

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS & TRANSPORTATION

Call to Order: By Senator Cecil Weed, Chairman, on January 15, 1991, at 1:00 p.m.

ROLL CALL

Members Present:

Cecil Weeding, Chairman (D)
Betty Bruski, Vice Chairman (D)
Bill Farrell (R)
John Harp (R)
Francis Koehnke (D)
Jerry Noble (R)
Jack Rea (D)
Lawrence Stimatz (D)
Larry Tveit (R)

Members Excused: none

Staff Present: Paul Verdon (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: Chairman Weeding informed the Committee that they would be hearing Senate Bill 27 and Senate Bill 50.

HEARING ON SENATE BILL 27

Presentation and Opening Statement by Sponsor:

SENATOR PAUL SVRCEK, Senate District 26, introduced Senate Bill 27 which exempts the transportation of recyclable material from laws regulating motor carriers. Senator Svrcek stated he was sponsoring the bill at the request of Doug Stewart, President of the Montana Recycling. Mr. Stewart has been in the recycling business since 1971. The bill would make the intrastate hauling of recyclable materials easier for those who are in the business and will also open up the opportunity for truck owners and carriers to haul these materials within the State of Montana.

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Chairman Weeding asked for discussion regarding absentee voting. The committee unanimously agreed on leaving a written ballot with the Chairman, Secretary or committee member prior to action if and only if the member is absent during the vote. The member is also to note if the intent is with or without amendments. If a member should happen to be absent during a vote without prior knowledge, that member will then have 24 hours to either phone the Chairman or the Secretary or turn in an absentee ballot.

ADJOURNMENT

Adjournment At: 1:30 p.m.



SENATOR CECIL WEEDING, Chairman



PAT BENNETT, Secretary

CW/PB

HI011091.SM1

BEN HAVDAHL called attention to the amendment which refers to deregulating the transportation to the material storage and processing facilities and shipping. He agrees that these terms need to be defined. Mr. Havdahl stated in their view it is possible that at some point from the processing facility where the recycled materials are gathered and separating them for further shipment to processing center. At this point it is transported to some further manufacturing citing. He expressed concern with it being a deregulation bill and the bill, in their view, may have the impact of deregulating general commodities which are now hauled under authority by common carrier. Mr. Havdahl informed committee members of legislation now being introduced in the House of Representatives which would establish a separate class of carriers to haul recyclable materials.

Questions From Committee Members:

SENATOR FARRELL asked Doug Stewart to define recycled materials.

DOUG STEWART stated that besides the non-ferrous materials and paper products you also have commodities such as glass, ferrous materials (those that are magnetic), plastic, aluminum cans. There are about six different grades.

SENATOR FARRELL asked about used motor oil and car batteries.

DOUG STEWART said it could also be considered recyclable. Batteries would be too if they had a processor to process them at the time it would also be a commodity.

SENATOR FARRELL asked about hazardous materials.

DOUG STEWART said some of the chemicals are recyclable.

SENATOR FARRELL asked with this deregulation if they would allow whoever, whether they knew anything about the chemicals or not, haul these chemicals. He asked Mr. Stewart if he was aware of the fact these trailers used to haul some toxic material can no longer be used but to haul those materials.

DOUG STEWART stated the hazardous waste laws already addresses that situation. The EPA in the past classified batteries as hazardous waste. As a result even though it is an exempt commodity, the company still had to go by all the laws and regulations pertaining to hazardous waste. Batteries now are not considered a hazardous waste.

SENATOR FARRELL asked about scrap cars.

DOUG STEWART stated they are a ferrous material, scrap iron and would be deregulated also.

SENATOR SVRCEK informed the Committee that there have been some concerns raised by the Solid Waste industry. Mr. Stewart has worked out some amendments in conjunction with these industries.

(SEE EXHIBIT 1) Senator Svrcek called attention to the third and fourth amendments. The third amendment changes the definition of recyclable materials which is in accordance with the Environmental Quality Council. The last amendment clarifies the exemptions within the bill. Wayne Budt from the Public Service Commission has raised questions about the terms material storage, processing facilities and shipping facility. Senator Svrcek stated these terms would need to be defined. In the next few days Mr. Stewart will write some definitions for those three terms that will satisfy both the PSC and the industry.

