

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

Call to Order: By Chairman Bob Bachini, on February 10th 1989,
at 3:30 p.m.

ROLL CALL

Members Present: All with exception of:

Members Excused: Rep. Gene DeMars, Rep. Duane Compton

Members Absent: none

Staff Present: Ms. Connie Erickson, Legislative Council and Ms.
Maureen Cleary, Committee Secretary

Announcements/Discussion: none

HEARING ON HOUSE BILL 477

Presentation and Opening Statement by Sponsor:

REP. ED GRADY: House District #47. Vehicles have been shown to be one of the major contributors to noxious weed spread in the state. The current trust funds are inadequate to address the current weed problem. Last year \$1.7 million was requested for cost share projects to control the problem, and only \$450,000.00 was available. The Noxious Weed Trust Fund has been instrumental in control efforts and reducing the impact of noxious weeds on range and crop lands. This bill raises the highway vehicle fee from the present \$0.50 to \$1.50, also places a fee on off-highway vehicles to \$1.00.

Testifying Proponents and Who They Represent:

Ms. Barbara Mullen/ Dept. of Agriculture, Weed Coordinator

Ms. Kim Enkerude/ MT. Cattle Women, MT. Woolgrowers Assoc.,
Helena

Mr. Dave Pickett/ Butte-Silver Bow Weed Board, Butte

Mr. Chuck Jarecki/ rancher, Polson, MT

Mr. Neal Peterson/ MT. Weed Control Assoc., Madison City,
Virginia City, MT

Ms. Linda Ellison/ MT. Trailbike Riders Assoc., Helena

HOUSE COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

February 10th 1989

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Mr. Steve Slagle/ MT. 4x4 Association, Clancy, MT
Ms. Kay Norenberg/ Women Involved in Farm Economics, Helena
Mr. Bill Murphy/ Garnet Weed District, Garrison, MT
Mr. Al Littler/ MT. Assoc. Realtors, Billings, MT
Mr. Don Chance/ MT. Wildlife Federation, Helena, MT Building
Industry Association
Ms. Janet Ellis/ MT. Audubon Legislative Fund, Helena, MT
Ms. Valarie Larson/ Farm Bureau, Choteau, MT
Mr. Dave Stewart/ Snowline Assoc.
Ms. Peggy Haaglund/ MT. Association of Conservation Districts
Mr. Dave Moss/ Beaverhead County Commissioner
Mr. Randall Smith/ rancher, Glen, MT

Proponent Testimony:

Ms. Mullen: (See Exhibits #8 and #9)

Ms. Enkerude: (See Exhibit #1)

Mr. Pickett: (See Exhibit #2)

Mr. Jarecki: We have a cooperative weed control project in our area composed of three ranchers. We put together a 35,000 acre weed management program and we have received trust fund monies to help control the problem. The trust fund money was the catalyst that got this program started. We are all working together in a coordinate effort. There are areas like ours in the state that need this funding to get a program started. We are going to need more money for biological weed control research. There are new weeds appearing and we need the research on all of these.

Mr. Peterson: (See Exhibit #3)

Ms. Ellison: (See Exhibit #4)

Mr. Slagle: We recognize the problem in the state and support the efforts in this bill. I would like the amendments to include a representative from the off-highway vehicle users on the Weed Control Advisory Council.

Ms. Norenberg: We would like to support this bill as written.

Mr. Murphy: We believe that the trust fund monies offered to ranchers will work as a catalyst to solve this noxious weed

problem.

Mr. Littler: (See Exhibit #5)

Mr. Chance: We strongly support this bill for two reasons. One, noxious weed has a serious impact on wildlife. Two, we are continuing in our efforts to find common ground that we can work together on with the agricultural community.

Ms. Ellis: Wildlife, as well as native vegetation is affected by noxious weeds. Vehicle fees are an appropriate funding source because of their involvement in the spread of noxious weeds. For that reason we support this bill.

Ms. Larson: The control of noxious weeds is an important factor to reduce farm costs. It is fitting that all vehicles, including off-highway vehicles, contribute their fair share of the responsibility to control this problem.

Mr. Stewart: We are in favor of this legislation. Additional funding is necessary to keep current with the noxious weed problem.

Ms. Haaglund: Weeds are one of the major sources of conservation problems. We find that it affects all of Montana. Recreational areas, wilderness areas, ranches, farms, cities. We have to remember that a lot of the reason why we live here is because of the scenic value.

Mr. Moss: We urge the passage of this bill. This is an appropriate fee because it includes all vehicles.

Mr. Smith: (See Exhibit #7)

Also submitted for the record: (See Exhibit #45)

Testifying Opponents and Who They Represent:

Mr. Steve Turkiewicz/ MT. Auto Dealers Association, Helena, MT

Opponent Testimony:

Mr. Turkiewicz: We reluctantly stand in opposition of this bill. We do not necessarily disagree with the plight that we have heard. But we ask that you consider some information. In this legislative session we have many bills asking for additional revenues through the raising of vehicle fees. We ask that you consider this when voting on this legislation. It all adds up.

Questions From Committee Members:

REP. KASTEN: How are the grants distributed? MS. MULLEN: We review the areas with the infestation and decide the areas that are the most affected. So far the majority of the

money goes towards spotted knapweed and leafy spurge. Project monies at times will be funded to the areas where we feel that the weeds are spreading toward. REP. KASTEN: Could you give me any information on the success of this program? MS. MULLEN: We have been very successful in the smaller projects. Some of the most successful projects have been where there is an integrated approach. Those that stop the spread on the outside and work in. Such as spraying chemicals on the outside edge of an infestation and grazing sheep on the inside area. Those are the most successful because they use creative range-management techniques.

REP. KOEHNKE: How many acres of the spotted knapweed are in Montana? MS. MULLEN: 4.7 million acres. REP. KOEHNKE: And leafy spurge? MS. MULLEN: 600 thousand acres. REP. KOEHNKE: Do you have any objection to the addition of recreational vehicle members being on the board? MS. MULLEN: Speaking for myself, no I don't. But I cannot speak for the Director of the Dept. of Agriculture. REP. KOEHNKE: What can we recommend to our people to put together a proposal? MS. MULLEN: Part of my job is to work with those people that were not successful in putting together a proposal. I would work with them, or they can work with members in their counties to develop a better proposal.

REP. KELLER: Could you give me examples of the criteria that you look for in granting monies? MS. MULLEN: We look at the amount of resources available to the district. Some generate limited funding, we look at those areas. We see if they have been doing something in the past to develop a weed management program. Are they creative in their approach. We match the funds and do not give them everything they need. We look at a good effort at public involvement.

REP. GUTHRIE: Have you tried to completely eradicate these weeds from a particular acreage? Can that be done? MS. MULLEN: Leafy spurge will only be eradicating in it's first year of infestation, it has a terrific root system. Spotted knapweed does not have nearly the root system that leafy spurge has but has a greater seed source. It would cost a lot of money, because it would take a lot of time. REP. GUTHRIE: The cost to control this is sometimes more than the land is worth. The cost is so great that I see no resolve to the problem, you simply have to live with it. MS. MULLEN: Yes, I agree. In some areas it is economical only if you can make a first sight application. Then in other areas, management is all that you can hope for.

REP. REAM: Have any projects been rejected because they didn't meet the 1.6 mill criteria? MS. MULLEN: This year that was not the case. We are hoping that counties are not affected by that limitation.

REP. WESTLAKE: Do you believe that research is important for control? MS. MULLEN: I see an equitable balance between

research and management projects as the solution. REP. WESTLAKE: How many types of weeds do you consider in your program and how do you determine thier priority? MS. MULLEN: Currently, the state has 14 listed. We try to keep a constant watch on any new growth of weed types.

Closing by Sponsor:

REP. GRADY: This program helps the farmer share the high cost of weed management. And will keep these noxious weeds from spreading within the state. I would be willing to work with those that feel some amendments should be included.

HEARING ON HJR 22

Presentation and Opening Statement by Sponsor:

REP. BOB REAM: House District #54. (See Exhibit #10)

Testifying Proponents and Who They Represent:

Rep. Westlake/ House District #76

Rep. Don Steppler/ House District #21

Rep. Bob Bachini/ House District #14

Proponent Testimony:

All Representative's wished to be on record in support of this legislation.

Testifying Opponents and Who They Represent:

none

Opponent Testimony:

none

Questions From Committee Members:

REP. KOEHNKE: What are the specific projects? REP. REAM: None as yet. The DNRC does the prioritizing of the projects this funding will be granted to. This resolution is aimed at rehabilitation of existing projects.

REP. GUTHRIE: The difficulty the Pick-Sloan Missouri Basin Plan had was that various concepts were not compatible with one another. Such as irrigation and flood control. We wanted our dams full in the spring for irrigation water. Then in the spring, when there were seasonal rains, there was no room for storage? Isn't that correct? REP. REAM: Yes.
REP. GUTHRIE: Isn't it true what has evolved is a special

interest pulling apart at the Pick-Sloan in general? REP. REAM: Perhaps that is true. All of the early projects were main dam projects on the Missouri. In fact all of the Missouri is flooded with a few exceptions. Now they are looking more at up-stream storage.

Closing by Sponsor:

REP. REAM: waived his closing.

DISPOSITION OF HJR 22

Motion: Rep. Patterson: made the motion "do pass"

Discussion: none

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE, THE COMMITTEE RECOMMENDS FOR THIS BILL "DO PASS".

HEARING ON HOUSE BILL 358

Presentation and Opening Statement by Sponsor:

REP. JIM ELLIOTT: House District #51. (See Exhibit #11 and #12)
Rep. Elliott also submitted additional written testimony from proponents (See Exhibits #16 through #37)

Testifying Proponents and Who They Represent:

Mr. Monty Mlekush/ Northern Plains Resource Council, Helena, MT

Mr. Bill Bick/ rancher, Farmer Peoples Action Group, St. Ignatius, Charlo, Ronan, Bellview, MT

Mr. Dave Folsom/ rancher, Park County, MT

Mr. Bob Johnson/ rancher, Forsyth, MT

Mr. Wally Closey/ Twin Bridges, MT

Mr. Ron DeYoung/ MT Farmers Union

Ms. Jean Charter/ Mussel Shell Agriculture Alliance, Shepard, MT

Mr. Jack Hinamen/ Fishtail Ranchers

Mr. Dennis Fox/ rancher, Grass Range, MT

Rep. Ervin Davis/ House District #53

Sen. Paul Boylan/ Senate District #39

Proponent Testimony:

Mr. Mlekush: (See Exhibit #13 and #14)

Mr. Bick: (See Exhibit #15)

Mr. Folsom: I represent clients that are involved in farm credit distress loans. The management mediation will be another tool to help solve the problem for both the banker and the rancher. The lender usually has the distinct advantage of understanding the lending of money. In the process of mediation, explanations can be made to help the farmer understand the processes.

Mr. Johnson: I can't see what good it is to have voluntary mediation. If the banker does not want it, then they don't have to. It can be used as a psychological weapon. I as a rancher would like to know that I can use tools, like mediation, to save my ranch.

Mr. Closey: We are in support of this bill. I have a 73 year old neighbor who was borrowed with the Farm Credit Service for 35 years. He was not behind on his payments. He said the FCS was going to foreclose without even an attempt to negotiate. That is why I support this bill.

Mr. DeYoung: We support the idea of mandatory "non-binding" mediation. The language "non-binding" means, they do not have to come to an agreement. But usually this does happen. There is a need for this type of legislation.

Ms. Charter: We feel that this type of legislation is both a benefit to the customers and the bank. This is a constructive tool to solve problems.

Mr. Hinamen: All of the opposition that you have heard was based on testimony given last session. It is not based on those persons that have used mediation with success.

Mr. Fox: I am a rancher that had to sell a portion of our ranch to improve our financial situation. If I had been given a chance to work out a solution with a bank, then perhaps I would not have had to have done that.

Also submitted for the record: (Exhibits #43 and #44)

Testifying Opponents and Who They Represent:

Mr. Mike Sjostrom/ Vice-President, MT Livestock Ag Credit

Mr. Al Haslebacher/ President, Spokane District Farm Credit Council, Spokane, WA.

Ms. Kay Norenberg/ Women Involved in Farm Economics, MT.

Agriculture Coalition, MT. Stockgrowers, MT. Cattlewomen, MT. Cattlefeeders, MT. Grain Growers, MT. Assoc. of State Grazing Districts, MT. Farm Bureau, MT. Cattlemen and MT. Grange Assoc.

Opponent Testimony:

Mr. Sjostrom: Why make something mandatory that is already on a voluntary basis? Why pass the increasing costs of mediation on to farmers? There is already protection for farmers under the present law.

Mr. Haslebacher: (See Exhibits #39 and #40)

Ms. Norenberg: (See Exhibits #41 and #42)

Questions From Committee Members:

REP. KASTEN: Apparently Montana statistics state that agriculture and farming within the state are on the increase. Any comments on that? REP. ELLIOTT: Farming figures are getting better only because it has been so bad for so long. It doesn't seem to me that agriculture is getting better. Mr. Allen Biergo, an agricultural sociologist has been around Montana agriculture for a long time. And in his opinion agriculture is not getting better. Prices may be on the upswing, but not farming.

REP. KASTEN: Does mediation work? MS. CHARTER: Our impression is that mediation does shorten the process. People feel that they have some resolution and have been heard by a neutral third party. Secondly, the banking industry has to send someone who has the power to make agreements, so that resolve can be made. And the negotiators must have the authority to rationalize the process. People need a neutral third party.

REP. KOEHNKE: Do you agree with others that stated the negotiators most important part of training is the counseling aspect? MR. JOHNSON: It is important to be well trained in both the counseling and the financial aspects.

REP. STEPPLER: You presented a bill that addressed the need for counseling in this type of situation. Do you think that it would be necessary to address that also in this bill? REP. NELSON: No.

REP. PATTERSON: Some of the testimony eluded to amending your bill, would you be agreeable to that? REP. ELLIOTT: The bill does grant certain rule making authority to the Dept. of Agriculture. They would be able to address some of the problems.

REP. KASTEN: What are the total number of days allowed for this process? REP. ELLIOTT: To the best of my knowledge it

would be a total of 45 days from beginning to end.

