

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Larry Stimatz, on April 8, 1991, at 3:15 p.m.

ROLL CALL

Members Present:

Lawrence Stimatz, Chairman (D)
John Jr. Anderson (R)
Esther Bengtson (D)
Don Bianchi (D)
Steve Doherty (D)
Lorents Grosfield (R)
Bob Hockett (D)
John Jr. Kennedy (D)
Larry Tveit (R)

Members Excused: Cecil Weeding, Vice Chairman (D), Thomas Keating (R)

Staff Present: Paul Sihler (EQC).

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

Announcements/Discussion: Chairman Stimatz announced that due to the Finance and Claims meeting taking place at the same time as this meeting the following bills will be rescheduled to be heard on Wednesday, April 10, 1991: HB-145, HB-414, HB-731, and HB-1010. Seven of the eleven members of this committee serve on Finance and Claims and need to attend the Finance and Claims meeting.

HEARING ON HB-964

Presentation and Opening Statement by Sponsor: Representative Mark O'Keefe, District 45, said HB-964 deals with the Ag Chemical Ground Water Protection Act which we passed in 1989. That is a remarkable piece of legislation that was crafted by Leo Giacommetto and Ben Cohen. It certainly covered a range of political interest, and is a good compromise bill. This bill comes in to try to fully fund that program. It essentially does five things: #1. increases the pesticide registration fees from \$90 to \$150 per product. #2. It sunsets the 1% herbicide

surcharge for noxious weeds, but it does not impact the noxious weed grant program. #3. It establishes a special revenue account for pesticide fees. #4. It allows for land farming of pesticide contaminated soils. #5. It deals with pesticide registration fees in a way that has not been done before as far as this program is concerned. It tries to keep them in balance as far as the use of the particular pesticide. This is a very technical bill, and the proponents will cover the details of the bill.

Proponents' Testimony: Pam Langely, Executive Director, Montana Agricultural Business Association, supported HB-964 (Exhibit #1).

Representative Ed Grady, District 47, rose in support of HB-964. He is a co-sponsor, and he wanted to emphasize that this will not hurt the state weed trust fund. He is a main supporter of that fund, and he would not support legislation that would jeopardize it. This will only go into affect after the weed trust fund has reached its maximum. Then the state can use the interest of the trust fund. This will be a wash. The fund will probably have more money then than the state has with the surcharge. The Legislature needs to address this problem, and last session the legislation to do that was passed, but it was not properly funded. The original legislation set the fees at \$200, but Montana could loose product. He helped put more money in HB-2 to fund this program, and it has passed the House and is in Senate Finance and Claims, and doing well. This bill with the \$150 is a better formula to fund the program. There might be proposals to raise this, but the state needs to be concerned that if fee gets too high, the state might loose product. Montana is not a big user, and our fee could approach that of states with larger volume, so chemical companies could easily forget Montana. He said the state doesn't want to do that. Montana wants to continue to be able to have these chemicals available for people in agriculture, so this \$150 is a good level to set the fee at.

Jim Barngrover, Alternative Energy Resources Organization (AERO), supported this bill. AERO is a grassroots organization of farmers, ranchers and other people who have an abiding interest in seeing that Montana agriculture is environmentally and economically sustainable now and for generations to come. I am here to testify in support of HB-964. By raising registration fees to the moderate level outlined in this bill, the Montana Agricultural Chemical Groundwater Protection Act can be funded to really begin to accomplish the goals set out in that law. Presently the law is woefully underfunded. We also support the sunset of the 1% herbicide surcharge in its present form in late 1993. The noxious weed trust fund principal is projected to have reached the necessary \$2.5 million level by mid-1993. But we don't want to sunset the idea of a pesticide surcharge. We think it is a logical source of dollars needed to adequately address the problems caused by pesticide use and to undertake work to reduce farmers' and ranchers' need for pesticides in the future.

