup.
- * Penalties are civil.
- * The enforcing department has the authority to issue cease and desist orders.
- * The law can also be enforced by District Attorneys.
- * Two investigator/auditors are assigned specifically to the enforcement of the law. Their positions are funded by the oil inspection fee imposed on the petroleum industry.

The following are examples of the positive way this law is affecting our industry:

1. The enforcing agency has held a series of seminars of the markup law throughout the state to educate businessmen about the law and assuring them it will be enforced.
2. The enforcing agency has stopped the only two pricing problems in the state with cease and desist orders.
3. District Attorneys in several counties have sent out letters to retailers telling them the law will be enforced.



318 W. GRIFFIN DR. • BOZEMAN, MT. 59715 • (406) 586-2992

ACCOUNT NO.

DATE

5-28-86

SOLD TO

John Taggart

Sold By	Cash	Charge	On Acct.	P.O.		
QTY.	DESCRIPTION			PRICE	AMOUNT	
1000	Regular			82.1	82.1	-
2600	unleaded			82.1	2134	60
<div>Delivered to Taggart 5-28-86</div>				/		
Received By				TAX		
				TOTAL	2955 60	

56957

ACCOUNTS ARE DUE AND PAYABLE ON OR BEFORE 10TH OF MONTH FOLLOWING PURCHASE. A FINANCE CHARGE OF 1 1/2% PER MONTH (18% PER ANNUM) WILL BE CHARGED ON ACCOUNTS PAST DUE 30 DAYS AND OVER. MINIMUM FINANCE CHARGE \$1.00.

Soviet agency says Chernobyl injured 1,000

MOSCOW (AP) — The Soviet news agency Novosti today reported 1,000 people were injured in the Chernobyl nuclear accident, more than three times the previous official figure.

The report, distributed to Western news agencies, was the first Soviet account to refer to so many casualties. Soviet leader Mikhail S. Gorbachev said May 14 that 299 people were hospitalized because of the April 26 explosion, fire and radiation release at the Ukrainian power plant.

Soviet officials have said since

the accident is four to six weeks. The official Lev Tokunov, chairman of the House of Union, said the report would be submitted to the International Atomic Energy Agency in Vienna, Austria.

"It is already clear that the accident was the result of a combination of factors that came together," Tokunov told reporters in Bonn, West Germany. "The least knowledge of the cause and results of the power plant disaster are not only of interest to the Soviet Union, but to all countries that are working

on the peaceful use of nuclear energy. Novosti said the national centralized service network responded to the accident quickly and set up a team to screen the injured.

"Four hours after the disaster, a special medical team was ready to fly from Moscow to the nuclear power station. Within 24 hours, they treated the hundred most serious cases out of a thousand," Novosti said.

The Novosti department responsible for the article did not answer inquiries after the report was sent

to The Associated Press by telex. The news agency also reported that evacuees from the 18-mile danger zone around the plant were among the injured. "The third and last batch of patients now treated in Moscow are from among the evacuees," Novosti said.

Previous reports have suggested that only firefighters and plant workers suffered harmful radiation doses.

Radio Moscow said two weeks ago that all 92,000 evacuees had been examined by doctors and none

was found to suffer from radiation-related illnesses.

Novosti also carried an interview with Dr. Angelina Guskova, the chief radiologist of Moscow's hospital No. 6 where those most seriously injured have been taken for treatment.

"Those whose entire organisms and vast skin areas were affected are no more," she said. "They held out longer than the world could expect with the doses they had received." She did not specify how many people have died.

Nursing students oppose closure of Butte campus

By JOAN HAINES
Chronicle Staff Writer

Montana State University nursing students in Butte are organizing tonight to protest the possible closure of the Butte campus this fall.