REP. KASTEN: Do you maintain that the Farm Credit Service does not act in good faith? MR. MLEKUSH: Alot of lenders do an excellent job but this bill addresses those lenders and borrowers that refuse to negotiate. REP. KASTEN: You don't think that this will tighten credit? MR. MLEKUSH: If it get's any tighter it will just shut down. To me that is a hollow argument.

REP. NELSON: Do you have any comments on what Mr. Hazelbacher had to say? MR. POLSON: In regard to the re-structuring. I think it is worth questioning some of the states that have mandatory mediation bills. Their districts have taken "bail-out money". I don't know if it is cause and effect, but I think that it is worth questioning. In relationship to voluntary mediation, there are times when that is very difficult to accomplish for many reasons.

REP. KASTEN: Do you have any comments on Mr. Polson's response? MR. HAZELBACHER: In regard to the district's that received the "bail-out" money. Those district's that support mediation had to apply for certification because under the law their stock was impaired over the 25% limit. I was not "free money".

Closing by Sponsor:

REP. ELLIOTT: I did not come before you to "bad-mouth" farm credit systems, it obscures the issue. For the farmer and the creditor to sit down and talk about the issue may not solve the problem, but it will help the farmer feel better. Conspicuous by their absence in the audience today are the bankers. It important to note that the states that have mandatory mediation have fewer bankruptcies. It helps those people that need that extra push to talk and is a tool for creative problem solving. We need not be afraid of change. I urge your support for this important bill.

HEARING ON HOUSE BILL 190

Presentation and Opening Statement by Sponsor:

REP. MARIAN HANSON: House District #100. This bill was re-referred to this committee from floor action. I am sure that you have all heard the bill. This bill will go to Appropriations.

Testifying Proponents and Who They Represent:

Rep. Bachini: Read the text of a letter addressed to the Committee from Mr. Everett Snortland from the Dept. of Agriculture: "The Dept. will provide it's complete support in cooperation to both committee's and offer our assistance

in any way to resolve the difference's in House Bill 190."

Proponent Testimony:

none

Testifying Opponents and Who They Represent:

none

Opponent Testimony:

none

Questions From Committee Members:

none

Closing by Sponsor: waived

DISPOSITION OF HOUSE BILL 190

Motion: Rep. Hanson: made the motion for a "do pass"

Discussion: none

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE, THE COMMITTEE RECOMMENDS
THIS BILL "DO PASS".

ADJOURNMENT

Adjournment At: 6:30 p.m.



REP. BOB BACHINI, Chairman

BB/mc

3501.min

DAILY ROLL CALL
AGRICULTURE COMMITTEE

50th LEGISLATIVE SESSION -- 1989

Date 2/10/89

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bob Bachini, Chairman	✓		
Rep. Francis Koehnke, Vice Ch.	✓		
Rep. Gene DeMars			✓
Rep. Jerry Driscoll	✓		
Rep. Jim Elliot	✓		
Rep. Linda Nelson	✓		
Rep. Bob Ream	✓		
Rep. Don Steppler	✓		
Rep. Vernon Westlake	✓		
Rep. Duane Compton			✓
Rep. Orval Ellison	✓		
Rep. Bert Guthrie	✓		
Rep. Marian Hanson	✓		
Rep. Harriet Hayne	✓		
Rep. Betty Lou Kasten	✓		
Rep. Vernon Keller	✓		
Rep. John Patterson	✓		

STANDING COMMITTEE REPORT

February 11, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Joint Resolution 22 (first reading copy -- white) do pass.

Signed: 17-1
Bob Bachini, Chairman

STANDING COMMITTEE REPORT

February 11, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Bill 190 (first reading copy -- white) do pass.

Signed: _____
Bob Bachini, Chairman

EXHIBIT 1

DATE 2/10/89

HB 477

February 9, 1989

To: House Agricultural, Livestock and Irrigation Committee

From: Montana Stockgrowers, Montana CattleWomen, Montana
Association of State Grazing Districts and Montana Wool
Growers

Subject: House Bill 477, Revising the Funding for the Noxious Weed
Management Trust Fund

Mr. Chairman, Members of the Committee:

My name is Kim Enkerud. I am representing the Montana Association of State Grazing Districts, Montana Wool Growers, Montana CattleWomen and the Montana Stockgrowers Association.

Enclosed in my testimony are maps which show the expansion of weed control projects funded through the Noxious Weed Trust Fund. As you can see, the additional funding is helping the counties to control noxious weeds.

Noxious weed control also involves biological control. Approximately 30 percent of the revenue has gone towards biological control of leafy spurge, knapweed, and dalmation toad flax. Some biological controls are grazing and moths. As conservation groups scrutinize chemical controls more and more, we feel there will be an increased need for biological weed control.

Noxious weeds can be found all over Montana. The request for grants has exceeded the available funding three to seven times. Noxious weeds not only affect agricultural land but recreation areas, cities and wildlife areas. There are more and more weeds turning up every year. This problem is not only an agricultural problem, but a problem of the entire State of Montana.

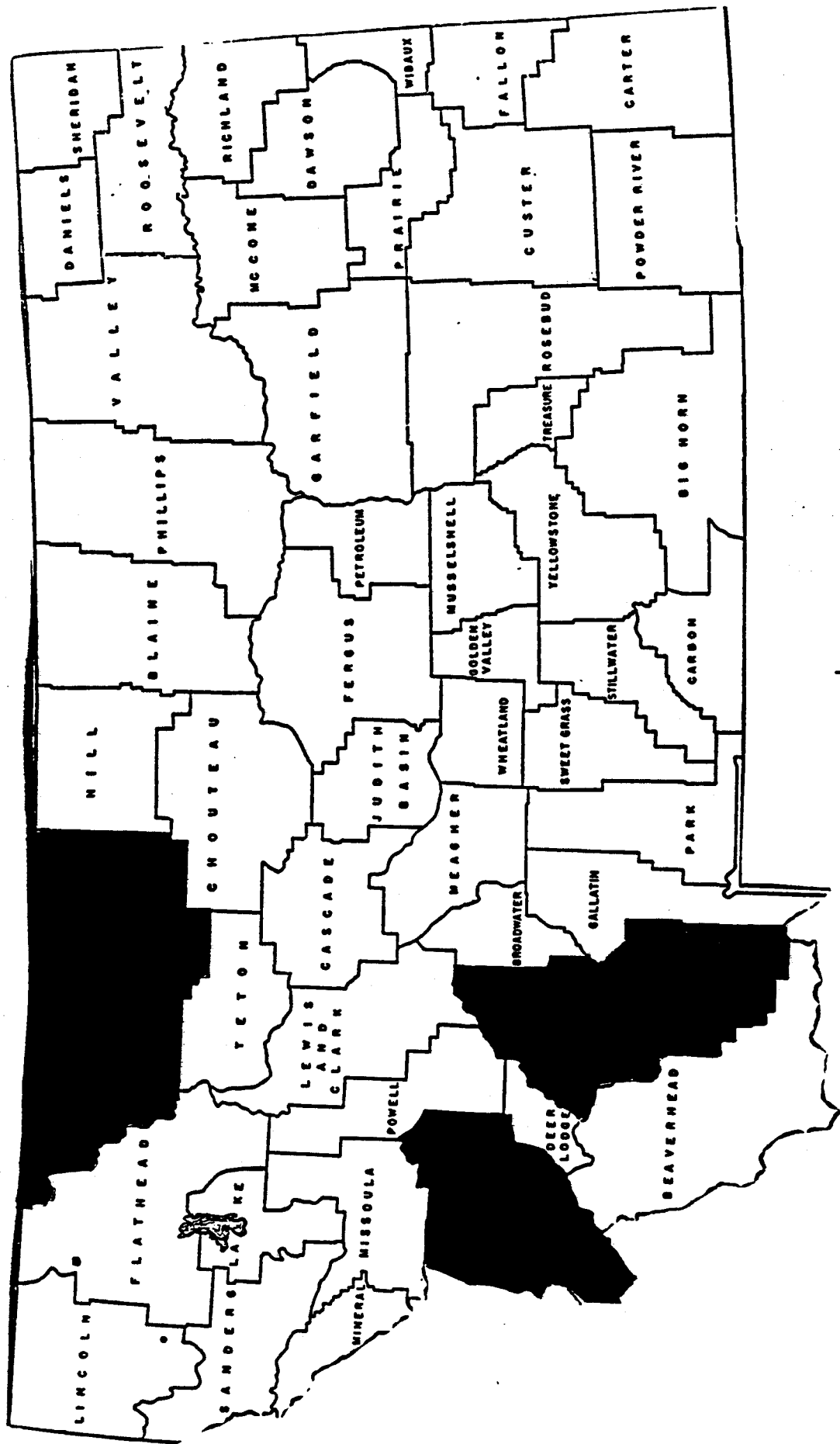
Additional funding is needed to meet state and local objectives for managing noxious weeds.

We urge your support for HB 477.

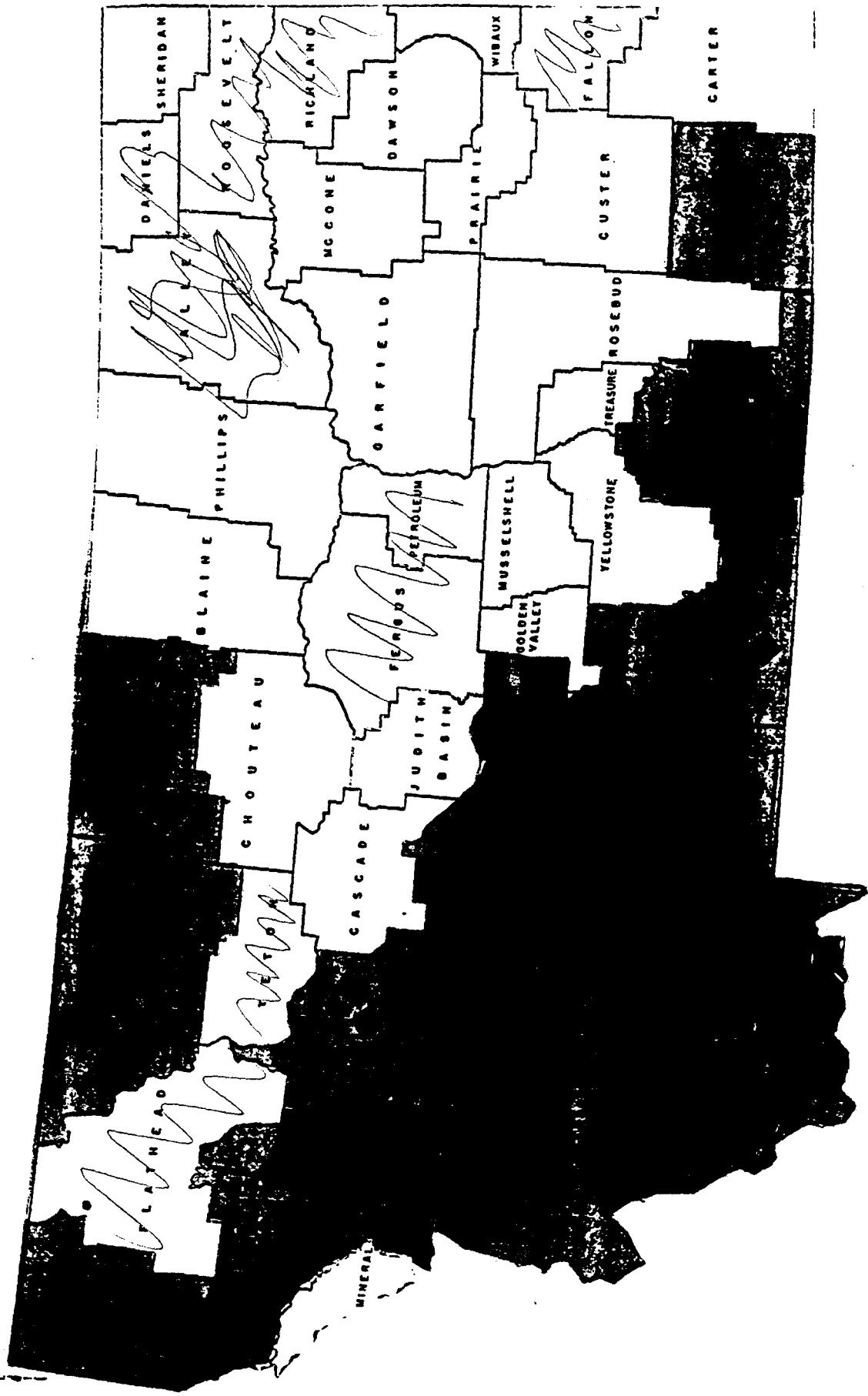
Thank you.



Coop. Kuapweed Project 1985



Map of Wyoming showing county boundaries and names. The map is oriented horizontally on the page.



Feb. 10, 1989

EXHIBIT # 2
DATE 2/10/89
HB 477

**Statement of Support for HB 477 - House Agriculture Committee
By Dave Pickett, Chairman, Butte-Silver Bow Weed Board**

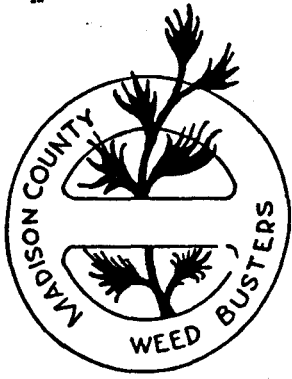
I urge the Committee to recommend that the House pass this bill. I have watched the Noxious Weed Trust Fund Advisory Council wrestle with allocation of funds for 1989 projects throughout Montana for the last few days. One thing is obvious, there is a terrible shortfall of funds available for excellent weed management projects. When the Council has narrowed proposals to the best ones, they must fund them at rates as low as 20% of what is requested. This on top of the fact that the proposals as submitted already match requested funds at least 1:1 or greater. In order to provide real help to the many coordinated control projects, education programs, bio-control projects, and needed research, more funds must be available to invest in improving the quality and productivity of Montana's land base.

The funds are sought from a major factor in the spread of noxious weeds, our vehicles. Look at the problem moving along our highways, roads, and trails, and I hope you can agree that this is a FAIR source of weed management funds. The increase will bring the fee to \$1.50 per vehicle. This is the price of 1.5 gallons of gas each year, enough to go about 30 miles. Is this too much of a price to pay for the benefits we all get?

A common argument against this concept is that some areas with lots of vehicles aren't getting "their share" of Trust Fund grants. Don't blame the law and don't blame the Council. Last year I heard people from Missoula request funds. Their Weed Board was not supporting them and their projects were not well organized. The Council did not fund them, and spent a lot of time working with them to improve their request. The people made progress with their Weed Board. This year two Missoula control projects got \$19,500. Yellowstone County made a proposal this year for a computer program for weed mapping. The mapping hasn't been done, and no-one from the Weed Board or Weed Dept. even appeared in support, let alone any landowners. The request was rejected, and the Council will be working with them to do better next year. At the same time, many eastern Montana projects were funded, and it is obvious to me from the Council discussions that they place a high priority on funding in eastern Montana. They want to control small problems like knapweed in eastern Montana and "push the problem westward. They can't responsibly do this until local government officials, weed boards, and landowners make a commitment to work together cooperatively and efficiently. Unfortunately, there are some areas where this commitment hasn't yet occurred.

As happened in Missoula, these programs can improve and they will need and get Trust Fund dollars in the future. To insure the needed dollars are there for all good weed management proposals, I urge you to pass the bill. Thank you.

D. Pickett



Madison County Weed Control

P.O. Box 278
Virginia City, MT 59755

EXHIBIT #3
DATE 2/10/89
HB 477

February 9, 1989

RE: HB 477, Representative Grady, REVISE FUNDING FOR
NOXIOUS WEED MANAGEMENT TRUST FUND.

TO THE RECORD

Dear Mr. Chairperson and,
Members of the House Agriculture Committee:

The Madison County Weed Control Board supports and
recommends the passage of House Bill 477.

Madison County has been a recipient of grants from the
State's Noxious Weed Trust Fund for Cooperative Noxious Weed
Projects. These grants have provided more than just an
increase of chemical control within the cooperative area
boundaries.

The Cooperative Area Programs have provided a noticeable
increase in public awareness throughout the county for weed
control. The increase has not been strictly in the activity
of chemical control, but has provided the incentive for
biological; cultural control activities; weed prevention and
weed management education.

In Madison County we currently have three cooperative areas
where the ranchers have organized and approached the Weed
Board for entry into the Trust Fund Program. The Program
does work and has been highly successful in Madison County.

The Governor's Noxious Weed Trust Fund Advisory Council has
just concluded their 1989 hearings on proposed projects.
There were approximately four (4) times the amount, in
dollars, of requests than there are funds available. This
means, to us in weed management, that there is a serious
statewide noxious weed problem. This problem requires
additional needs of resources and funds for on-the-ground
management, research and public education.

Madison County Weed Control supports and recommends the passage of all legislation that would provide the avenues to increase resources at both the state and county levels for the noxious weed management.

Respectfully,

Bar *Neil O. Peterson*
Weed Coordinator

Barry Rice, Chairperson
Madison County Weed Control Board

BR/ks

EXHIBIT #4
DATE 2/10/89
HB 477

Montana Trail Bike Riders Association

P.O. Box 6118, Bozeman, MT 59771-6118

February 10, 1989

To: House Agriculture Committee

From: Montana Trail Bike Riders Association

Regarding: House Bill 477; an act revising the funding for the noxious weed management trust fund...

We would like the committee to understand that we support the concept of this bill, but for the following reasons we offer these amendments:

1. p. 1, line 19. We would like the reference to the specific fee amount deleted, and a general reference to "the current fee in lieu plus ___ amount" inserted.

As a integral part of an effort to establish an off-highway vehicle program, MTBRA has offered legislation (HB 165) which would reduce the fee in lieu on OHVs upon which this bill (HB477) is based, and passage of HB 477 in its present form could negate that reduction. The focus of HB 165 is to provide incentives for registration through a redistribution of existing fees which allocates the tax revenue according to the governmental duties and benefits provided.

2. p. 2, lines 18-20. We believe the inconsistency in the (weed control) fee amounts between OHVs and the same types of machines licensed for on-road use, as proposed by HB 477, creates an administrative headache for county treasurers collecting these fees. Because we strongly believe in the concept of the weed control program, and our participation in it, we have supported an amendment to HB 165 to add the 50 cent fee to the registration of off-highway vehicles.


3. In addition to equalizing the weed control fee amounts, we would like to see that fee on motorcycles and quadricycles remain at the present level (50 cents). Again, our concentration is on maintaining incentives for registration. By increasing registration numbers we will be providing additional support for addressing these parallel concerns such as weed control and resource protection, which dovetail into our general focus on efforts to preserve OHV opportunities.

This session there has been increased emphasis on fee increases which have unknowingly targeted a major portion of Montana's motorcycling public. These additions include: \$5 for off-highway use, \$2.50 for a safety/education program, a weed control fee increase, a pollution control fee, and an increase in the junk vehicle fee. It's ONLY a dollar here and a dollar there, but it all adds up to a tax increase of better than 42%. It is our intention that such legislation should regulate, not strangulate our sport.

4. Last, but by no means least, we would like to suggest that HB477 be expanded to also amend Section 80-7-805, MCA, to effect a restructuring of the noxious weed management advisory council to include at least one member from an off-highway vehicle recreation group, such as Montana Trail Bike Riders Assn., or the Montana 4x4 Assn. It is our firm belief that as part of "the problem," we should also be part of "the solution," not only as a funding mechanism, but as a working partner in the decision making process as well.

In closing, let me reiterate, we do support this legislation and feel our concerns are valid. We ask your consideration of those concerns.

Thank you.

A handwritten signature in cursive script that reads "Linda Ellison".

Linda Ellison,
for:
Montana Trail Bike Riders Assn.

WITNESS STATEMENT

EXHIBIT #5
DATE 2/10/89
HB 477NAME Al Litter BUDGET _____
ADDRESS 4704 Burlington Billings MT 59101
WHOM DO YOU REPRESENT? Montana Association of Realtors
SUPPORT X OPPOSE _____ AMEND _____COMMENTS: In our research of the noxious weed problem we have found that cars, trucks and off-road vehicles are the biggest culprit in transporting noxious weeds through out our state.Other prepared bills to raise revenue for this problem we will strongly and vigorously oppose.This bill we support because 1.) It is not a new tax and 2.) It taxes part of the problem therefore, the revenues are used directly on part of the solution.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



MONTANA FARM BUREAU FEDERATION

502 South 19th • Bozeman, Montana 59715

Phone: (406) 587-3153

BILL # HB 477; TESTIMONY BY: VALERIE LARSON

DATE 2/10/89; SUPPORT YES; OPPOSE _____

EXHIBIT

#6

DATE

2/10/89

HB

477

Mr. Chairman, members of the committee, my name is Valerie Larson, representing approximately 3600 Farm Bureau members from around the state of Montana.

Mr. Chairman, Farm Bureau supports House Bill 477. The control of noxious weeds is an important factor in reducing farm costs. We feel that city, county, state, federal agencies, railroads, public utilities and industrial forest wood users should pay their share in the control of noxious weeds, and therefore it is also fitting the the off-highway vehicles contribute to the solution of the problem that they too have a hand in causing.

Farm Bureau recommends passage of House Bill 477.

Thank you for your attention.

SIGNED: _____

Valerie Larson

EXHIBIT # 7
DATE 2/10/89
HB 477

WITNESS STATEMENT

NAME Randall P. Smith BUDGET _____

ADDRESS Box 3 Glen, MT 59732

WHOM DO YOU REPRESENT? Self.

SUPPORT X OPPOSE _____ AMEND _____

COMMENTS: I support H.B. 477 To increase
license plate charge for Weed Trust Fund.
We need as much revenue as possible
to combat the problem of noxious weeds.
Since vehicles spread the weeds so badly
what a better way to raise it than to
tax the vehicle that spread the weed.
we are far from controlling the weed
problem in this state but we need
to stop it as soon as possible. I
urge the House to pass this Bill as
read.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



EXHIBIT #8
DATE 2/10/89
HB 477

MONTANA

Association of Conservation Districts

1 South Montana
Helena, MT 59601

443-5711

Testimony to the House of Representatives Agriculture Committee
HB 477

For the Record, my name is Peggy Haaglund and I am Executive Vice President to the Montana Association of Conservation Districts.

MACD does support HB 477. As has been stated, weeds in Montana are causing thousands of dollars of damage a year. Weeds have infested our farm ground, range lands, our stream corridors and our forests. They impact the producers and the companies who own the lands and the people using the lands for recreational purposes.

This is a fair tax, because everyone pays. Montana is a state that many people live in and visit because of its scenic wonders which are farmland, forests, streams and so on.

It is not a pleasure to go into the mountains of western Montana for any activity and find them covered with Spotted knapweed. It is not a pleasure to be floating down the Blackfoot River and see Leafy spurge growing along the banks.

This tax raises money that will fund the much needed research to find biological methods of controlling the weeds, it will help the people who form management associations to control weeds, it will allow for the ongoing projects of conquering the weeds before they conquer us.

Montana CD's encourage you to pass HB 477.

Thank you.



STAN STEPHENS
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR
AGRICULTURE/LIVESTOCK BLDG.

CAPITOL STATION
HELENA, MONTANA 59620-0201

EXHIBIT #9
DATE 2/10/89
HB 477
TELEPHONE:
AREA CODE 406
444-3144

FAX 406-444-5409

EVERETT M. SNORTLAND
DIRECTOR

TESTIMONY OF BARBRA MULLIN
for the House Agriculture, Livestock and
Irrigation Committee on
House Bill 477
Friday, February 10, 1989

Chairman Bachini and Committee members, I am currently the Weed Coordinator for the Montana Department of Agriculture. As such, I am responsible for administration of the Montana Noxious Weed Trust Fund program.

The program was created in the 1985 legislature to establish a permanent trust to help fund local cooperative weed management projects that need seed money to get a good control effort established. The revenue has also been used to fund educational efforts on noxious weed management, biological control weed research and other creative programs.

We have seen that noxious weed infestations are closely tied to transportation corridors across Montana. A map of spotted knapweed infestations in the state shows this dramatically.

The weed vehicle fee that was established in 1987 has been a great help to the Noxious Weed Advisory Council in helping to fulfil the original purpose of the program. The weed vehicle fee added \$334,000 to the \$160,000 provided for grants from herbicide surcharge revenue. This increased the number of projects receiving money by over three times.

The Noxious Weed Advisory Council met this week in Helena to allocate herbicide surcharge and weed vehicle fee special revenues. The Council had approximately \$481,000 to allocate and \$1.7 million in project requests. By severely cutting many requests to a much lower figure and prioritizing the most beneficial projects, the Council funded 64 of the 78 project requests.

When project funding is cut severely, most areas will proceed with their weed management programs at a greatly reduced level. The weed control is being done, but at a lower rate than is needed to hold weed infestations to current levels. To adequately address the noxious weed problem in Montana, it is necessary for land managers to be able to establish a long-term control program that allows for reduction of weed infestations

and then establishment of a long-term maintenance plan to hold weeds in check and keep them from spreading. At best, many land managers are currently in a position of only holding their own, rather than accomplishing the long-term reduction of weed infestations. Additional funding will help ag producers accomplish this goal.

Weed vehicle revenues have also been used to fund biological weed control research. This research necessitates long-term research and development of organisms that may eventually control large weed infestations in the state. Trust Fund monies have been critical in helping to establish this ongoing research and continued funding is needed.

EXHIBIT #10
DATE 2/10/89
HB HJR 22

HJR 22

OVERVIEW

In 1944 Congress passed the Flood Control Act. Incorporated into this act was the Pick-Sloan Missouri Basin Plan. The impetus for this plan came largely from the effects of the droughts of the 1930's and the floods of the 1940's.

The Pick-Sloan Plan included over 100 dams and reservoirs on the upper Missouri and it's tributaries. The plan was to provide water for irrigation projects, municipalities, industries, and recreation, as well as for navigation, flood control, and hydroelectric power.

The O'Mahoney-Miliken Amendment later prioritized consumptive uses over those for navigation. Further, this amendment insured the upper basin states, (Montana, Wyoming, North and South Dakota), that their sacrifice of productive lands, (due to dam construction and flooding), for the benefit of the lower states, would be compensated for by full development of other potentialities in the upper basin states.

HJR 22 seeks to urge Congress to authorize the use of Pick-Sloan Missouri Basin Funds for rehabilitating Montana irrigation project facilities. Further, it seeks to implement the Montana State Water Plan, by obtaining Pick-Sloan Grants and any matching funds for Montana.

EXHIBIT # 11
DATE 2/10/89
HB 358

TESTIMONY ON HB
AGRICULTURAL COMMITTEE

REP. JIM ELLIOTT
FEBRUARY 1, 1989

FOR THE PAST FEW SESSIONS BILLS SIMILAR TO THIS HAVE BEEN BROUGHT FORTH IN ATTEMPTS TO HELP THOSE MONTANA AGRICULTURAL BORROWERS AND LENDERS ACHIEVE A BETTER SOLUTION TO FINANCIAL DIFFICULTIES THAN BANKRUPTCY OR FORECLOSURE. LAST SESSION, A VOLUNTARY MEDIATION ACT WAS ENACTED WHICH PROVIDED A MEDIATION MECHANISM FOR A LENDER OR BORROWER UPON REQUEST. HOWEVER, THAT MEDIATION IS POINTLESS WITHOUT THE CO-OPERATION OF BOTH PARTIES.

THIS BILL, PROVIDING FOR THE RIGHT TO MEDIATION OF AGRICULTURAL INDEBTEDNESS, WOULD STRENGTHEN THE EXISTING LAW BY ENSURING THAT BOTH PARTIES COME TO THE TABLE TO DISCUSS THEIR PROBLEMS AND TRY TO ACHIEVE A SOLUTION. IT DOES NOT REQUIRE THAT A RENEGOTIATED FINANCIAL AGREEMENT COME OUT OF THE MEDIATION PROCESS. IT IS NOT FORCED ARBITRATION.

STATES WHICH HAVE RIGHT TO MEDIATION LAWS, SUCH AS IOWA AND MINNESOTA, HAVE A LOWER BANKRUPTCY RATE THAN STATES WITH VOLUNTARY OR NO MEDIATION LAWS.

SOUTH DAKOTA, WHICH PREVIOUSLY HAD NO MEDIATION LAW AT ALL, ENACTED A RIGHT TO MEDIATION LAW ON JUNE 1ST, 1988. IN THE LAST SEVEN MONTHS OF THAT YEAR, 126 REQUESTS FOR MEDIATION WERE MADE. OF THESE, 84 MEDIATIONS WERE COMPLETED, 59 OF THEM WITH DEBT SETTLEMENT AGREEMENTS. EXCEPTING THE 25 BORROWERS WHO ELECTED NOT TO PARTICIPATE AND THE 15 MEDIATIONS IN PROGRESS, THAT'S A 70% SUCCESS RATIO. THAT'S 59 FARMERS STILL IN BUSINESS, THAT'S 59 LOANS STILL BEING PAID OFF.

SOUTH DAKOTA RIGHT TO MEDIATION PROGRAM
JUNE 1ST - DEC. 31, 1988

TOTAL APPLICATIONS	126
BORROWERS FORMALLY WAIVING RIGHTS	4
BORROWERS FAILING TO PARTICIPATE	21
MEDIATION COMPLETED WITHOUT DEBT SETTLEMENT AGREEMENT	25
MEDIATIONS COMPLETED WITH AGREEMENT	59
ENDED IN BANKRUPTCY	2

IN BRIEF, THE BILL, IF ENACTED, WOULD, AMONG OTHER THINGS:

1. (SEC. 3) REQUIRE THE CREDITOR TO INFORM THE BORROWER OF HIS RIGHT TO MEDIATION BEFORE BEGINNING COLLECTION PROCEDURES.
2. (SEC. 4) SET A LIMIT OF 14 DAYS AFTER NOTIFICATION FOR EITHER PARTY TO INITIATE PROCEEDINGS.
3. (SEC. 5) PROVIDE FOR WAIVER OF RIGHT TO MEDIATION BY EITHER PARTY.

4. (Sec. 9, 10) REQUIRE AND DEFINE GOOD FAITH MEDIATION,
AND EXEMPT FROM GOOD FAITH A FAILURE ON THE PART OF
THE CREDITOR TO RENEGOTIATE THE DEBT.

I AM SPONSORING THIS BILL BECAUSE I BELIEVE IT MAKES A GOOD
LAW BETTER, AND BECAUSE I BELIEVE IT IS GOOD FOR LENDERS,
BORROWERS, AND MONTANA'S ECONOMY IN GENERAL.

SENATOR BOYLAN, WHO OPPOSED THE VOLUNTARY MEDIATION BILL LAST
SESSION, NOW BELIEVES AS I DO, THAT THIS IS A GOOD IDEA, AND
HAS AGREED TO CARRY THIS BILL ON THE FLOOR OF THE SENATE.

JIM ELLIOTT, REPRESENTATIVE

JE/EB



Farm Credit Services

Federal Land Bank Association
Production Credit Association

Lending Office

124 Walnut Street, Box 196

Yankton, South Dakota 57078-0196

605/665-9675 or 605/665-7773 SD Lending

605/665-6650 NE Lending

605/665-9681 Special Assets Division

January 24, 1989

EXHIBIT #12
DATE 2/10/89
HB 358

Mr. Brant Quick
Northern Plains Resource Council
P.O. Box 858
Helena, Montana 59624

Dear Mr. Quick:

In response to your request resolving from our telephone conversation today, I am writing this letter. We discussed the workability of the Mediation Program within the State of South Dakota. I indicated to you that our experience had resulted in a favorable performance for the mediation process. We have accomplished many restructures and settlements in mediation that had been deadlocked prior to the mediation process. It appears that the mediation process has brought the debtor to realize that he must face his debt problems and make some concessions in order to effect a reasonable reorganization.

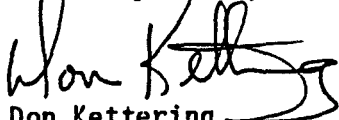
I believe there are several elements that are essential to a successful mediation program. They are as follows:

1. A relatively short period of time should be established between the time the creditor/debtor notifies the mediation board to the time the mediation session is held. In South Dakota, the time frame is 21 days and that seems very reasonable.
2. The mediation process should be funded so confident mediators can be hired.
3. All mediation sessions and all parties to the mediation session must understand the need for confidentiality.
4. All parties must have the opportunity to exercise their legal rights should a mediation session not be successful.

Mr. Brant Quick
Page 2
January 24, 1989

In summary, our experience has shown us that the mediation process can be very successful in resolving debtor/creditor problems. It appears to me that given the present political environment in relation to working with indebted farmers, the mediation process is one additional tool that can readily be utilized to resolve problems.

Sincerely Yours,

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

Don Kettering
VP-Special Assets Division
SD Mediation Board Member

mg

NORTHERN PLAINS RESOURCE COUNCIL

Field Office
Box 858
Helena, MT 59624
(406) 443-4965

Main Office
419 Stapleton Building
Billings, MT 59101
(406) 248-1154

Field Office
Box 886
Glendive, MT 59330
(406) 365-2525

RIGHT TO MEDIATION - HB 358.

EXHIBIT #13
DATE 2/10/89
HB 358

What Right to Mediation Does -

Right to Mediation (HB 358) allows both agricultural borrowers and lenders to require the other to participate in good faith mediation for a 45-day period. It employs a neutral third party to assist the attempt to reach a debt settlement agreement acceptable to the borrower and lender.

What Right to Mediation Does Not Do -

This bill does **not** require that a settlement be reached. Right to mediation is **not** binding arbitration. **Nor** does HB 358 require mediation to take place if not requested.

Need For This Legislation -

Despite what you may have read about the rural crisis easing, the number of farmers and ranchers lost each year continues to increase. According to the American Bankers Association Mid-1987 Report, Montana lost 1468 farmers and ranchers in 1987, up from 1040 the year before. This figure does not include the number of rural businesses that also closed as a result of their customers' losses.

The rural crisis has put an enormous stress on Montana's economy, banks, schools, and churches. It has also resulted in a shrinking tax base, straining state and local budget.

Currently, Montana has a voluntary mediation program. However, this program is less than optimal because neither party can be assured that mediation will take place (see attachment #1). Often, relations between troubled borrowers and lenders become strained and negotiations break down. These cases generally result in bankruptcies or foreclosures which are costly for both parties.

(over)

Why Support Right to Mediation?

Right to mediation provides borrowers and lenders with a vehicle for reaching solutions less drastic than bankruptcy or foreclosure -- solutions that benefit both parties and the state in general.

Such programs have worked well in states like South Dakota, Minnesota and Iowa (see attachment #2). The bankruptcy rates in states with right to mediation programs lower than in similar states with voluntary programs or no programs at all (see attachment #3).

Further, both borrowers and lenders in these states view their right to mediation programs very favorably (see attached letter). It provides troubled borrowers with a way to get uncooperative lenders to attempt to mediate a mutually agreeable settlement, keeping them in operation. It provides lenders an avenue for forcing uncooperative borrowers to acknowledge that their loans need attention and can reduce the number of bankruptcy filings.

In short, right to mediation is an effective way to encourage borrowers and lenders sit down with a trained, neutral, third party and talk things over in hope of finding mutually beneficial solutions.

Attachment #1

Figures from Mt. Dept. of Agriculture on Montana's voluntary mediation program from the date the program started in 1986 to January 13, 1989.

Mediations applied for -----	41
Mediations pending -----	2
# of times borrowers refused to mediate ----	6
# of times lenders refused to mediate ----	6
Mediations discontinued by originator -----	16
Mediations ending in debt settlement -----	9
Mediations not ending in settlement -----	2

9 of 39 mediations applied for and not pending resulted in settlements reached or approximately 20.5%.

Attachment #2

Figures from South Dakota's Mediation Director on their new right to mediation program from the date it was started, June 1, 1988 to December 31, 1988.

Mediations applied for -----	126
Mediations pending -----	15
Borrowers formally waived rights -----	4
Borrowers failed to participate -----	21
Mediations ending in debt settlement -----	59
Mediations ending in no settlement -----	15

59 of 111 mediations applied for and not pending resulted in debt settlements reached or approximately 53.2%.

(over)

Attachment #3

Study comparing Chapter 12 Bankruptcy filing rates in states with right to mediation, voluntary mediation, and no mediation programs. (Source: Center for Rural Affairs - 1/5/88.)

<u>State</u>	<u>Type of Program</u>	<u># of Farmers</u>	<u># of Cha. 12 Filings</u>	<u># of Filings /1000 Farmers</u>
Minnesota	Right to Med.	93,000	145	1.6
Iowa	Right to Med.	109,000	341	3.1
Kansas *	Voluntary	70,000	256	3.7
N.D.	Vountary	33,000	156	4.7
Neb. **	None	57,000	617	10.8
S.D. ***	None	36,000	460	12.8

* 1987 figures. Figures not available for 1988 at time of study.

** Now has a voluntary program.

*** Now has right to mediation.

EXHIBIT #14
DATE 2/10/89
HB 358

NORTHERN PLAINS RESOURCE COUNCIL

Field Office
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Helena, MT 59624
(406) 443-4965

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419 Stapleton Building
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Glendive, MT 59330
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TESTIMONY IN SUPPORT OF RIGHT TO MEDIATION - HB 358.

Mr. Chairman, Members of the Committee:

My name is Monte Mlekush, I'm Chairman of the Northern Plains Resource Council. I farm and ranch near Winnett, Montana.

NPRC feels the state of Montana, its people in financial difficulty, and its lenders, whether they realize it yet or not, would benefit from HB 358; Right to Mediation.

We are hearing the same old tired arguments that we have all heard before, like "the crisis is over", and "this bill will dry up credit."

If the farm crisis is over, why were there 28 farmers a week going broke in 1987, as opposed to 20 per week in 1986. That is a 40% increase in one year. For your information, currently FmHA delinquencies for Montana are 28%, for Idaho 58%, and for California, Texas, and Arizona, they are 83% and higher. If the farm crisis is over, an 83% delinquency rate must be "business as usual".

Debt pay-down has been held up as an indicator that all is well in the agricultural sector. Debt pay-down does not tell the whole story. People have been putting every available dollar into debt-paydown rather than capital improvements or equipment upgrading.

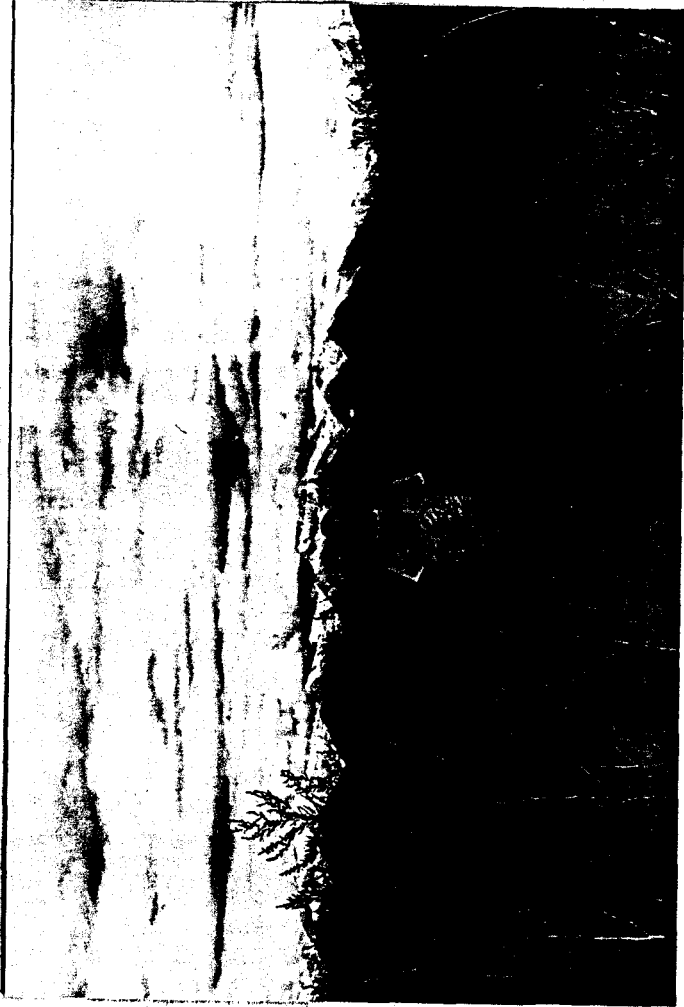
This bill will not dry up credit. Anybody in agriculture during the last five or six years has seen credit tighten up considerably, which is a logical backlash to the liberal lending attitudes of the late 1960s and early 1970s. Either you are healthy and being financed, or you are out in the cold. States that have had right to mediation in place for several years have not seen a, "drying up of credit".

At a town meeting in Roundup on September 24, 1987, management from the FCS in Lewistown stated over and over again that they wished that they had a way to get people in to at least talk. A right to mediation law would give the FCS the tool they need to get people to sit down and talk.

We have letters from two different FCS Districts, Spokane and Omaha. One man has used the right to mediation in South Dakota, and has seen dead-locked loans open up. The other letter is from the Spokane office of the FCS opposing our right to mediation bill in Montana. Maybe Al Haslebacher in Spokane should talk to Don Kettering in the Yankton, South Dakota FCS office and visit with someone who knows something about how the right to mediation is working. Incidentally, FCS District VIII testified for right to mediation in South Dakota.

It appears to me that the lending institutions who are opposing HB 358 are jumping at their own shadows. The lenders who have used it have seen it work without the delaying tactics that have been held up as bugaboos.

Russ Stone of the South Dakota Mediation Program stated that the majority of mediation filings have been initiated by lenders. The lenders in the other three states that have right to mediation laws have found it to be a very constructive tool. Once it is enacted in Montana, our good lenders will become converts too.



The above pictures are of 560 acres that were controlled by the Western Montana Production Credit Association and 160 acres that are owned by the Farm Credit Bank of Spokane. Both parcels had noxious weeds which had gone to seed on crop land which was not planted in 1988. This is a violation of the County Noxious Weed Management Act. Farm Credit Service offices were notified of problem but declined any interest. Cattle were allowed to graze the property in late fall which is not a solution to weed control. (other pictures available upon request)

this Bankruptcy and Foreclosure may very well have been prevented with mediation

EXHIBIT 15

DATE 2/10/89

HR 18

Lake County Weed Control District

(408) 676-6270

1210 Round Butte Road West

Ronan, Montana 59864

September 29, 1988

Farm Credit Service
2529 N. Reserve
Missoula, MT. 59801

Dear Sirs;

It has been brought to my attention that there is various tracts of land in Lake County that ownership is going back to the Farm Credit Service.

As you may know it is the responsibility of the landowners to control Noxious Weeds.

If you do not have a program in existence it is recommended by Lake County Weed Control that you look into this matter.

If more information is need Please feel free to contact this office.

Thank you.

Sincerely,



Raymond Cooper, Supervisor
Lake County Weed Control District
1210 Round Butte Road West
Ronan, MT. 59864

Note:

This letter was sent to both the FCS and the WMPCA offices in Missoula by certified mail. Neither office responded to inquire about the problem or the land in question. The FCS officials in Missoula and in Great Falls have seen the weed pictures with no response.

My name is Bill Bick. I reside at 37301, Hwy. 93, St. Ignatius, MT 59865
Phone - 745-3214. I farm around 1000 acres in the St. Ignatius - Charlo
area. I am here to testify as a proponent for a mandatory state mediation
program.

1970-1985

(I) We enjoyed good credit with both local banks and the Western Montana
Production Credit Association (WMPCA) and still enjoy good credit with
local banks.

(II) In 1983 we borrowed \$50,000 on level line loan for a 3 year term
from the WMPCA.

(1) We only had to pay interest and provide a financial statement

(2) Level line loans reserved for customers with best credit rating

(3) They received a 2nd mortgage on 80 acres of land, not on crops
or machinery

(4) At the initiation of our loan we were told we would be credited
for our "B" stock investment when the loan was paid off

(III) In Dec. 1984 PCA secretly liquidated with no input from stock-
holders. My debt was around \$54,000 which included about \$6000
"B" stock.

(1) In Jan. 1985 we offered PCA full payment, in cash, minus
"B" stock as promised by loan officer at inception of loan.
PCA declined offer. Some borrowers allowed a return on "B"
stock.

(2) We requested our loan be reviewed by the Bozeman PCA as
promised by the loan officer, and later their liquidation
plan.

(a) We had financial statement of approx. \$284,000 and good
credit.

- (b) We felt we could meet Bozeman's criteria if given a chance.
- (c) Bozeman PCA never reviewed our loan as we never heard from them.
- (d) Our credit & collateral was good because about a year later (Mar. 6, 1986) Lake County Bank of St. Ignatius loaned us \$48,000 using only our crops as collateral and with full knowledge of our PCA problems.
- (3) We also requested the remaining \$989 balance guaranteed on our loan agreement as we needed operating money.
- (a) PCA refused unless allowed to add extra conditions on the loan even though they were obligated to loan the money.
- (4) On approx. Feb. 22 a PCA fieldman insisted that he be allowed to take the serial no. off machinery they didn't hold as collateral. I declined.

(IV) Several times PCA requests workout agreement even though our loan was in good standing which could be considered harassment.

- (1) We respond by listing property and informed PCA of our intentions.
- (a) We also leased another 900 acres of irrigated land in an attempt to produce enough additional income to pay off loan.
- (2) A month later we find buyer with \$40,000 cash down payment who will pay balance of \$25,000 at \$4000 per year.
- (a) We offer \$40,000 down payment to PCA plus assignment on contract which would pay our total balance including "B" stock in 5 years or 3 years since the U.S. Congress deemed it fair to return "B" stock investment. PCA refuses to abide by conditions of assignment and we lose land sale.

Mediation
may have
forced the
PCA to
comply with
a workout
agreement
they requested

(3) Many FCS officials have stated in writing that the FCS would assist in workouts, restructuring, forbearance, renewals and transfers. They absolutely made no attempt to comply in our case.

(V) Oct. 5, 1986 our loan becomes delinquent.

(1) 3 days later the loan was termed non-accrual and turned over to their attorneys with no forbearance offered.

(2) On Nov. 5, 1986 sheriff serves borrowers, Mary Bick, and CCC (Commodity Credit Corp.) with foreclosure notice.

(a) Mary Bick, who held 2nd mortgage, was served because PCA refused to pay \$5.00 recording fee for satisfaction held in their office for several months.

(b) CCC held no interest in property since there were no growing crops on land at the time and PCA did not hold crops as collateral in any event.

(1) The CCC involvement caused my countersuit to be moved from state court to federal district court and back again as the U.S. Assistant Attorney General claimed disinterest.

(2) It created a big delay in settlement and increased our interest and legal fees.

(3) On Jan. 9 we filed a countersuit because PCA refused to negotiate.

(a) Our countersuit seeks relief on 22 issues.

(b) PCA's only offer of settlement in 4 years has been deed in lieu of and \$15,000 deficiency judgement.

(c) We offered deed in lieu of twice (including crop on one offer). We also proposed a cash settlement five different times.

(1) To date FCS has not made a counter offer and stands on deed in lieu of and a \$15,000 deficiency judgement.

mediation
may have
prevented
law suit

Agricultural Credit Act of 1987 passes Congress (ACA of 1987)

(VI) On Mar. 15, 1988 we retain Dave Folsom and Associates to negotiate for us.

(1) PCA loan officer states that PCA did not have to negotiate and probably would not. We forfeited our initial fee. The professional negotiator appeared to be a lost cause.

(VII) We applied for restructuring under the Farm Credit Act.

(1) We were told they had to respond in one month and it took two months for a decision.

(2) The only reason given for turndown was that the cost of restructure exceeded the cost of foreclosure.

(VIII) In June we immediately requested a CRC (Credit Review Committee) hearing which was granted.

(1) We requested a short extension to harvest grain and obtain further information on the reasons for our turndown.

(2) It was $4\frac{1}{2}$ months before hearing was granted.

(a) Hearing was held in Great Falls instead of Missoula.

(1) Neither wife nor attorney could attend because of a two day trip.

(b) Three Farm Credit Officials (Kangaroo Court) held hearing

(IX) When the FCS receives our restructure application PCA loan officer prepares a worksheet called Comparative Costs of foreclosure and restructure.

(1) Worksheet contains 74 blanks which require mathematical calculations

(2) Many of the figures the loan officer fills in seem to be pulled from the air.

(3) Generally they won't show you this worksheet until the day of the hearing. I found and proved that at least 25% of these

figures were grossly wrong. It appears the final figures for my
turndown were all based on an uncontested foreclosure even while
my case was in court. *FCS would consider nothing but the original Applicant.*

- (4) The CRC Committee claimed they considered the changes but did not
prepare a new worksheet and based their denial decision on the
original loan officer's worksheet. Their total answer for denial
is that the cost of restructure exceeds the cost of foreclosure,
period. This is apparently the only answer they are required to
give.

(X) We spent approximately 9 months trying to work our problems out through
the ACA of 1987 and I felt restructure process was a waste of time.

- (1) We applied for restructure and met all deadlines under the Agri-
cultural Credit Act of 1987 and believe the FCS is possibly
guilty of fraud by the manner in which they are dealing with
restructure. The FCS lead us to believe they (12th district
of Spokane) had to abide by all of the laws of the ACA of 1987.
These laws include a requirement for mandatory mediation by the
FCS and FmHA and a review of Credit Review Decisions by the
National Special Assets Council.

(a) See attached letter written by Rod Smith of the Farm Credit
Services and attached synopsis of mediation programs by the
Farmers' Legal Action Group.

- (2) As they have received no bailout money nor do they qualify(?) they
apparently don't have to abide by these laws.

(a) The delay added 7 to 8 thousand dollars to our loan in legal
fees and interest.

(XI) On Dec. 15, 1988 we were offered our first chance to negotiate in
4 years.

*ation
I HAVE
courage
FCS to
sin in
good FAITH*

Farm Credit
Service
Mediation

- (1) We both took time off work and stated our offer, we were then asked if we had any other offers, which we did not, until the PCA counter offered. *or AT LEAST STATED their position.*
 - (a) The loan officer then stated that they would continue with litigation. That was the end of our total negotiations with the FCS, which lasted a total of 5 minutes.

(XII) I think a mediation bill should consider these items:

- (1) It should be mandatory when requested by either party
- (2) Do not allow the FCS and other lenders to do business in the state of Montana if they do not want to abide by our mediation laws.
 - (a) The FCS feels they are a federal instrumentality and are above having to comply with state laws.
- (3) The interest should be frozen until negotiations are completed to force these lenders to negotiate in good faith.
 - (a) At the present time my loan is being charged a rate of 13.5% as a poor risk borrower. Apparently other borrowers are being charged lower rates. The FCS knows I have plenty of assets to cover loan costs and seem to figure it good business to draw this settlement out as long as possible or until my assets and liability column equalize. Then foreclose and collect a larger deficiency judgement.
- (4) Make the laws tough and understandable.
 - (a) Laws can be interpreted with several meanings as passages in the Bible can be.
 - (1) The FCS uses the interpretation which best fits their needs then challenge the borrower prove them wrong with \$80/hr. attorney fees.
- (5) There should be a time limit set as my four years of negotiations

have cost me approximately:

- (a) \$30,000 in interest and legal fees
- (b) Added possibility of an IRS liability
- (c) Untold income in tax planning and time spent in fighting the PCA.
- (d) \$40,000 in loss of value of land and \$25,000 loss of sale of my farm.
- (e) Deterioration of my farm and other farms due to poor farming practices administered when the farmer is being foreclosed upon and is unsure of the ownership of the land.
 - (1) See attached pictures of Larry Coleman's 560 acres and 160 acres owned by Federal Credit Bank of Spokane.
- (f) \$1500 in personal legal fees along with the over \$5000 the PCA lawyer has charged my account for practically the same tasks as my two attorneys.
 - (1) The PCA refuses to disclose how this money was spent.
- (g) It's tough to assign a value on the loss of credit, reputation, and mental anguish these delays have caused me. We and other farmers feel as if we have had a loaded gun held at our heads for a number of years.

The FCS will possibly counter my testimony with testimony of their own which will relate how many people and how many dollars worth of loans they have settled or restructured on their own without mandatory mediation. Look at their testimony very carefully. It is possible in our community that these settlements fall into one of the following categories:

- (1) People who were coerced into paying in full including interest and legal fees.
- (2) Borrowers who were in position to severely embarrass the FCS legally.

(3) Farmers whose assets did not exceed the value of their loan. Most of the people in this category have been required to sign non-disclosure agreements on their settlements.

(1) Those whose loans were undercollateralized and shouldn't have been made in the first place.

(2) Farmers who spent their money foolishly.

(3) Farmers who didn't make wise business decisions.

(4) Those that had poor luck with market, crops, health, etc.

The above people have had their loans written down and most were required to sign non-disclosure agreements. The farmers who tended to business, gave adequate security, were lucky with the markets and weather and had other investments are being punished.

In closing you have a great deal of support for this bill from people you will never hear from.

(1) People who haven't settled who are afraid to use their names as it may harm negotiations.

(2) People who won't write because of their educational ability or pride

(3) People who won't relate their experiences because they signed a non-disclosure statement.

(4) Some who have not been contacted and are not aware this bill is being considered.

(5) People who have too much pride to relate their experiences.

Most of the statements relating to my personal experiences with the FCS can be proven with written statements and do not apply to local state controlled lending institutions as we have had no problem with these lenders personally. We will be happy to collaborate with other people who have similar problems. We have many more claims against the FCS not stated in this

document
William E. Bick
Joan M. Bick

2-9-89

(2)



Farm Credit Services
Great Falls

1309 Ninth Avenue N.W.
P.O. Box 1459
Great Falls, Montana 59403
406/761-3311

January 17, 1989

Mr. & Mrs. Bill Bick
37301 Highway 93
St. Ignatius, Montana 59865

Dear Mr. & Mrs. Bick:

I have reviewed your letter and provide the following responses:

Question 1: Those Districts that receive assistance from the Financial Assistance Corporation come under the review of the National Special Asset Council. To date, the Spokane District has not received any assistance, nor does it qualify for assistance.

Question 2: The Mediation Program offered by the State of Montana is a voluntary program. I suggest you contact the Agriculture Department in Helena for details on what services they offer.

Questions 3 through 10: The purpose of the Credit Review Committee is to review the original denial and the reasons for denial when compared to the Distressed Loan Restructuring Policy of the Spokane District. It was the committee's determination that the reasons of denial, as stated in the original denial letter, were appropriate and that the provisions of the District's restructuring policy were complied with.

Question 11: The Least Cost Analysis reviewed by the committee was the same analysis that has been provided to you.

Question 12: Rod Smith, Regional Manager-Special Credits
Ron Bokma, member of Spokane District Board-Chairman
Stu Elliott, local Director

Sincerely,

Rodney Smith,
Chairman

RS/dvw

CRC Committee
KANGAROO COURT

Mediation: FmHA and FCS Are Required to Participate in State Programs

by Juliet M. Tomkins

In this Article:

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State Mediation Programs Funded.....	94
Federal Agencies Must Participate.....	95
Benefits of Mediation.....	96
Status of State Mediation Programs.....	97
The Future of Mediation in Your State.....	97

Congress showed its support for the concept of state mediation programs by enacting several provisions involving state mediation programs in the Agricultural Credit Act of 1987 ("the Act").¹

State Mediation Programs Funded

Under the Act, states can receive matching federal grants for one-half the state's cost of running its mediation program, up to a maximum of \$500,000 a year.² These monies can only be used for operation and administration of the mediation program. They will be awarded only if the Secretary of Agriculture ("the Secretary") has certified the state as a qualifying state.³ The Secretary is required to certify the state when the state's governor provides the Secretary with information stating that:

- The program provides mediation services to farmers and creditors, which can result in mutually agreeable decisions between the parties;
- The program is authorized or administered by a state agency or the state governor;
- The program provides for training of mediators;
- The program mandates that mediation is a confidential process; and
- The program provides adequate notification to the farmer and the lenders.⁴

1 Agricultural Credit Act of 1987 ("The Act"), Public Law No. 100-233, §§ 501-506.

2 The Act, § 502(b).

3 The Act, § 502(a).

4 The Act, § 501.

Polson, MT.
Jan. 26, 1989

Ervin Davis, Rep.
House Dist 53 -

Dear Rep. Ervin Davis -

Just to let you know that Bob is in receipt of your letter 1/17/89. We have some pending lawsuits and cannot commit ourselves at this time for any testimony re: your bill "Agricultural Assistance - Debt Mediation".