After the 1993 sunset of the herbicide surcharge, Montanans should consider how a surcharge on all pesticides could help us mitigate potential environmental damage, such as with pesticide cleanup through a state-sponsored, orderly disposal of banned or otherwise unusable pesticides. A surcharge also could and should be used for preventive, proactive approaches such as pesticide source reduction efforts. Iowa is probably the best-known example of how a state is assertively working to prevent pesticide related problems like groundwater contamination and pesticide resistance in weed, disease and insect pests. In Iowa, a small tax on the gross sales of pesticides is used to generate over 17 million dollars, 60% of which is returned directly to the rural sector in agricultural research, demonstration and education programs. In another example, Minnesota's agrichemical surcharge supports a five million dollar chemical incident response fund. Minnesota also uses pesticides to fund local groundwater protection planning, a clearinghouse of sustainable farming information, and waste pesticide collection and disposal. We are committed to make the Montana Agricultural Chemical Groundwater Protection Act work. We urge you to support HB-964.

Bob Stephens, Montana Grain Growers, supported HB-964, and endorsed Representative Grady's testimony.

Kris Kaufman, Montana Environmental Information Center (MEIC) said they support HB-964. MEIC thinks it is important to increase the pesticide registration fee in order to fund the Montana Agricultural Chemical Groundwater Protection Act which was passed last session. MEIC has some question regarding the sunset of the surcharge. It has been outlined that there are many uses for this kind of money in terms of waste pesticide collection programs. The Legislature passed HB-161 which is a voluntary pesticide reporting program, and after two years of this program the state will have an idea of what kind of waste pesticide are out there on people's farms and ranches. The next logical step is some kind of a collection program, but in this bill the legislature will be sunseting the logical source of funding for that kind of program. MEIC urges you to reconsider the sunseting of the pesticide surcharge. It will not reach the cap until the end of 1993, and next session the Legislature could make the decision as to whether it should be sunset, or whether there might be another good use for that surcharge. MEIC does urge your support of HB-964.

Edmond Bishop, Sales Manager, Monsanto Ag Products Company in Great Falls, said that Monsanto supports HB-964.

Opponents' Testimony: Jeff Peterson, Ecolab based out of St. Paul, Minnesota, said that his company is in the business of manufacturing and distributing institutional cleaning products which includes disinfectants and sanitizers. These disinfectants and sanitizers are registered as pesticides with the EPA in order to sell and market them in Montana and other states. They are

also registered with the state. He said he hesitated to identify himself as an opponent because his principle concern deals with the way the fees are structured. He thought the bill was fine. Most of the discussion and language of the bill reference agriculture, farms, and ranches. Most of the projects make a lot of sense within this context. He wanted to discuss the aspect of disinfectants and sanitizers, and why they do not exactly fit with most of the provisions, especially the \$80 surcharge, in this bill. He showed examples of consumer disinfectants: Lysol, Hylex Bleach, Pinesol, Comet, and Oxydol Sanitizer. They are all registered pesticides to allow them to be sold in this state. Because many of them make disinfectant claims they are a pesticide. Pinesol has pine oil that makes it a pesticide. His company, Ecolab, manufacturers similar products used in institutional and industrial functions. So in Montana, Ecolab sells similar products for use in food service operations for sanitizing dishes. Hospitals and nursing homes use them to kill bacteria on hard surfaces and in laundry applications. This also includes major universities, dairies and food processing. The dairy connection could be described as an agriculture function. The nature of these particular products are very different from most of the other agricultural applications and pesticides that you have heard described to you. The common properties of these are all the same. These products are designed to kill bacteria and viruses that make people sick. The products are basically cleaning products, but they have the active ingredients that do that so they are registered as pesticides. Their active ingredients are relatively nontoxic, and very biodegradable in the way they are used, and they usually go down the drain after use. It is important to note that of all the pesticides registered in Montana, approximately 30% of them are disinfectants and sanitizers. It is not an inconsequential number. This is pretty close to the national norm of other states as well as with the EPA. HB-964 has two levels of fees. The principle level is on Page 4, Section 2, and is \$70. These are the basic functions associated with Department of Agriculture dealings with pesticides. We do not object to paying this fee. It is a legitimate function of doing business in Montana. The problem we have is with the next fee of \$80 on Page 12, Section 5. This funding goes to the projects you have heard described here today. The education, the health and environment standard setting, agchem program, concerns of the mixing and loading sites, and container pesticide recycling. Disinfectants and sanitizers have little, if any, connection to any of these projects or issues. It is our contention that we should not be paying that fee for those types of projects. Ecolab does not want to scuttle the programs funded by section 5. The approximately \$400,000 generated probably funds excellent programs for the largely agricultural programs that are designated. That is not what Ecolab does or what are products are about. Ecolab feels their company would be subsidizing programs that the company does not have much connection with. He suggest that in this part of the bill, there should be a greater burden on those products that are connected with those projects and those issues. There should