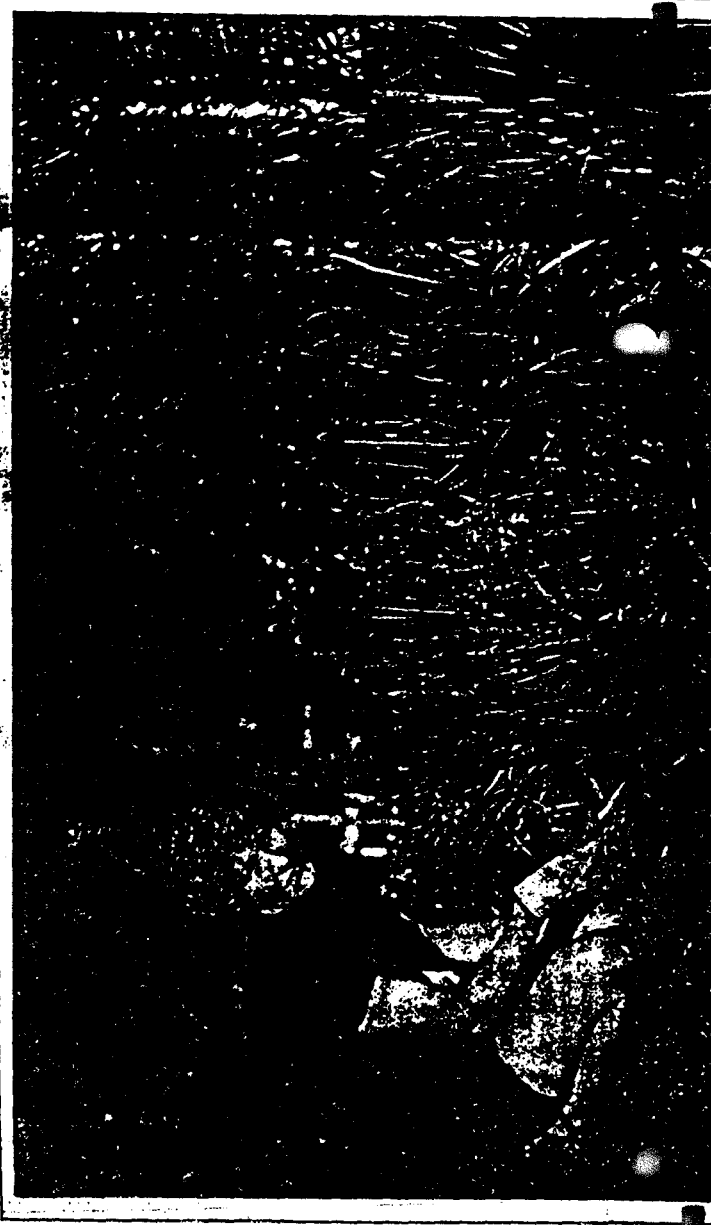
College of nursing dean Anna Shannon met with nursing students in Butte last Friday and told them that if state budget cuts make it necessary to close one of MSU's extended nursing campuses, she will recommend that the Butte campus be closed, according to a Butte nursing student who attended the meeting.

"Several students have told me that if they're forced to move to an extended campus, they may have to drop out of the nursing program," said Joan Krushensky.

MSU nursing students attend classes in Bozeman for two years. They spend their last two years of college getting clinical experience in hospitals in Butte, Missoula, Great Falls and Billings, hospitals which are large enough for the faculty and students, said MSU spokeswoman Marilyn Wesel.

Krushensky-Zeier said Butte students will meet at 7 p.m. tonight at the Rocky Mountain Chalet Restaurant, and will try to organize an effective lobby to keep the Butte campus open.

"We're considering lobbying in Helena," he said. Students attending the rally might sign petitions and write letters to the Bozeman Register-News. Fifty MSU nursing students re-



SENATE HIGHWAYS

EXHIBIT NO. 1DATE 2-10-87BILL NO. SB-271

Mister Chairman, members of the committee, for the record, I am Doug Alexander, President of the Montana Petroleum Marketers Association. I represent all of the distributors throughout the state who sell to dealers, farmers, commercial and industrial accounts and convenience stores. We are also the people who are responsible for the collection of gasoline and diesel taxes for the State of Montana. We are not part of the large oil companies; we merely sell their products.

A very good name for this bill would be "THE PREDATORY PRICING BILL." Predatory pricing occurs in the marketing of motor fuels whenever costs associated with that marketing procedure are recovered from other operations; allowing the refined motor fuel products to be sold at subsidized prices. Such subsidies most commonly occur in one of three ways: First, when refiners use profits from refining of crude oil to cover below normal or negative returns earned from motor fuel marketing operations, secondly where a marketer with more than one location uses profits from one location to cover losses from below cost selling of motor fuel sales at another location, and thirdly where a business uses profits from nonmotor fuel sales to cover losses from below cost selling of motor fuel.