We are hoping that "You hang in there"!

Most sincerely,

Mrs. Robert L. Macchamps, Jr.
306 Jim's Dr. Apt H.
Polson, MT.

59860

P.S.-

We have not moved, but new address! ☹

EXHIBIT 22
DATE 2/10/89
HB 358

1-3-89

HONORABLE IRVIN DAVIS

EXHIBIT

DATE

HB

16

2/10/89

358

Dear IRVIN:

THE FARM CREDIT OFFICE
OF MISSOULA HAS FAILED TO
NEGOCIATE IN GOOD FAITH WITH
ME ON MY TWO DEFUNCT PCA
LOANS,

IT HAS BEEN APPROXIMATELY
3 YEARS. I'VE MET WITH THEM
ABOUT TWICE A YEAR. WE DISCUSS
THE OPTIONS, THEY SET DEADLINES, +
THEY JUST GO BY THE WAYSIDE.

Sincerely

Gail S. Anderson

Farmer - Owner.

~~Q-100~~

2-1-89-

I Willard & Carmen Nelson
support the Farm
mediator Bill.

Willard Nelson
Carmen Nelson

EXHIBIT 17
DATE 2/10/89
HB 358

EXHIBIT 18
DATE 2/10/89
HB 358

1-31-89

To whom it may concern:

Agricultural Committee

We were members of Western Montana PCA from 1974 until the time that they (WMPCA) closed their doors.

We feel that when our B. stock was tied up not only us, but all borrowers in this Northwest area were done irreparable harm and even for many years before there were years of mismanagement and actions of bad faith by officials and fieldmen of Western Montana PCA. We feel they took away all our rights as members. We were not able to vote on the merger and our loan was turned over to Farm Credit without giving us any choice in our own future & destiny.

We have made several offers or proposals to settle our debt - but to no avail - they have never made a counter proposal. Full payment or foreclosure was a choice. In 1985, we would have been able to receive money in the amount of \$42,820 at 5% interest from Farmer's Home Pgm. (we had qualified for the disaster loan to this amount). We offered this plus land to Farm Credit. We could not receive this money unless Farm Credit would negotiate - they denied us this by rejecting the proposal - no counter proposal was made by Farm Credit.

We feel since Farm Credit was bailed out of their mismanagement by the U.S. government, that they in turn should at least try and do the same for others.

Our interest rate has gone from 11% in 1984

to 13.9 % as of now.

We don't mind (in fact ^{we} feel that we are responsible for our mismanagement but we certainly don't feel we are responsible for theirs' too.)

Please listen to the concerns of all of us. This has been our way of life for over 40 years and we do wish to continue until our health permits otherwise, but if Farm Credit has their wish we will be forced to leave and find other employment (which won't be easy at our present age).

Since our marriage our one desire was always to have a nice ranch and a good herd of cattle. Now that we have accomplished this thru long hours and hard work (which we enjoyed) we hate to have Farm Credit take it all away.

Please do what you can for us,

Thank you -

Loan and Frank Pope
11845 Teo Hill Rd.
St. Ignace, Mt 59865

January 30, 1989

Rep. Ervin Davis
Helena, Montana

Dear Ervin,

We, Stuart and Nancy Fryberger, have been trying to settle a loan with WMPCA since 1984 when they closed their doors to business. Since that time we have been thru the restructuring act (Farm Credit Act of 1978), which turned out to be a farce as they would not negotiate at all.

We feel the mediation act is the only thing between us and foreclosure, as it forces them to sit down at the bargaining table and attempt to work out a solution. At this time we are waiting for them to start mediating. We are afraid that if this bill is defeated, the PCA will merely wait until the June deadline is past and go ahead and foreclose.

We would appreciate any help you can give us concerning this bill.

Thank you,

Stuart Fryberger

EXHIBIT 19
DATE 2/10/89
HB 358

January 24, 1989

Rep. Ervin Davis
House of Representatives
Helena, Mont. 59620-0144

Dear Ervin:

I would be interested in providing written or oral testimony or both as a proponent as to how we have been treated by the Farm Credit Service (PCA). I would like to briefly relate our experience both before and after our loan was in default and our efforts to mediate a settlement. I would also like to be informed about any other bills which may be of interest in lender vs borrower legislation, particularly any attempt by FCS lobbyists to alter Senate Bill 142 which was passed last session.

Please send me the following information:

- (1) Time & location of hearing
- (2) Amount of time allocated for testimony
- (3) Content of material I would be allowed to testify on
- (4) Names and addresses of other members of the legislature who will be involved in farm lending bills, possibly members of the agriculture or finance committees

Sincerely,

Bill & Joan Bick

Bill & Joan Bick

37301 Hwy. 93

St. Ignatius, Mt 59865

Phone 745-3214 late evenings or early mornings

EXHIBIT 20
DATE 2/10/89
HB 358

February 3, 1989

Ervin Davis
Box 42
Capitol Station
Helena, MT 59620-0144

Ervin,

Please find enclosed the letters which I have collected personally and some other information which may be of value. My testimony may last more than 15 minutes, but I may be able to squeeze it in. I want to testify in person and feel I can get away anytime given a short notice. You can usually reach me at my home (745-3214) between 6:30 & 7:30 a.m. or after dark. We appreciate your interest in this mediation bill. Thanks.

Sincerely,

Bill & Joni Bick
Bill & Joni Bick
37301 Hwy. 93
St. Ignatius, MT 59865

EXHIBIT 21
DATE 2/10/89
HB 358

Ervin,

My testimony may involve my personal problems a little too much, but I think I can tie it into a lack of a mediation program. I hope to have a bunch more letters by Friday
Bill

Ted Stiles
2543 Tower Rd.
Polson, MT. 59860

28 Jan 1982

883-4684

Erwin Davis
Capitol Station
Box 42
Helena, MT. 59620

Re: HB 358

Dear Mr. Davis

We support HB 358.

We have been in litigation with Land Bank and PCA for six years. We've had 3 opportunities to sell our farm - all three deals nixed by the 'bankers'. We've made several offers to settle - without any positive results and often without the courtesy of a reply.

Do for it!

EXHIBIT 23
DATE 2/10/89
HB 358

Sincerely,
Ted Stiles

Rep. Ervin Davis

Capitol Station

Helena, MT 59620-0144

Dear Rep. Davis:

☒ We) voluntarily support a state bill which would require mandatory mediation of an agricultural loan if either the borrower or lender request mediation.

☒ We) are involved in or were involved in farming or ranching 660 acres in Western Montana.

☒ We) have or have not) had problems in negotiating a loan with:

The FCS (PCA or Landbank) ☒

FmHa (Farm Home) ☒

Local banks ☒

Sincerely,

(Name) Mike Leishman

(Name) Mike Leishman

(Address) 2121 Allison Rd
St Ignatius, mt 59865

(Phone no) 406-745-3153

(Date) 2-6-89

EXHIBIT 24
DATE 2/10/89
HB 358

Comments (if any) (use back if necessary)

CITIZENS STATE BANK

Arlington So. Dak.

January 27, 1989

EXHIBIT #37
DATE 2/10/89
HB 368

Mr. Brant Quick
Lobbyist for Northern Plains Resource Council
P. O. Box 858,
Helena, Montana 59624

Dear Mr. Quick:

Re: Farm Mediation

In response to the telephone conversation that you and I had yesterday, I will share some of the experiences we have had with the South Dakota Farm Mediation program.

To begin with, we have had two of our bank customers involved with this program. In each of these cases, we initiated the mediation program. With one customer, all that was needed was one session to arrive at a mutually agreed upon solution. In the second case, we did meet three separate times, but we were able to agree to a plan of action. We were pleased with the results of our farm mediation sessions and felt that it was a benefit to both our customer and the bank.

When the farm mediation law first passed here in South Dakota, we were somewhat skeptical at first. We felt that it may prolong the negotiation process and result in additional costs to our bank. We were quite surprised that this was not the case. The meetings were held fairly soon after the mediation letter was filed, and we did not have to hire an attorney to represent us at these meetings. The mediators were qualified individuals who were trained to assist in the flow of discussion to reach a satisfactory conclusion.

We feel one of the great benefits to farm mediation is that it forces a borrower to actually sit down with us to discuss a solution to their financial problems. We have experienced many farm borrowers who had problems and were reluctant to meet with us and felt that by "sticking their head in the sand" the problem would simply go away. As we all know, this simply is not the case.

Also, our South Dakota Farm Mediation law demands that both the husband and wife attend the meeting. We have found that once the spouse is involved with the negotiation process that decisions are made quicker and action is implemented sooner. Additionally, our law states that current financial information must be made available to the lender at the meeting. It is sometimes difficult to obtain this information from a customer and without it, a lender is unable to make a qualified decision.

Overall, we believe that the farm mediation program is a success here in South Dakota. I have personally visited with the head of the program, Mr. Russ Stone, on several occasions. Mr. Stone has stated that of the farm mediations filed within our state, that a majority of them were initiated by the lender. This leaves me to believe that lenders understand and appreciate the importance of these meetings and have attempted to use them to their best interest.

I trust this letter will be of help to you. If you have any further specific questions upon our experience with this program, please do not hesitate to contact me.

Sincerely yours,

CITIZENS STATE BANK

By Wayne E. Fischer
Wayne E. Fischer, Its President

WEF: gk



February 1, 1989

Mr. Brent Quick
Northern Plains Resource Council
P. O. Box 858
Helena, Montana 59624

Dear Brent:

This is in answer to your request to share with you my experience with mediation which was recently made mandatory in South Dakota. I can honestly say it has not been any hardship on me as a lender. I have actively been involved in four cases in South Dakota, and one in Iowa this past year.

All cases, unfortunately, have been ones that negotiations to restructure or liquidate the loan have been of no avail. Mediation appears to be one last step that debtors can resort to and thus bring the inevitable to conclusion. Debtors, if nothing else, seem to feel better for having tried.

One of the biggest problems that seem to surface is the inability for negotiators to make the decision that will cause a settlement to become a reality. To be successful, even before the mediation process, I feel this is a must.

The mediators that I have been involved with, appear to be well trained and present themselves in a professional like manner. They do not have a lot of input, but basically conduct a meeting that the debtors appear to be at ease on mutual ground.

In summary, I was against the mediation process when it was argued prior to becoming a law, but I can honestly say that it hasn't created any particular problems since implemented. The results have been bankruptcy filed or liquidation, which was the obvious results after normal restructuring and liquidation meetings. In most cases, the borrowers inability to settle with the long term lender caused the bankruptcy to be filed. The bottom line is, the borrowers appear to feel better having tried one last effort.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Jack Lynass'.

Jack Lynass
Executive Vice President

JL:ij

EXHIBIT #38
DATE 2/10/89
HB 358

written
testimony missing from file.

M. Cleary.

EXHIBIT 39
DATE 2/10/89
HB 358

H. R. 3030—5

- ~~Sec. 8.5. Certification of agricultural mortgage marketing facilities.~~
~~"Sec. 8.6. Guarantee of qualified loans.~~
~~"Sec. 8.7. Reserves and subordinated participation interests of certified facilities.~~
~~"Sec. 8.8. Standards for qualified loans.~~
~~"Sec. 8.9. Exemption from restructuring and borrowers rights provisions for pooled loans.~~
~~"Sec. 8.10. Funding for guarantee; reserves of Corporation.~~
~~"Sec. 8.11. Supervision, examination, and report of condition.~~
~~"Sec. 8.12. Securities in credit enhanced pools.~~
~~"Sec. 8.13. Authority to issue obligations to cover guarantee losses of Corporation.~~
~~"Sec. 8.14. Federal jurisdiction.~~
Sec. 703. GAO audit of Federal Agricultural Mortgage Corporation.
Sec. 704. GAO studies.
Sec. 705. Conforming amendments.

~~Subtitle B—Farmers Home Administration Loans~~

- ~~Sec. 711. Improvement of secondary market operations for loans guaranteed by the Farmers Home Administration~~

~~TITLE VIII—MISCELLANEOUS~~

- ~~Sec. 801. Ownership requirement under the conservation reserve program.~~
~~Sec. 802. Repeal of preapproval and related authorities.~~
~~Sec. 803. Sale of rural development notes.~~
~~Sec. 804. Other conforming amendments.~~
~~Sec. 805. Technical amendments.~~

~~TITLE IX—REGULATIONS~~

- ~~Sec. 901. Effective dates.~~

~~SEC. 2. REFERENCES TO THE FARM CREDIT ACT OF 1971.~~

~~Except as otherwise specifically provided, whenever in this Act (other than in title VI) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.).~~

**TITLE I—ASSISTANCE TO FARM CREDIT
SYSTEM BORROWERS**

SEC. 101. PROTECTION OF BORROWER STOCK.

Part A of title IV (12 U.S.C. 2151 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 49A. PROTECTION OF BORROWER STOCK.

"(a) **RETIREMENT OF STOCK.**—Notwithstanding any other section of this Act, each institution of the Farm Credit System, when retiring eligible borrower stock in accordance with this Act, shall retire such stock at par value. Any such institution whose capital stock is impaired (as determined in accordance with generally accepted accounting principles) shall coordinate such retirement of stock under this section with the activities of the Assistance Board and the Financial Assistance Corporation.

"(b) **CERTAIN POWERS NOT AFFECTED.**—This section does not affect the authority of any institution of the Farm Credit System—

"(1) to retire or cancel borrower stock at par value for application against a loan in default;

**Testimony before the Montana State House Agriculture Committee
regarding Mandatory Mediation**

by

**Spokane District Farm Credit Council
Al Haslebacher, President
TAF-C5
Spokane, WA 99220**

February 1, 1989

Farm Credit Services (the Farm Credit Bank of Spokane and its member associations) believes that in some cases mediation can prove helpful in facilitating dialogue between financially-stressed borrowers and their lenders. That is why we supported the voluntary mediation that was part of the agricultural assistance program passed by the 1987 legislature. FCS is committed to fully participating in any mediation requests under that program, and we, therefore, urge you to support HB 273, a two-year extension of that program and ask that you oppose HB 358, a permanent program of mandatory mediation. However, successful farm "assistance programs" have been broader than just mediation and have included financial counseling. In fact, financial counseling by an unbiased, competent third party is undoubtedly the most beneficial part of any borrower assistance program and is already provided for in HB 273.

Farm Credit Services' experience has been that voluntary mediation can in some cases facilitate rational and responsible resolution of differences between farm lenders and borrowers. However, in situations where equity is essentially gone and repayment capacity is clearly inadequate to restore viability, neither voluntary nor mandatory mediation can change the final outcome and merely produces delays, increased costs to all parties and raises false hopes that are later dashed with even more serious emotional and financial impact on the farmer/borrower.

For cooperative lenders these increased costs are borne by all farmer-members, and this eventually results in higher interest rates to the "viable" members and/or lessened resources with which to "restructure" those loans that can be restored to viability.

Since regulations of our federal regulator, the Farm Credit Administration, and the Agricultural Credit Act of 1987 already provide strong borrower rights programs, including the right to appeal loan and loan servicing decisions to a credit review committee, we believe Farm Credit Services would be doubly impacted with state legislation, particularly in those cases where mediation efforts would be nonproductive. In our official testimony at the February 1, 1989 Montana House Agriculture Committee hearing, we will attach a copy of the Agricultural Credit Act of 1987 wherein Title I, pages 5 through 18, contain the borrower rights provisions. These provisions require that borrowers must be provided copies of our loan restructuring policy and have the right to

appeal to a credit review committee containing a farmer-director. In addition, the borrower has the right of "first refusal" if property is acquired and then resold.

FCS's loan restructuring policies call for a thorough analysis of non-performing loans to see if a loan can be made viable through a reduction or set aside of interest or principle or both. If such a loan can be returned to viability and is the "least cost" alternative to the stockholder group as a whole, the loan will be restructured.

FCS sent out "borrower rights" letters to 918 Federal Land Bank stockholders and 123 Production Credit Associations stockholders in 1988. Sixty-two percent of the FLB stockholders and 60 percent of the PCA stockholders returned restructuring proposals of which 54% on the FLB side and 58.1 percent on the PCA side were approved with debt compromises totalling \$21.4 million -- only 32.4 percent and 36.4 percent were rejected and the balance were still under consideration.

In summary, each loan is an individual case that should be handled on its own merits, and the interjection of a statutory mediation process can only work to the detriment of the stockholders as a whole. FCS believes the Agricultural Credit Act of 1987 virtually eliminated the merits of any mandatory mediation programs and that another legal step in the debt settlement process is both unwarranted and unnecessary. Therefore, we urge you to oppose HB 358.

**Testimony before the Montana State House Agriculture Committee
regarding Mandatory Mediation**

by

Spokane District Farm Credit Council
Al Haslebacher, President
TAF-C5
Spokane, WA 99220

EXHIBIT 40
DATE 2/10/89
HB 358.

February 10, 1989

Farm Credit Services submitted written testimony for the cancelled February 1, 1989 hearing on HB 358. I sent a personal copy of that testimony to each House Agriculture Committee member and hope each of you had the opportunity to review that material. I can quickly summarize that testimony by saying:

1. The Agricultural Credit Act of 1987 created 13 pages of borrower rights requiring loan restructuring on a least-cost basis, provided for farmer-director credit review committees and the right of first refusal to lease or repurchase if a stockholder loses his/her property through collection actions. All this in addition to existing state protections, such as the year redemption period. We believe this legislation and our pledge to mediate whenever requested under the voluntary mediation eliminates any need for mandatory legislation. FCS would be doubly impacted if HB 358 passes.
2. The proposed legislation would set up a permanent legal process that adds another unnecessary legal step in the debt settlement process that would add substantial additional costs that affect interest rates that must be borne by all stockholders including the 91% who are current on their loans.
3. Successful "distressed borrower" assistance programs must be broader than just mediation and must include financial counseling by qualified practitioners. The existing assistance program provides for financial counseling while with HB 358 this help seems doubtful.
4. Farm Credit Services' record in restructuring those cases that can be both viable and "least cost" to the stockholders is excellent. Approximately 55% of the restructuring requests in Montana in 1988 were approved with \$21.4 million in debt forgiveness. Only one-third were rejected and the balance were still under consideration.
5. For the above reasons, we urged you to reject HB 358 and support the two-year extension of the existing program by passing HB 273.

Since the February 1 testimony was written we have had time to study HB 358 more carefully and found numerous flaws and areas of concern, such as:

1. HB 358 sets up the mediator as the drafter of a legally enforceable agreement. This sets up a potential liability for the state (and thus the taxpayer) for errors, omissions or inaccuracies. Will the state provide an attorney to review these agreements to protect against this liability and to ensure that they are a complete and precise legal document?
2. Section 6 states the department may refer the farmer to a credit analyst to assist in preparation of financial information. Since financial counseling is the most beneficial part of any assistance program, it should not be so optional. A realistic look at a financial situation is usually the first step to resolution.
3. Section 6 does not clarify if the credit analyst has any flexibility of time in the overall timetable of the process. If there isn't some flexibility in cases where the borrower does not have enough financial data together, the beneficial process is subverted. But if extra time is given, the minimum time will be stretched out beyond the present built-in time of 93 days.
4. How long does the department have under Section 5 to send out a notice to the creditor informing him that the farmer did not file a timely mediation request? Backlogs and other departmental workloads should not be allowed to delay such notices for more than one to two days after the time period specified has expired.
5. What constitutes proof of service? Must "service" be provided by a sheriff as in a summons or is a certified letter adequate proof?
6. Section 9-3 states that mediation may not continue more than 10 days after the farmer or creditor states that further mediation would not be effective. This section should require that the mediator issue a release to lift the stay, when the prescribed time period has elapsed.
7. Also, Section 9-2 implies that the mediator could extend the mediation period if the farmer acts in bad faith. However, if bad faith on the farmer is found, then the mediator should be required to issue a release and the statute should reflect this.
8. Section 12 should provide for draft mediation agreements to be renewed by both parties in order to handle cases where the "agreement" does not meet the intent of either party. After this review, the proposal can be placed in final form.
9. We also have some concern whether many qualified individuals can be found at the statutory maximum of \$20 per hour and believe that the compensation rate should be left to the discretion of the department within the budgetary constraints of the program.

In summary, Farm Credit Services believes that HB 273, the two-year extension of the existing program, is the most productive and responsible approach to providing appropriate assistance to the remaining financially distressed Montana farmers and ranchers.



MONTANA FARM BUREAU FEDERATION

502 South 19th • Bozeman, Montana 59715
Phone: (406) 587-3153

EXHIBIT

41

DATE

2/10/89

358.

BILL # HB 358 ; TESTIMONY BY: VALERIE LARSON
DATE 2/10/89 ; SUPPORT _____ ; OPPOSE YES

MR CHAIRMAN, MEMBERS OF THE COMMITTEE, FOR THE RECORD, MY NAME IS
VALERIE LARSON, REPRESENTING APPROXIMATELY 3600 FARM BUREAU MEMBERS
FROM THROUGHOUT THE STATE OF MONTANA.

MR. CHAIRMAN, FARM BUREAU OPPOSES HOUSE BILL 358. FARM BUREAU IS IN
FAVOR OF HELPING FINANCIALLY DISTRESSED FARMERS AND RANCHERS WITH
PROGRAMS THAT ARE NOT DETRIMENTAL TO THE GENERAL AGRICULTURAL
COMMUNITY.

WE ALREADY HAVE VOLUNTARY MEDIATION. ENACTING COMPULSORY LEGISLATION
WILL ONLY ADD TO OUR PROBLEMS, NOT SOLVE THEM.

THANK YOU FOR YOUR ATTENTION

SIGNED: _____

HB 358

EXHIBIT 42
DATE 2/10/89
HB 358

Kay Norenberg

WIFE (Women Involved In Farm Economics)

OPPOSE

Chairman Lachini and members of the committee. My name is Kay Norenberg, representing WIFE (Women Involved In Farm Economics). Today I am also representing the following members of the Mt. Agriculture Coalition.

Mt. Stockgrowers, Mt. Cattlewomen, Mt. Cattlefeeders, Mt. Grain Growers, Mt. Assoc. of State Grazing Districts, Mt. Farm Bureau, Mt. Cattlemen, & Mt. Grange Assoc. We represent a great number of farms & ranches.

We are against mandatory mediation. We feel it should be an individuals right and a creditors right to mutually agree to mediate not something that is forced on both parties by law.

We believe relationships between the borrower and lender would be impaired when they are forced to mediate because of this law.

HB 273 provides for voluntary mediation plus ^{financial} peer counseling. This has been a successful program in the past. We believe it will be successful again.

We recommend you give HB 358 a do not

RURAL MONTANA FEB. 1989

Farmers at forum criticize credit system

By Julie A. Trzeciak

The Farm Credit System machinery seems to have some kinks, and a forum chaired by Representative Ron Marlenee January 12 brought this fact to light.

About 150 disgruntled farmers and ranchers packed Montana Electric Cooperative's Association's meeting room as a panel representing the Farm Credit System and one advocating the borrower's perspective addressed the crowd.

Marlenee said it was time to see if the Farm Credit System needed a tune-up, two years after passage of the Agricultural Credit Act. "We're not only here to monitor the restructure of loans," the Montana Republican congressman said. "We also want to see whether we can lower interest rates across the board, make sure borrowers are receiving fair treatment, and see if the red tape of the loan process can be reduced."

Al Haslebach, retired Spokane FCS vice president, noted that 1,041 distressed loan packages were sent to people with delinquent loans in District 12. Of those sent, 644 were returned and 356 approved. "This shows we're working with our borrowers," he said. "It's our purpose to offer the least-cost alternative to the borrower."

Haslebach emphasized that the relationship between the credit employer and customer should be a professional one, where they can both talk about the problem and figure something out.

But those borrowers in the crowd had a different story to tell.

Often with teary eyes and voices cracking, farmers shared their struggles in dealing with loan officers who refused to restructure loans. Foreclosure was their only

alternative. One farmer's wife stated that a loan officer suggested that she sell her furniture to meet her debts, which she termed as definite harassment.

Dennis Robinson, Lewistown-based eastern Montana FCS special credits manager, said the borrowers' right provision of the credit act should give the "least-cost" alternative when deciding whether to foreclose or restructure loans.

Concerning interest rates, Jim Hanson of CEO Security Bank said, "Variable interest rates are what's hurting agriculture and the 'Farmer Mac' loan market has helped by offering fixed interest rates."

But the brunt of those variable interest rates hit one farmer in the audience who said his FCA loan carries a 15.38 interest rate. "I've always made my payments, and I want to know why I can't have my loan restructured," he said.

Jo Ann Forsness, president of Women Involved in Farm Economics, said, "The FCS is dealing harshly with borrowers, ridding itself of the bottom one-third and driving the top one-third of the best borrowers from the system with poor servicing and too high interest rates."

Borrowers in the crowd also had complaints about the bureaucratic red tape. Forsness said that many farmers had a difficult time trying to get a breakdown of the loan agreement or a copy of the FCS manual which has the standards for loans and decisions on whether to restructure loans or foreclose.

An FCS official said the manual is a huge publication, and it would be an extraneous process to copy each page for each customer.

"We're playing a ball game here, and we're not getting a copy of the rules," objected a Glasgow farmer.

Marlenee suggested that a copy of the manual be made available to borrowers.

College students, seniors could win \$500

If you're a high school senior planning to attend college or a student who will enroll in undergraduate school another year, you could win a \$500 scholarship.

The Montana Telephone Association Memorial Scholarship is funded by contributions to a statewide memorial fund to honor the memories of rural telephone directors, managers and employees.

The Association annually awards a scholarship to a student who shows high academic stature,

financial need and educational desire.

To qualify for the scholarship, students must submit a personal letter of application. The letter must include at least one paragraph dealing with these points: academic achievements, financial need, and educational goals. If students desire, they may include up to three letters of recommendation. Please be sure your address and phone number is listed on the application. Applicants need not be served by a telephone coopera-

tive.

Narratives must be submitted before March 25 to your local telephone cooperative or independent system. The system's board of directors will select a nominee and send a letter of nomination to the Montana Telephone Association. A panel of impartial judges will then judge the entries.

For more information about the scholarship, please call your local telephone cooperative or independent system or Montana Telephone Association.

YOUNG MONTANANS

Why is Valentine's Day so Special?

A number of skilled romantic poets submitted their poems into "Rural Montana's" contest this month. Young Montanans will either look forward to indulging in all the delicious Valentine chocolates or will anxiously await to receive "lovely cards, sealed with kisses." **Danielle Lietze** from Columbia Falls Junior High took the prize of the \$5 check, with her poem, "A Day for Love and Giving."

The poetry topic for March is "Wind," and April's topic is "What Makes Spring New and Exciting?"

Remember, poetry must be in the "Rural Montana" office by the fifth of the month previous to the month in which they are to be published.

A DAY FOR LOVE AND GIVING

A day for Love and Giving
is why it's important to me.
People everywhere share and give.
And everyone receives.
A small token of acknowledgement.
Perhaps a valentine.
Everyone whose anyone.
Loves the sharing time.
Friends at school
Family at home
make the day so special.
Grandmothers and Grandfathers
are precious in every way.
I hope and pray that someday
People will learn to love.
The day that forever lives in my heart.
VALENTINE'S DAY.

THE GREATEST OF ALL DAYS.

Danielle Lietz, Grade 8
Columbia Falls Junior High

VALENTINES DAY IS SPECIAL

Valentines Day is a time for your honey.
You buy candy and presents and
spend all of your hard earned money.
Valentines Day is a special day.
Everyone is supposed to be happy
and gay.
This day is a time for love,
so remember not to push and shove.

Dennis Oxcart, Grade 8
Tallow Creek School

VALENTINES DAY

Valentines Day is fun.
Everybody has cheerful faces.
Women make dresses to wear out
of fine lace.
If kids are smart
They will make a heart on
Valentines Day.

Anna Barthelmess, Grade 3
Tallow Creek School, Malta

ON VALENTINES DAY

You get big red hearts with
chocolate inside.
There are so many there I just can't
decide.
There are treats and sweets,
and chocolate cake.
I just can't decide what one to take!

Jennifer Louhy, Grade 7
Absarokee Junior High School

WHAT MAKES VALENTINES SPECIAL!!

At Valentines it is special
when we express our love
that we feel is above
the many things we say
on a basis of day to day.
We might express with candy
which comes in quite handy.
Or even with letters,
which are even better.
But the best thing to do
which many will give to you,
maybe a wish or
a hug or a kiss.

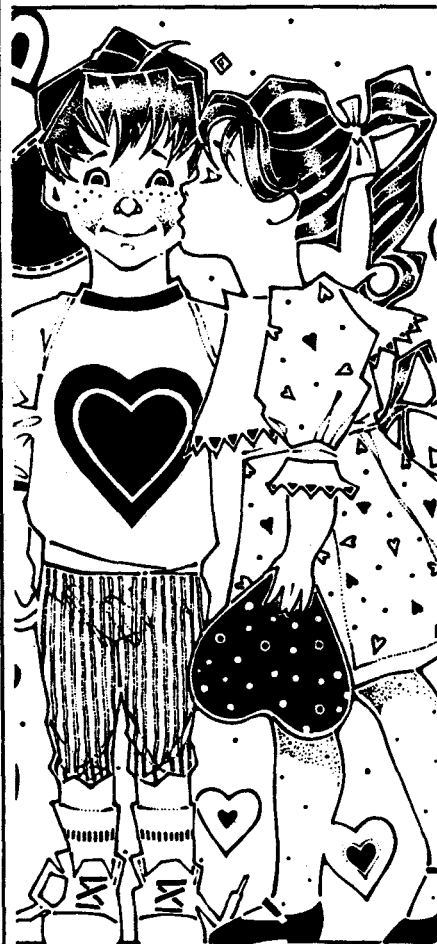
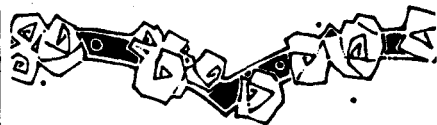
Michelle Olson, Grade 8
Tallow Creek School, Malta

WHAT DOES VALENTINES MEAN?

Lovely cards, sealed with kisses,
Candy, hearts, and other treats
All piled up in silver dishes;
Lots and lots and lots of sweets.
Becky Thompson, Grade 6
Sun Prairie School

SYMBOL FOR VALENTINES

The symbol for Valentine's
Day is a heart,
And is given to your true love.
On this very special day:
Is mostly to show your love!
Andrena Lefdahl, Grade 7
Absarokee Junior High



WHAT MAKES VALENTINES DAY SO SPECIAL?

What makes Valentines Day so special?
Is it the candy and hearts?
Or is it the love and sharing?
Is it the cards and flowers?
Well I think Valentines Day is special because of the people who love you.
Sabrina Perry, Grade 6
Charlo School

WHY I LIKE VALENTINES DAY

I like Valentines Day because it's my favorite day.
Because I get lots of candy.
Valentines Day is fun.
Brand Browning, Grade 1
Victor Public School

CHRISTIANSON, STONEBERG, GILES & MYERS, P.A.

ATTORNEYS AT LAW

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(507) 537-0591

110 EAST SECOND STREET

MINNEOTA, MINNESOTA 56264

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MARCUS J. CHRISTIANSON
 PAUL E. STONEBERG
 DANIEL L. GILES
 J. KENNETH MYERS

LESTER R. CHRISTIANSON
 (1919-1988)

OTHER OFFICES:

TUES. AND FRI. P.M.
 COTTONWOOD, MN 56229
 (507) 423-6215

REPLY TO:

Marshall

comm
 meet dt: 2/10

EXHIBIT #44
 DATE 2/10/89
 HB 477 358

January 30, 1989

To Whom it May Concern:

Re: Farm Credit Mediation

Dear Sir or Madam:

I had the privilege to assist with the initial nonprofit efforts to organize voluntary farm credit mediation in rural Minnesota in the Fall of 1985. I subsequently participated in the Governor's voluntary program. I was privileged to participate in the process that led to the original 1986 Minnesota Statute and the 1987 technical amendments. I served as a mediator a number of regular cases and in a number of creditor bad faith "Court-Supervised" cases. I also taught a number of continuing legal education courses to other attorneys on Minnesota Farm Credit Mediation. This brought me into contact with the systems being used by other states during those time periods.

I have been asked to endorse the concept of farm credit mediation. I believe that the system in Minnesota did prevent violence and allow restructuring with less social cost to include loss of farms. I believe that most lenders especially after the 1987 technical amendments were generally satisfied with the process as a response to the farm crisis emergency.

As a long run alternative, I would personally favor a system more similar to the Iowa farm credit mediation model. That model prescribes a 45 day stay or moratorium period and only one mandatory meeting. The Minn. model is a stay or moratorium for 104 days with the potential for more than one mandatory meeting. My understanding is that your bill is similar to the Iowa model rather than the Minnesota model. I would encourage you to include a voluntary mediation component not only to continue beyond the first meeting but also to deal with cases which are not eligible for the 45 day stay/moratorium period and mandatory first meeting.

To Whom it May Concern
Page 2
January 30, 1989

As one of those who wrote the "general credit mediation" statute in Minnesota, I would encourage you to consider voluntary credit mediation for all types of credit disputes. Because of constitutional issues about retroactive changes to contractual relationships in the absence of public crisis, I have questions about having permanent mandatory general credit mediation. We tried to draft a bill that would help only business hurt by the farm crisis. It was almost impossible to draw the line once we left the strict definition of farm and ranch.

I would encourage the Montana legislature not to impose too early a sunset on the Iowa model mandatory process. There should be no sunset on the voluntary process statute. The legislature can control that simply by not appropriating funds.

The voluntary process should be written in a way that it extends to more than just farm credit or general credit. We are about to enter an age of environmental litigation related to ground water and surface water contamination. There has been surprising success within environmental mediation. To the extent that the Federal Government and State Legislature allow negotiated rule making on environmental questions, another use of the alternative dispute resolution process tool kit is to help negotiate the rules up front to minimize disputes.

I appreciate in advance the kind consideration of the Montana legislators in reviewing my comments. As an attorney and advocate, I have represented both debtors and creditors in addition to serving as a mediator. My comments are presented from that prospective. Attorneys and advocates should not be barred from the mediation process but should be encouraged to assist their clients in a less adversarial manner. Thank you.

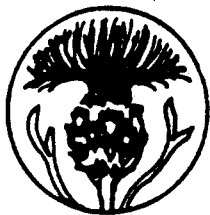
Yours truly,

CHRISTIANSON, STONEBERG,
GILES & MYERS, P.A.



J. Kenneth Myers

JKM:mca



—Weed Management Consulting Service—

P.O. Box 9055
Helena, MT 59604

EXHIBIT #45
DATE 2/10/89
HB 477.

TESTIMONY OF CELESTINE LACEY
for the House Agriculture, Livestock and
Irrigation Committee on
House Bill 477
Friday, February 10, 1989

Chairman Bachini and Members of the Committee. The purpose of this testimony is to request your acceptance of HB 477 which would add a \$1 fee to off-highway vehicles and increase weed control fees on motor vehicles. Revenue would be deposited in the Noxious Weed Trust Fund for weed research and management projects. Since vehicles have been identified as a major factor in the dispersal of noxious weeds (especially the knapweeds) the additional fees are justified.

The Noxious Weed Trust Fund has been instrumental in advancing foreign collection, screening, and release of biological control agents on spotted knapweed and leafy spurge. It has also provided cost-share revenue for the development of cooperative weed management projects. These projects have been the key to slowing the spread of knapweed into eastern Montana. In addition, the Trust Fund has provided revenue for eradication of newly introduced weeds, educational programs on noxious weeds, cultural and chemical control research, and management of noxious weeds with grazing animals.

Grant requests through the Noxious Weed Trust Fund have been 3 to 7 times greater than available revenue during the past 4 years. Additional funds are greatly needed to meet state and local objectives for managing noxious weeds. I strongly urge your acceptance of House Bill 477.

VISITORS' REGISTER

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Agriculture
Weed Control
HB 477

COMMITTEE

BILL NO.

DATE

Feb 10th

SPONSOR

Grady.

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Neil O. Peterson Mt Weed Control Assoc	Madison Co. Madison Co Weed Board	✓	
Dave Moss Beaverhead County Comm	Box B Lima	✓	
Hank Greif Beaverhead Co Weed Sup	436 So Dakota St Dillon	✓	
Bill Beck			
Steve Saunders Willow Creek Ranch	4568 HWY 12E White Sulphur Sp.	✓	
DON CHANCE	MONTANA WILDLIFE FED. & MONTANA HOMEBUILDERS ASSN	✓	
DAVE PICKETT	BUTTE - SILVER BOW WEED BD	✓	
Randall Smith	Glen, MT	✓	
Peggy Harglund	MT Assoc. of Cons. Dist.	✓	
Tom Hoggan	MT Assoc Realtors	✓	
David A Stewart	Glen Mt	✓	
Bill Murphy	Garrison MT	✓	
Paul Smith	Malheur Mt.	✓	
Matt Gerick	Malheur Mt	✓	
Valerie Dawson	Farm Bureau Chetron	✓	
Kay Traubing	WIFE	✓	
Kim Enkerud	Cattle Raisers, State (now Dist) MT Stockgrowers, Weed Board	✓	
Chuck Jarecki	Polson, MT.		
Janet Ellis	Helena, MT	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

20/2

Agriculture COMMITTEEBILL NO. H13 477DATE Feb 10SPONSOR Grady

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Steven Stagle	Montana 4x4 Assoc. Clancy MT 59634	✓	
Linda Ellison MTBRA	Bozeman	✓	
Al Littler	Billings, MT	✓	
William M. Spilken	HELENA, MT	✓	
STEVE TURKIEWICZ	MT AUTO DEALERS		✓
RON DE YOUNG	MT FARMERS UNION	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

Agriculture

COMMITTEE

Mediation

BILL NO.

HB 358

DATE

Feb. 10th

SPONSOR

Elliott.

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
DAVE FOLSON	3234 Parkhill Billings	✓	
Dennis Fox	Grass Range	✓	
Betty Fox	P.O. Box 11 Grass Range	✓	
Al Haslebach	Spokane		✓
Wally F. Lee	Twin Bridges	✓	
Bill Bick	37301 Hwy 93 St. Ignace, MT. 59865	✓	
Robert R. Johnson	Box 418 Forsyth MT	✓	
Jeanne Charter	Rt 1 Shepherd 59075	✓	
Neil O. Peterson	Sheldon, MT	✓	
Randall P. Smith	Glen, MT	✓	✓
David A. Stewart	Glen, MT	✓	
Paul Brumby	Melrose MT	✓	
Matt Gerick	Melrose MT	✓	
Phil Rostad	White Sulphur Spr MT	✓	
Richard C. Pank	Gardiner MT	✓	
Ron de Young	Mt. Karmus Union	✓	
Bill Murphy	Garrison MT	✓	
Kay M. Moez	WIFE + others		✓
Valerie Olson	Farm Bureau Clinton		✓

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

PLEASE LEAVE PREPARED

STATEMENT WITH SECRETARY.

Jack Berne
Nike Sjostrom

Fish Lake Mt.
Mont

2012

VISITORS' REGISTER

Agriculture COMMITTEE

BILL NO. Mediation HB 358

DATE Feb 10th

SPONSOR Elliot

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Mike Sjostrom	Montana Livestock Assoc Credit		<input checked="" type="checkbox"/>
Monte Mlekash	NPRC	<input checked="" type="checkbox"/>	
Ann Trumick	MAP P	<input checked="" type="checkbox"/>	
Lill Erickson	Citizen	<input checked="" type="checkbox"/>	
JACK DE GOLIA	NO. PLAINS RESOURCE COUNCIL	<input checked="" type="checkbox"/>	
Brant Quick	21 Jefferson, Helena, Mt.	<input checked="" type="checkbox"/>	
Bob Dozier	Reed Point Mt.	<input checked="" type="checkbox"/>	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

AGRICULTURE, LIVESTOCK & IRRIGATION

COMMITTEE

DATE 2/10/89

BILL NO.

~~HR 22~~ HR 22

NUMBER

NAME	AYE	NAY
BOB BACHINI, CHAIRMAN	✓	
FRANCIS KOEHNKE, VICE CHAIRMAN	✓	
GENE DE MARS	✓	
JERRY DRISCOLL	✓	
JIM ELLIOT	✓	
LINDA NELSON	✓	
BOB REAM	✓	
DON STEPLER	✓	
VERNON WESTLAKE	✓	
DUANE COMPTON	✓	
ORVAL ELLISON	✓	
BERT GUTHRIE	✓	
MARIAN HANSON	✓	
HARRIET HAYNE	✓	
BETTY LOU KASTEN	✓	
VERNON KELLER	✓	
JOHN PATTERSON	✓	

TALLY

(17)

Maureen Cleary
~~Mary Lou Schmitz~~

Secretary

BOB BACHINI, Chairman

Chairman

MOTION:

rep. patterson

Disc.

Ø

ROLL CALL VOTE

AGRICULTURE, LIVESTOCK & IRRIGATION

COMMITTEE

DATE 2/10/89 BILL NO. HB 190 NUMBER _____

NAME	AYE	NAY
BOB BACHINI, CHAIRMAN	✓	
FRANCIS KOEHNKE, VICE CHAIRMAN	✓	
GENE DE MARS	✓	
JERRY DRISCOLL	✓	
JIM ELLIOT	✓	
LINDA NELSON	✓	
BOB REAM	✓	
DON STEPPLER		✓
VERNON WESTLAKE	✓	
DUANE COMPTON	✓	
ORVAL ELLISON	✓	
BERT GUTHRIE	✓	
MARIAN HANSON	✓	
HARRIET HAYNE	✓	
BETTY LOU KASTEN	✓	
VERNON KELLER	✓	
JOHN PATTERSON	✓	

TALLY

(16)

(1)

Maureen Cleary
Mary Lou Schmitz
Secretary

BOB BACHINI, Chairman
Chairman

MOTION: rep: Hanson
DISC. Ø