SENATE NATURAL RESOURCES COMMITTEE

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be differentiation in the \$80 fee. Possibly a \$100 for the other pesticides, and \$40 for disinfectants and sanitizers. This would still bring the same amount of money that is needed for those projects, and in fact we would still be kicking in on things that we do not consider to be part of our concerns. It would help ease in the funding process, and Ecolab thinks this is a fair distribution of the fund. He added, that politically it is difficult to come here and suggest changes in this bill. It has been worked on by the agricultural community, and for someone from St. Paul to suggest a fee structure is difficult. He said he speaks for Ecolab, but his customers are the hospitals, nursing homes, colleges, dairies, and restaurants in this state. Many do not know that their disinfectants are pesticides. That is not their concern. These customers just know that have to have a disinfectant to take care of the bacteria and viruses. It seems so far fetched from what people think a pesticide is that it is hard to convince. Ecolab does register them, and pays the fees, but on the issue of fairness, the company would like the fees to reflect the projects and issues that are of concern. He gave the committee information on disinfectants and sanitizers (Exhibit #2).

Questions From Committee Members:

Senator Grosfield asked Representative O'Keefe where the \$150 fee is addressed in the bill? Representative O'Keefe said it is a combined total of the fee on Page 6, line 1 of \$70, and the fee of \$80 on Page 12, line 2. Senator Grosfield asked what about changing the fee for pesticides and sanitizers? Representative O'Keefe said the intent is to cover all pesticides including disinfectants and sanitizers.

Senator Doherty asked Mr. Peterson if they pay a registration fee on each product? Mr. Peterson said yes. Senator Doherty asked how many products Ecolab has registered in Montana? Mr. Peterson said that Ecolab has about 65 products registered in Montana. Senator Doherty then asked Mr. Peterson how much he spent on the plane ticket to come here? Mr. Peterson asked to be able to put it into another perspective. He said there are bigger numbers involved. Several years ago his company was paying about \$30,000-\$40,000 nation wide for their pesticide fees. The last year we were paying about \$125,000. Many other companies recognize that the fees are going up, but it is our view, that many of those fees are tied to the increased responsibilities of the Department of Agriculture or separate pesticide agencies relating to the environmental concerns that are addressed in section 5 of this bill. It adds up, state by state. He has addressed other states, and it is tough because the ag interests would prefer not to see the differentiation. Senator Doherty asked what the registration fee is in Minnesota? Mr. Peterson said they addressed it in a groundwater fee, and it is similar to Iowa's. It is a minimum of \$150, and then there is a percentage of sales. But disinfectants and sanitizers are held at the \$150. There is a pesticide liability fund that pesticides pay into, but

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disinfectants and sanitizers are exempted.