When this happens, independent oil marketers (ie., dealers, distributors, and wholesalers) are unable to survive predatory subsidized pricing at the marketing level by those instances mentioned above when all of an independents income comes only from marketing operations, usually only one marketing operation.

As a result, subsidized pricing is predatory and is reducing competition, by eliminating competition or rendering them totally ineffective, and if allowed to continue will threaten the consuming public.

So this is actually a consumer bill. This is not a bill that regulates the retail price of motor fuels as is stated at the beginning of the bill. This bill merely makes it illegal for a company to sell well below cost at a particular location and subsidize it with profits from other operations and therefore run the small, little operation out of business. When all of these operations are eliminated, only one will exist and the price of motor fuels will exxcellerate and the loser will be the motoring public.

This is currently happening in several towns throughout Montana. It appears that predatory pricing is caused by marketers with out of state affiliation and whose major tax base is at locations other than those that are selling below cost. This is not a bill directed at marketers who appear to be in Montana for the long haul, but is directed at those who enter a market, destroy it, and either take control or sell what little assets they have and move on. It also includes those marketers who are using motor fuels as a loss leader for the operation of other unrelated types of business and are therefore destroying the livelihood of the small independent motor fuel marketer

All this bill will do is help to establish a cost price that is based on actual invoice amounts and takes into consideration all factors of doing business. This bill, we feel, will actually increase competition among motor fuel retailers, as it will allow them an opportunity to market other factors of their business in addition to gasoline. All this bill does is help to establish the cost of product and determine that you as a marketer cannot sell below that established cost.

This bill is not unique to Montana. This particular bill is similar to the bill that is in effect in Wisconsin and is reported to be very effective. Many other states also have a bill of this type, Utah, Alabama, and New Jersey to name a few. We feel, that as motor fuel marketers, whose total retail cost of product is one-third tax, this bill is very important to our industry. We urge your support for this bill.

SENATE HIGHWAYS

EXHIBIT NO. II

DATE 2-10-87

BILL NO. 212

COMMERCIAL MOTOR VEHICLE SAFETY ACT OF 1986

TIMETABLE

1. Effective July 1, 1987, no driver may possess or apply for more than one license. State laws requiring the possession of more than one license are allowed to remain in effect until December 31, 1989, but are to be repealed by that time.
2. Effective July 1, 1987 - a) driver must notify state of licensure and the motor carrier of any moving violation, license suspension, or revocation within 30 days; b) driver applicants must notify motor carriers of all commercial driving jobs for a least past 10 years; c) a motor carrier may not knowingly permit operation of commercial vehicles by an unlicensed driver or one whose license is suspended or revoked.
3. Effective October 27, 1987 - FMCSR must be amended to place driver out of service for 24 hours for violation of Section 392.5 governing use and possession of alcoholic beverages and prohibiting consumption within four hours of going on-duty.
4. Effective July 15, 1988 - DOT must establish standards and minimum scores for written examination and driving test, and medical certification requirements. Driving test must be on a vehicle "representative" of the type to be driven. Additional knowledge and testing requirements for drivers transporting Hazardous materials. (ATA Council of Safety Supervisors favors such testing only for placarded loads). All drivers must be tested, however the Secretary of Transportation is authorized to grant waivers from certain provisions of the legislation where safety will not be adversely affected.
5. Effective July 15, 1988 - DOT must establish standards for the commercial driver's license to include name and address of licensee, physical description, class of license, name of issuing state, dates license is valid, and the person's Social Security number or other identifier. (ATA supports the use of a fingerprint as the identifier).
6. Effective January 1, 1989 - DOT must enter into agreement with states for an information center of license information to include information in #5, above

for each person, plus suspension and revocation information. This is to be preceded by a study of existing state systems. Information from clearinghouse to be available to DOT, state agencies, and to employers of drivers (with notification to drivers).

7. Effective April 1, 1992 - Each commercial driver must have a commercial vehicle license issued in accordance with the standards.
8. Effective October 1, 1993 - Each state must implement a commercial driver license program or face loss of federal highway funding (5% first year, 10% subsequent years). Standards for state implementation include the following:
 - a) Implementation of the licensing requirements;
 - b) establishment of a BAC level of at least 0.10;
 - c) notify clearinghouse at least 60 days before issuing a commercial driver's license to any person, and within 30 days of issuing the license.
 - d) notify a driver's state of licensure within 10 days for a moving violation;
 - e) notify DOT (central clearinghouse) within 10 days of a disqualification;
 - f) no state may issue a license to a person whose license is suspended or revoked;
 - g) must check individual's record with the National Driver Register and consider it in connection with issuing a commercial license;
 - h) license must be issued by driver's state of legal residence.

SENATE HIGHWAYS

EXHIBIT NO. III

DATE 2-10-87

BILL NO. 212

TESTIMONY OF

JIM MANION

EXECUTIVE VICE PRESIDENT

MONTANA AUTOMOBILE ASSOCIATION

BEFORE THE

SENATE HIGHWAY COMMITTEE

CONCERNING SB 212

NATIONAL STANDARDS FOR COMMERCIAL
VEHICLE OPERATORS LICENSING PROGRAM

FEBRUARY 5, 1987

The Montana Automobile Association, serving more than 77,000 members, appreciates this opportunity to comment on trucking safety issues, particularly our belief that national standards for truck licensing are long overdue.

Operation of combination trucks over the nation's increasingly-crowded highways is a hazardous business--especially for other highway users. Combination trucks currently have an accident fatality rate almost two and one-half times higher than passenger cars even though combination trucks predominantly use the safest roads in the world. In the last two years alone, truck-related fatalities have increased nine percent in the wake of the 1982 Surface Transportation Assistance Act mandating larger and wider trucks. Even the trucking industry admits it has to clean up its safety act.

That's why AAA strongly believes that truck driver licensing should be tightly controlled and large trucks should never be allowed to use roads for which they were not designed, regardless of the alleged economic justification.

Unfortunately, today in many states if you pass the regular motorist licensing test in your compact car, you are entitled to drive a tractor semi-trailer truck nationwide, and a tandem trailer truck in every state except Connecticut. If you do lose a license the current system ensures your opportunity to have several other licenses as well. Indeed, Interstate truckers can easily spread their traffic violations over a number of licenses, thereby assuring a "good driver"

rating regardless of the number of violations they have committed.

Unfortunately, many current state requirements are notoriously lax. In over a third of the states drivers are not required by the licensing process to demonstrate the ability to drive the type of truck they intend to operate. A report on performance tests for heavy vehicle operators made to the National Highway Traffic Safety Administration in December, 1984, notes that even in "the 46 states and jurisdictions that issue special licenses or endorsements only about half (23) require the test to be taken in a vehicle of the type for which a permit is sought and all but seven of these only require the vehicle to be 'suitable', leaving it to the driver and/or examiner to decide what type of vehicle is appropriate."

The public, however, recognizes the need for greater control of trucks. A scientific, national poll to obtain information and consumer attitudes toward truck driver licensing procedures was conducted for AAA in July, 1985. Seventy-seven percent of the respondents expressed agreement that the federal government should change licensing procedures and issue a single truck drivers' license. AAA members who were part of the survey were even more inclined to support a single national truck drivers' license; eighty-two percent of AAA members supported the concept.

The results of this poll were no surprise to AAA; the public is united in its quest for truck licensing reform.

There was a time when our membership found large trucks merely fourth on the list of major highway annoyances. Confusing highway signs, dirty restrooms, and traffic congestion were the leading complaints. But times have changed.

In every survey since 1980 by many Auto Clubs, tailgating truckers has been the number one motorist complaint.

Our members are giving us a similar message--tailgating and other unsafe maneuvers by truckers are the worst problem they face on the road today.

A national licensing system for trucks would do much to eliminate high risk drivers. Just as commercial aircraft pilots are effectively grounded when the Federal Aviation Administration suspends or revokes their pilot's licenses, so should a commercial vehicle operator be "grounded" when traffic violations are so serious or so frequent that license suspension or revocation is warranted.

Is it too much to expect the operators of combination trucks to be required to demonstrate ability to operate the equipment they are licensed to operate? We believe the driving public is entitled to such safeguards. Failure of the states to adequately provide such minimum safety standards argues for the imposition of national standards.

In summary, once established, a national commercial operators license would do five important thing:

1. ensure that drivers can competently handle the vehicles they will drive;
2. eliminate multiple licensing--that is, eliminate the practice of drivers holding more than one license, a practice which wrongly assures their continued right to drive even when they receive numerous tickets or when one of their licenses is suspended or revoked;
3. ensure that the commercial vehicle operator's license is a very valuable license that the holder will know must be protected through safe, law-abiding driving;
4. identify problem drivers so that they can be retrained or rehabilitated before their driving privileges are reinstated; and
5. professionalize the occupation of truck drivers by making the issuance of a commercial motor vehicle license a symbol of achievement.

AAA believes that a national truck driver licensing system would assure adequate testing of truck drivers and help put an end to the practice of a truck driver obtaining licenses in several states.

Make Truck Drivers Get A Federal License

Reprinted from USA Today, July 28, 1986

Anyone who's driven a small car on an interstate has felt the fear.

In your rear-view mirror, the big truck appears. Its 80,000 pounds nudge near your bumper. A horn blares. Lights flash. The message is clear: Move over or be run over.

That's not an idle threat. Big rigs can kill.

More than 4,000 people a year die in truck accidents. Thousands more are injured, gallons and gallons of hazardous wastes are spilled, and millions of dollars are lost.

One in three rigs can be expected to crash this year. Examples abound:

- In Van Buren, Ark., nine people are killed when a runaway tractor-trailer travelling on a road barred to truck traffic crashes into a storefront. Bad brakes and an inexperienced driver with "sociopathic tendencies" are blamed.

- In Dixon, Ill., an 11-year-old girl riding her bicycle is killed by the hit-and-run driver of a tractor-trailer.

- In Lenoir, N.C., a truck trying to pass another vehicle crashes head-on into a bus, killing both drivers.

A recent federal report determined that driver error caused 62 percent of all truck accidents involving hazardous waste.

Another study found that 44 big rig drivers involved in serious accidents held 63 licenses and had 98 suspensions, 104 previous accidents, and 456 traffic violations.

Yet, incredibly, 19 states still allow any licensed car driver to climb behind the wheel of a big truck. Once licensed, an unqualified driver can commit violation after violation across the USA because states don't swap information effectively enough.

There's a proposal in Congress that would help: a national driver's license for truckers.

That idea is long overdue.

The legislation would set minimum

standards for drivers of big trucks and build a network for states to exchange driver information. It also would fund more frequent and effective truck inspections.

States that fail to comply would lose federal highway funds, just as they do now for failing to enforce the 55 mph speed limit.

A national driver's license won't solve every problem, but it's obvious we need one. Critics' claims that a national license for truck drivers would spawn a huge bureaucracy to fix a very limited problem.

Truck accidents are increasing. There were 37,000 in 1984, the last year for which figures are available.

The trucking industry supports a national license, and drivers should, too. The majority of drivers are responsible. They will benefit, and we'll all be safer.

It would be foolish not to act. The warning signals are every bit as obvious as that speeding truck in the rear-view mirror. Let's run the bad drivers off the road.

Don't Make Drivers Get A Federal License

Reprinted from USA Today, July 28, 1986

An opposing view written by Mike Parkhurst, editor/publisher of Overdrive Magazine and president of the Independent Truckers Association.

Every year, almost twice as many people drown in public swimming holes as are killed on our interstate highways. Is the logical cure-all the elimination of city and county lifeguards, substituting a federal aqua-army?

Big Brother supporters claim only a federal driver's license can filter out the very small percentage of truck-driving misfits. But they won't explain how much a large, new federal agency could cost the taxpayer. The irony is that, since no federal driver's license now exists, the system's implementation would have to lean heavily on the only agencies that have the expertise—the states themselves!

Would a federal truck-driving license be limited only to big-rig drivers? If so, it would eliminate any alleged monitoring of a huge army of unqualified drivers who actually cause more injury and death accidents than the much-maligned 18-wheeler pilots.