Proponents' Testimony:

DOUG STEWART, President of Montana Recycling gave an overview of the transportation of recyclable materials in Montana. A majority of the markets have been outside of Montana. There has not been a problem with moving these materials from points in Montana to points on the west coast because it is a deregulated commodity. Trucking companies coming into Montana need back-hauls and have used the recycling company for that. The movement of the Stone Corporation out of the Missoula area has presented another problem. He stated that their market for corrugated material has moved from the west coast areas to the state of Montana. One of the problems is they can only afford to pay so much freight. There are a couple of carriers within Montana who have the authority to haul and what they charge per mile is more than can be paid. This has put Montana Recycling, Pacific Hide and Fur, and Wiseman and Son into the trucking business due to the regulations. This bill will also clarify what recycling means and to define markets.

NEVA HASSANEIN, Northern Plains Resource Council, expressed their support. (SEE EXHIBIT 2)

CHRISTINE KAUFMANN, Montana Environmental Information Center, expressed support for recycling and for the encouragement to do so in Montana. They feel this bill will do that.

Opponents' Testimony:

BEN HAVDAHL, Montana Motor Carriers Association, said they rise in opposition, but not in opposition to the purpose of the bill to facilitate transportation of recyclable materials. Their point of objection to the bill has to do with the impact of deregulating what now would be in their view classified as a general commodity. He stated the proponents made it clear exactly how the procedure and the operation would work and to how transportation fits into the picture.

SENATOR FARRELL asked how the ICC or the PSC check to see who is hauling and what kind of regulations do they have on those people.

DOUG STEWART stated at the time they were shipping the batteries, when they were classified as a hazardous waste, the liability insurance for those who were processing the batteries was impossible to obtain. As a result some of those processors shut their doors down. In a lot of the states people had to pay a recycler to take the batteries. The batteries were then treated properly for shipment as they were requested to do and shipped it to a facility in San Francisco. The hauler would be stopped at the scales where the necessary paper work would be checked out, as well as the load.

SENATOR FARRELL asked Mr. Stewart if he would continue to run his trucks if this was deregulated.

DOUG STEWART said he would operate some of his smaller trucks but the semi trucks have recently been obtained to haul the corrugated stone. He stated he would get rid of the semi trucks as soon as he can work out an arrangement with the trucking company.

CHAIRMAN WEEDING asked Mr. Stewart if they are asking for the same latitude intra state as which they are doing now on the interstate.

DOUG STEWART said that was correct.

SENATOR FARRELL asked Wayne Budt if he would answer questions.

WAYNE BUDT, Administrator of the Transportation Division, PSC stated the Commission is not taking a position on this bill, but would answer questions.

SENATOR FARRELL asked Wayne Budt about the two who are authorized to haul these materials.

WAYNE BUDT said there are two authorities specifically referred to haul recyclable materials. There are a number of general commodity and property carriers.

SENATOR FARRELL asked if there have been any applications applying for authority or if there have been any complaints about a lack of this service to the PSC.

WAYNE BUDT stated not that he was aware of.

Closing by Sponsor:

SENATOR PAUL SVRCEK said Ben Havdahl raised some valid points and they might be met in the definitions Mr. Stewart would provide. Senator Svrcek asked if the Committee would allow Mr. Stewart to give the terms of these definitions.

DOUG STEWART gave the definition of a processing facility as a facility that would prepare the material in a way that is acceptable to the market place. A shipping facility could also be that same facility, it could also be where materials are collected and to be shipped to the processing facility. Storage facilities could be that of a building where materials are kept.

CHAIRMAN WEEDING suggested that Mr. Stewart and Mr. Havdahl get together on the definitions. The committee will wait until they have the amendments before acting on the bill.