Senator Hockett asked if herbicides are registered as pesticides? Representative O'Keefe said yes they are. Senator Hockett asked if the imposed 1 cent surcharge in Section 6 is on the products sold in grocery stores that Mr. Peterson showed to us? Representative O'Keefe said he would try to answer the question. The state is currently collecting that, but this bill will sunset set the surcharge. The increase in the fees will cover the surcharge difference that will end in 1993. Senator Hockett asked who does this at the retail level? Are stores being licensed to sell these products? Gary Gingery, Administrator of the Environmental Division, Department of Agriculture, said the 1% surcharge is only on herbicides used for ag and industrial purposes. It is not on home, yard, garden use herbicides. Senator Hockett was confused. Senator Hockett restated the products shown by Mr. Peterson do not have a 1% fee on them. Mr. Gingery said there is no surcharge, but a registration fee of \$90 is collected. Senator Hockett asked if these stores need a license? Mr. Gingery said that places that sell home, yard, garden use pesticides, including these displayed disinfectants, do not pay a licensing fee. Only dealers that sell industrial and ag chemicals pay a fee. The department doe have the right of inspection of retailers. Senator Hockett asked about Monsanto's Roundup? Mr. Gingery said Roundup has an ag and industrial use, so the dealers have to be licensed to sell it. If it is a Roundup container strictly for home, yard, garden use then there is no licensing fee for those people handling. Senator Hockett said it sounds like this is a loophole that you could drive a truck through if you wanted to sell Roundup. What size container can the retailer sell? Mr. Gingery said all pesticides, including the retail or home, yard, garden use, have to be registered. The companies have to pay a registration fee. There is no licensing fee for the people selling home, yard, garden use products. Senator Hockett asked if this was regardless of the quantity sold? Mr. Gingery said it has to be labeled for home, yard, garden and no other statement, and it does not exceed 1 gallon in quantity nor 80#, then there is no licensing fee as a dealer.

Closing by Sponsor: Representative O'Keefe said he wanted to give a couple of statistics to address Mr. Peterson's testimony. The EPA and the Chemical Specialties Manufacturers' Association, which represents disinfectant companies, has estimated that 1/2 ounce remains in each disinfectant container that is discarded. There are 200 million household disinfectant containers are discarded annually in our landfills. This does not include aerosol containers. This amounts to about 100 million ounces per year of waste disinfectant plus the solvents associated with them that is being put into our landfills. He crafted this bill, so that we could have the grain growers support it at the same time that MEIC and AERO support it. We have a good balance in the bill right now. The concerns of Ecolab are probably valid

concerns in a sense, but in another they are not. Chlorine is a prime ingredient any many of his products has a health risk of 1 in 10,000. That is 100 times greater than the 1 in million risk that is generally acceptable for pesticides. While the disinfectants that Mr. Peterson talked about may not be as bad as some of the other pesticides, no one would choose a glass of water with Pinesol in it versus a clean glass of water. They are still a problem area. The other point is that Mr. Peterson asked for special consideration, and he asked for a decrease in his fees. Currently, they pay \$90/product. If you took his proposed change, and took the \$80 off, they would only pay \$70 per product. Exempting the disinfectants is not a good idea. We will lose the funding, and that would mean more general fund put in. This will impact the Agricultural Groundwater Protection program, and it will also impact the noxious weed fund at one point or another. Representative O'Keefe suggested that the committee kick this bill out as is, and hopefully the Legislature can get it to the Governor to sign.

HEARING ON SJR-28

Presentation and Opening Statement by Sponsor: Senator Francis Koehnke, District 16, said SJR-45 is a request for an energy interim study to be conducted. In the years to come this will probably be the most important study the Legislature will have made. In Montana, we have a lot of energy, but the potential energy and the wise use of it is most important. The Legislature needs to work with the National Energy Policy, and develop a state policy. Musselshell Development Corporation has worked hard on this resolution. There are 80 some business people from in and around Roundup that are involved, and a couple have driven 200 miles to testify.

Proponents' Testimony: Alan Evans, Fergus Electric, said he strongly supported SJR-28, and opposed HJR-31 (Exhibit #3). He accused the EQC, EIC and Energy Facility Siting staff at DNRC of being biased towards consumers.

Dave Schuler, General Manager, Fergus Electric Cooperative, said that they serve 13 counties in Central Montana, and the co-op feels a grass roots effort is needed to develop a sound, far reaching energy policy for Montana. The co-op strongly supports SJR-28 because it provides the mechanism for this essential endeavor.

John Lahr, Montana Power Company, supported SJR-28. This committee has had another resolution which the Legislature passed, but said these two resolutions are not mutually exclusive. He strongly urged the committee to support SJR-28.

Jim Mockler, Executive Director, Montana Coal Council, said the council strongly supports HJR-28. MPC would be more than happy to lend their resources in helping to develop such a policy.

Hershel Robbins, Musselshell Valley Development Corporation (MVDC) in Roundup, said MVDC supports SJR-28. They know the other resolution has been passed.

Opponents' Testimony: Jim Jensen, Montana Environmental Information Center, said he is not an opponent of the bill, but he wanted to testify to the disposition of this other bill that has been addressed. It was heard by this committee, passed the Senate, signed by the President of the Senate, the Speaker of the House, the Governor, and is now at the Secretary of State's office. It seems that HJR-31 and the study that directs the EQC, the DNRC, and the Montana Consumer Council to conduct a joint interim study on this topic and to purpose an integrated energy policy to the next legislature makes a lot of sense. There is no reason for the legislature to fund two studies doing the same thing, that will cost twice as much money, with the same goal in mind. Whether the studies are mutually exclusive completely or not, the studies would certainly duplicate the efforts of each other. If the Governor, Representative Koehnke, and others wish to participate, then the EQC is the most open and bipartisan forum that this state has for them to participate in. MEIC encourages everyone here to understand that, and Mr Jensen said he was here to provide this information for consideration. HJR-31 is law, and the EQC will be conducting that study.

Questions From Committee Members:

Senator Doherty asked Mr. Evans if he had specifics regarding biases that he has seen by the EQC or the DNRC? Mr. Evans said he served on the federal/state committee assigned to work with the DNRC on the Major Facility Siting Act. In that experience, he found that the DNRC was strongly consumer biased, and many of those staff people had a biased against responsible development. We spoke to that, and it is of record in the minutes of the proceedings at DNRC. Senator Doherty said he wanted to know names if there are biased people working in state government. He asked Mr. Evans to give him names and the issues. Mr. Evans said he would do that, but not at this time. He said he would provide this to Senator Doherty later.

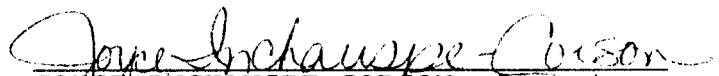
Chairman Stimatz asked Mr. Evans if he was aware that in the Major Facilities Siting Act that no one at DNRC at that time in a management position would still be currently there? Mr. Evans said yes they are. He sat on the committee until the end of 1989, and he worked with those people through that period in time. Chairman Stimatz agreed that some people in DNRC were on board in 1989. He reiterated what Senator Doherty said that he would like specific names, issues, and biases of people on DNRC or EQC. Mr. Evans said he would provide it for the record.

Closing by Sponsor: Senator Koehnke said that this resolution received a good hearing. He would like the committee to pass this to the floor of the Senate, so the Senate and the House can decide which resolution they prefer. He said this resolution is more encompassing, from Page 3, line 14 on through. This is a good resolution, and he asked the committee to let both the Senate and the House decide.

ADJOURNMENT

Adjournment At: 4:20 p.m.


LARRY STIMATZ, Chairman


JOYCE INCHAUSPE-CORSON, Secretary

EB/jic

DATE 4-8-91

COMMITTEE ON

Natural Resources

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Alan D. Evans	Self/Fergus Elec.	SSR 28	✓	
Janet L. Ferguson	Hard-Rock Mining Impact Board	HB1010	✓	
W. S. H. Robbins	MUSE Valley Dev. Corp.	SSR 28	✓	
Newell Anderson	Dept of Commerce	HB1010	✓	
Gary Gibson	Dept of State Lands	HB-731		
Don Artley	State Lands	HB-731		
Jim Jensen	METC	HB-731		
Jim Jensen	METC	SSR 28		X
Janet Ellis	Mt Audubon	SB 731	✓	
Kevin Keenan	HES - WQES	HB 414	✓	
Jerome Anderson	Shell Western Exp	SSR 28	✓	
Martin Barber	H. P. H.	HB 731	✓	
John A. Hardy	Monza	HB 964	✓	
EC Bishop	Monza to Gr. Pub.	964	✓	
Kim Wilken	Clark Fork Coal M	731	✓	
Jeff Blum	Evans	964		
Jim Mackler	MT Coal Council	SSR 28	✓	
Pam Langley	Montana AgriBusiness	964	✓	
Stan Bradshaw	M.T.U.	914 731	✓	
Don Allen	MT Wood Products Assoc	731	✓	
Valerie Horton	MUSE	731	✓	
Jim Paladichuk	M. D. U.	SSR 28	✓	
Rosa Abelia	N. M. Oil & Gas	SSR 28	✓	
John Lahr	MPC	SSR 28	✓	
Bob Stephens	Int. Grain Growers	964	✓	
GARY GINGERY	Dept of Ag ADMIN ENVIR MNGMT DIVIS			

ROLL CALL
Natural Resources
COMMITTEE

DATE 4-8-91

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LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
Senator Anderson	X		
Senator Bengtson	X		
Senator Bianchi	X		
Senator Doherty	X		
Senator Grosfield	X		
Senator Hockett	X		
Senator Keating			X
Senator Kennedy	X		
Senator Tveit	X		
Vice Chairman, Weeding			X
Chairman Stimatz	X		

Each day attach to minutes.

HB 964

Senate Natural Resources Committee

April 8, 1991

Testimony of Montana Agricultural Business Assn.

Pam Langley, executive director

This legislation passed the House 81-15 on second reading and 82-17 on third reading. In addition, it is an integral part of HB2, the General Appropriations Act and was heard in the Appropriations Committee in the House. It is revenue neutral to the general fund and, obviously, any changes in the fees in the legislation that this committee or the Senate would make would mean a time-consuming amendment to House Bill 2 on the floor of the Senate.

1. Increases Pesticide Registrant fees from \$90 to \$150/product

When the Ag Chemical Groundwater Protection Act passed in 1989 (HB757), opponents argued that the funding was inadequate. We agreed, but that for the first two years when rule making was the prime focus, the funds were sufficient and they have been. Now, if the groundwater protection program is to be fully implemented, funds are needed.

To fund the Act, we are agreeing to increase the registration fee paid by the pesticide companies from \$90 to \$150 provided that the 1% for noxious weeds paid by pesticide companies is sunsetted when the trust reaches the level at which interest can be spent. Our position is that fees/surcharges on pesticides should be spent for regulation and solving problems related to pesticides--not for noxious weeds or other issues which are not caused by pesticides. Funds are needed for educational programs, to implement management plans in specific areas where they are needed and to develop pesticide container recycling and waste pesticide programs--all preventative programs. Our members believe in protecting Montana's ground water and environment--we are sponsoring this year a pilot pesticide container recycling program in the Great Falls and Billings areas, and are sponsoring educational workshops to insure our members use products in an environmentally sound manner.

The fees of \$150 have been broken down by the Department of Agriculture into \$70 for the pesticide program and \$80 for the ground water program. In nearly all states, there is no such breakdown. That is because ground water legislation has been enacted as part of the pesticide acts in other states and, thus, one fee. And, the breakdown is perhaps misleading.

While the Department of Agriculture is more qualified than I to tell you exactly how they divided the fees between the pesticide and ground water acts, the two work closely together--in fact some positions in the department are divided between the two programs. The ground water fees include education for both home owner, commercial and agricultural users on safe use and disposal of all types of products, container and waste pesticide disposal,

4. "Land-farming" of pesticide-contaminated soils

This section--included at the request of the Department of Agriculture--clarifies the authority in statute for waste pesticides and soils (such as in the case in Clancy at the weed district facility) to be spread so the product can degrade naturally. The amendment in the House was added at the request of DHES and we support that amendment. In 1989, both departments assisted in drafting the Agricultural Chemical Groundwater Protection Act to assure that the appropriate duties of each department were clearly spelled out in the Act. This amendment clarifies the role of each department in the area of "land-farming."