To be even partly effective, such a system would have to force a federal truck-driving license on anyone renting a truck, and even your Good Humor driver. Or, as usual, would only the drivers who cause the fewest accidents be required to sit on Uncle Sam's knee?

Since 1979—the year before the quasi-deregulation of trucking—deaths and injuries involving big rigs have dropped by more than 20 percent in real numbers, yet more trucks are on the highway.

During the same period, deaths involving female automobile drivers have risen 23 percent. Obviously, a case could be made for federalizing female car drivers, too.

Tough training for all drivers—not just truckers—would go a long way in insuring that people behind the wheel are better able to cope. In spite of a nation with millions of uneducated drivers, the highway death rate has dropped dramatically—and steadily

—ever since the Great Depression.

What's next, a federal medical license? Federal attorneys?

Maybe Uncle Sam should federalize local and state elections, too. That way, local politicians would be able to muster enough support for the badly needed federal lifeguard force.

Eliminating city, county, and state police, and merging them into one giant, federal police force that would dwarf the FBI and the IRS would obviously get rid of all officers not psychologically qualified.

Contrary to misguided shouts of calamity, rooted in supermarket-tabloid thinking, there are not hordes of drooling misfits with suitcases full of licenses with which they dodge apprehension.

A federal drivers license is just another bone-marrow transplant in the skeleton of freedom called states' rights. Wouldn't it be nice if we had a president like Ronald Reagan?

Single License Coming?

The concept of establishing a single, classified license for commercial drivers appears to be an idea whose time has come.

Legislation to establish a national commercial drivers license was introduced in the Senate last January by Sens. John Danforth (R-MO) and Robert Packwood (R-OR). The National Transportation Safety Board subsequently issued a major study calling for a national drivers license, uniform testing standards and improved training of professional drivers, and recent hearings on the Danforth/Packwood bill were expected to attract widespread support for establishing national standards for licensing driving professionals.

A staff draft bill now being circulated by a House Public Works subcommittee on surface transportation may well become the primary vehicle for legislation implementing the single license concept for commercial drivers. The House bill leaves the actual licensing

(continued page 29)



By David Seavey USA TODAY

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SENATE HIGHWAYS

EXHIBIT NO. 4

DATE 2-10-87

BILL NO. 212

Majerus

Amendment to SB 212

Amend SB 212, introduced copy, on page 16, line 11, following "class" by striking roman numeral "I" and reinserting in its place the letter "A"; and further amend page 16, line 13, following the word "class" by striking roman numeral "II" and reinserting the letter "B".

Montana County Treasurers' Association

SENATE HIGHWAYS
EXHIBIT NO. 5
DATE 2-10-86
BILL NO. 179

PO Box 980
Lewistown, MT 59457
February 5, 1987

Senate Highways and Transportation Committee
The Honorable Senator Larry Tveit, Chairman
Members of the Committee

RE: Senate Bill 179

We, the Montana County Treasurers' Association, rise in support of SB 179.

The bill allows ONLY the proration of the property tax or light vehicle license fee in lieu of tax.

This will eliminate the proration of the other fees - such as the junk vehicle fee, gross vehicle weight fee or registration fee. To prorate the 50¢ junk vehicle fee is time consuming and a nuisance. We feel that the other fees applicable to licensing your vehicle should be paid in full, regardless of how the tax or fee is prorated down.

We request that you consider this bill to simplify our process in the motor vehicle department of the County Treasurer's Office.

Your support is appreciated.

Sincerely,



Susan Spurgeon, President
Montana County Treasurers' Association
Fergus County Treasurer

STANDING COMMITTEE REPORT

February 5, 1987

19

MR. PRESIDENT

We, your committee on Highways and Transportation

having had under consideration Senate Bill No. 116

first reading copy (white)
color

AN ACT TO STRENGTHEN ENFORCEMENT OF THE GASOLINE LICENSE TAX
COLLECTION LAWS; AND AMENDING SECTIONS 15-70-201, 15-70-202,
15-70-204, 15-70-205, AND 15-70-209, MCA."

Respectfully report as follows: That Senate Bill No. 116

DO PASS

~~XXXXXX~~

Chairman.