HEARING ON SENATE BILL 50Presentation and Opening Statement by Sponsor:

SENATOR DEL GAGE, Senate District 5 said Senate Bill 50 would release the Department of Revenue from being involved in the camper decal program. Presently a person will go into the treasurer's office and fill out an application for a camper decal and pay taxes on that camper. The application is then sent into the Department of Revenue, there it is filed. At the end of the eleven months they notify the taxpayer and the county treasurer that the decal and taxes are due. There are some amendments needed to cover what happens to you if you do not have the decal. There needs to be a grace period to cover from the time of purchase until you license the camper. The amendment being prepared will give the same grace period as an automobile has. Within the amendment it also states that if you do not license it within the 20 days you are subject to a \$10.00 fine. There was a question of whether you pay the tax on your camper where you reside or where you keep the camper. The Department of Revenue felt it should be paid in the county where the camper is kept. This needs to be put into the bill.

Proponents' Testimony:

None

Opponents' Testimony:

None

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Questions From Committee Members:

SENATOR BETTY BRUSKI asked what constitutes a camper.

PAUL VERDON, LEGISLATIVE STAFF stated that Section 61-1-129 of the MCA defines camper. Mr. Verdon cited from MCA 61-3-524 which gives a more specific definition.

Closing by Sponsor:

SENATOR GAGE told the Committee that he would submit the amendments as soon as possible.

ADJOURNMENT

Adjournment At: 1:40 p.m.



Senator Cecil Weeding, Chairman



Pat Bennett, Secretary

CW/pb

EXHIBIT NO. 1

DATE 1-15-91

BILL NO. SB 27

BILLINGS

BOZEMAN

BUTTE

GREAT FALLS

HELENA

MISSOULA

Montana Recycling, Inc.



FAX TO PAUL
444-5238

PROPOSED AMENDMENTS TO SB #27, INTRODUCED BY SVRCEK

PAGE 1. LINES 4 THROUGH 5
FOLLOWING: "AN ACT EXEMPTING"
STRIKE: "MOTOR VEHICLES USED EXCLUSIVELY FOR"

PAGE 1. LINE 6
FOLLOWING: "RECYCLABLE"
STRIKE: "OR RECYCLED"

PAGE 2. LINE 24 IS AMENDED TO READ:
(11) "RECYCLABLE MATERIALS" MEANS ANY MATERIAL DIVERTED
FROM THE SOLID WASTE STREAM THAT CAN BE REUSED AS RAW
MATERIALS FOR NEW PRODUCTS AND FOR WHICH MARKETS EXIST." *q*

PAGE 5. LINE 16 IS AMENDED TO READ:
(0) "MOTOR VEHICLES USED FOR THE TRANSPORTATION OF
RECYCLABLE MATERIALS BETWEEN MATERIALS STORAGE AND
PROCESSING FACILITIES AND SHIPPING FACILITY."

Northern Plains Resource Council

SENATE HIGHWAYS

EXHIBIT NO. 2

DATE 1-15-91

BILL NO. SB 27

January 15, 1991

Testimony for the Northern Plains Resource Council supporting
Senate Bill 27

My name is Neva Hassanein. I am on the staff of the Northern Plains Resource Council. NPRC is a grassroots organization with approximately 6,000 members and supporters from throughout Montana.

NPRC members believe that an effective and efficient solid waste disposal program based on recycling and source reduction protects the environment and public health and provides the most practical and beneficial use of solid waste.

NPRC supports Senate Bill 27 for one basic reason: it would encourage recycling by making it easier for those who wish to exclusively haul recyclables to do so. In rural Montana, the best opportunity for recycling that many people have is when entrepreneurs take it upon themselves to travel the countryside and pick up recyclables from farms and ranches to haul to the cities. There is no reason to subject these recyclers to undue licensing requirements. Exempting recyclers from the motor carrier requirements would preserve fair and open competition in the recycling industry. Furthermore, it would be an extremely positive step that the state could take to encourage recycling.

COMMITTEE ON: HIGHWAYS AND TRANSPORTATION

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VISITOR'S REGISTER

NAME	REPRESENTING	BILL #	SUPPORT	OPPOS
Mike Zimmerman	MPCo			
Donald R. Stewart	MRE	SB-		
Christine Kumpmann	MEIC	SB27		
Neva Hassanein	NPRC	SB27	✓	
Alex Johnson	NFIB	SB50	X	
Ray Davidson	MMCA	SB27		X

(PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY)