

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON GENERAL GOVERNMENT AND HIGHWAYS

Call to Order: By Chairman Quilici, on March 17, 1989, at 11:02 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None.

Members Absent: None.

Staff Present: Flo Smith, OBPP
Mary Liedle, secretary

Announcements/Discussion: Rep. Quilici told the committee that a decision needed to be made regarding safe and reliable air transportation for the Governor.

HEARING ON GOVERNOR'S OFFICE

Tape No. 64A

Testifying Proponents and Who They Represent:

Steve Yeakel, Governor's Office
Jeff Morrison, Morrison Flying Service

Proponent Testimony: (64A 1.03) Steve Yeakel spoke on behalf of the Governor's office regarding the need for a new aircraft. The revelation of cracks in both engines of the Duke removed questions about whether the Governor has safe and reliable air transportation. He does not. The office looked at three options; the outright purchase of the aircraft, purchasing the aircraft through a financing arrangement and the lease purchase of an aircraft. That is not all of the available options. Charter arrangements or a straight lease deal are obvious alternatives but there is more to be concerned about there than just cost. Repairing the Duke is also an option. It would cost \$100,000 or more to rebuild the engines on the plane and the plane would have a net worth of \$60,000 to \$80,000. In addition, with a plane of that age, safety would still be a factor to be concerned about. That doesn't seem to be a reasonable alternative to look at. After considering the important factors relevant to the need for air transportation for the Governor and other state officials, the office believes that purchasing the aircraft through a finance arrangement is the most cost-effective option.

(64A 11.37) Jeff Morrison, Morrison Flying Service, said that the Governor's transportation by air started in the 1950's with the DC 3 that the National Guard was providing as transportation for the Governor. After the unfortunate accident involving a governor, the state decided not to rely on the military any longer and purchased a Beachcraft Queen Air. This was in 1961. Since then, almost 30 years, you've had two different airplanes, the Queen Air and now the Duke. Both of those planes were used to their maximum utility until they were worn out and the Queen Air was replaced by the Duke. The state has now had the Duke for about 14 years and this aircraft is now an obsolete aircraft, not just for transportation for a governor but for any kind of transportation. It's an aircraft that somebody in my business would not be interested in utilizing. It's a high cost aircraft, it's small and it's just not a practical airplane for more than two or three people by the time you put a pilot and co-pilot in it. These airplanes have been out of production for a long time and the factory no longer produces it so if they don't have any parts left over the only source of parts is a junkyard.

This is a big state and the governor has a great deal of responsibility. The job just cannot be done with a '58 Pontiac and that's what the state has in the Duke. It's a long term investment to buy a plane. The state has had two airplanes that we have managed to get the most out of. The time is right for purchasing a new plane. The Duke would be worth less than the engine would cost. It doesn't make good business sense to try to repair the Duke. A used turbo-prop airplane would be the best for the situation at hand. The state would get 15 years service out of it. We need to look at a long term solution rather than a short term solution.

Testifying Opponents and Who They Represent:

None.

Questions From Subcommittee Members: (64A 16.18) Rep. Swysgood:
The trade in is the as is condition of the Duke, right?

Steve Yeakel said yes, that is his understanding.

(64A 20.44) Sen. Tveit: In looking at the new aircraft, how does it compare size wise to the Duke?

Randy Link, the Governor's Pilot, said the Duke is a 6 passenger and the new aircraft is an 8 passenger.

(64A 21.50) Sen. Tveit: Turbo is the way to go, right?

Randy Link responded affirmatively.

(64A 23.31) Rep. Quilici: As far as the Duke is concerned,

did you say that you have to buy junk parts?

Jeff Morrison said you have to buy used parts. The plane is worth more in parts than it would be to repair it and fly it.

DISPOSITION OF GOVERNOR'S OFFICE

Tape No. 64A

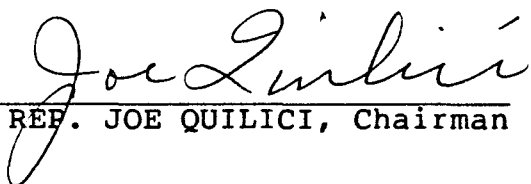
Motion: Sen. Regan moved to approve an increase of \$170,017 in the operations budget each year of the biennium for the finance purchase of an aircraft.

Discussion: Rep. Swysgood commented that leasing is not a good option and since a new aircraft is needed, the money needs to be approved. He said this situation should not occur again for another fifteen years or so.

Amendments, Discussion, and Votes: The motion PASSED unanimously.

ADJOURNMENT

Adjournment At: 11:31 a.m.



REP. JOE QUILICI, Chairman

JQ/ml

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DAILY ROLL CALL

GENERAL GOVERNMENT AND HIGHWAYS

SUBCOMMITTEE

DATE 3/17/89

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