5. History of Montana Pesticide Registrant fees/surcharge

	Registrant--per product	Surcharge
1983	\$25	-----
1985	\$25	1X Herbicide Surcharge
1987	\$50	1X Herbicide Surcharge
1889	\$90*	1X Herbicide Surcharge
1991	\$150 (proposed)	

*\$25 of this increase was to replace general fund monies. The remaining \$15 was to begin implementing the Montana Agricultural Chemical Groundwater Protection Act.

6. Montana's fees in comparison with other states Attached is a chart showing Montana's pesticide registration fees per product in comparison with other states.

7. Supporters of HB 964

In addition to the Montana Agricultural Business Association, this legislation was supported in the House by the Montana Grain Growers Association, the Montana Weed Control Association, the Montana Environmental Information Center and Alternative Energy Resources Organization. The Montana Farmers Union also is in support. The Farm Bureau Federation and the Montana Stockgrowers Association, to our knowledge, have taken no position. In the House Appropriation Committee, there were no opponents.

DISINFECTANTS AND SANITIZERS
A CLASS OF PESTICIDES

"Disinfectants and sanitizers" are a unique category of pesticide. Their antimicrobial action kills (disinfects) disease causing bacteria (e.g. - salmonella), fungi and virus (e.g. - HIV-1 AIDS virus) on hard surfaces (e.g. - tile surfaces in bathrooms or medical treatment area, food preparation areas, closed pipe systems in dairies, swimming pools), as well as on fabrics and in the air.

Examples of household or consumer disinfectants and sanitizers are:

- Bleach
- Disinfectant cleaners (e.g. - Lysol , Pinesol)
- Toilet Bowl Cleaner
- Air Sanitizers
- Chlorinated Cleanser

Industrial/Institutional disinfectants are used extensively in hospitals, nursing homes, restaurants, dairies, farms, food processing plants, animal hospitals, canning plants and bottling plants.

Disinfectants and sanitizers are not a threat to groundwater, the potential for incidents requiring corrective action or general environmental concerns because:

- (1) These products have been used safely for years in homes, institutions and food service operations. Many of the active ingredients are cleared by the Food & Drug Administration as food additives.
- (2) Disinfectants and sanitizers are not applied to crops or to the soil or otherwise used outdoors. They are used on fabrics or hard surfaces indoors, then left to dry or rinsed down a drain and broken down by biodegradation.
- (3) They are generally used at low concentrations measured in parts/million. Some are sold in 55 gallon drums but most are in five gallon, one gallon or even pint sizes. They are often applied by hand.

The following are some key points in characterizing this category of antimicrobials and distinguishing them from most other pesticides:

- * Here are five principal categories of active ingredients for disinfectants and sanitizers:
 - quaternary ammonium compounds
 - iodophors (iodine with a complexing agent for stability)
 - phenolics
 - "active chlorine" releasers such as hypochlorites
 - acids (such as phosphoric or citric acid)
- * They are used to keep swimming pools safe and clean. Iodophors, quaternaries and phenolics are used as topical drugs for various purposes. We are not afraid to get them on us.
- * These active ingredients have a long history of use and safety. Representatives of all five classes are cleared by FDA as indirect food additives for food contact surface sanitizing. Iodine and hypochlorites are used to sanitize drinking water. We are not afraid to get them in us.
- * Notably in the Industrial and Institutional (I & I) markets, these products are not always big sales dollar items. They can be specialty items with various formulations to fit specific needs. Nonetheless, each provides particular benefits for our customers targeted towards public health, safety and infection control.
- * Through the years we have lived with inclusion of disinfectants and sanitizers under the broad definition in the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). We documented our claims of safety and efficacy, and fees were at a level related to administration of registration. However, now that the term "pesticide" has become a lightning rod for environmental concerns, we believe that it is important for administrative and economic reasons that clear distinctions be drawn among pesticide types regarding the issue of environment and water contamination.

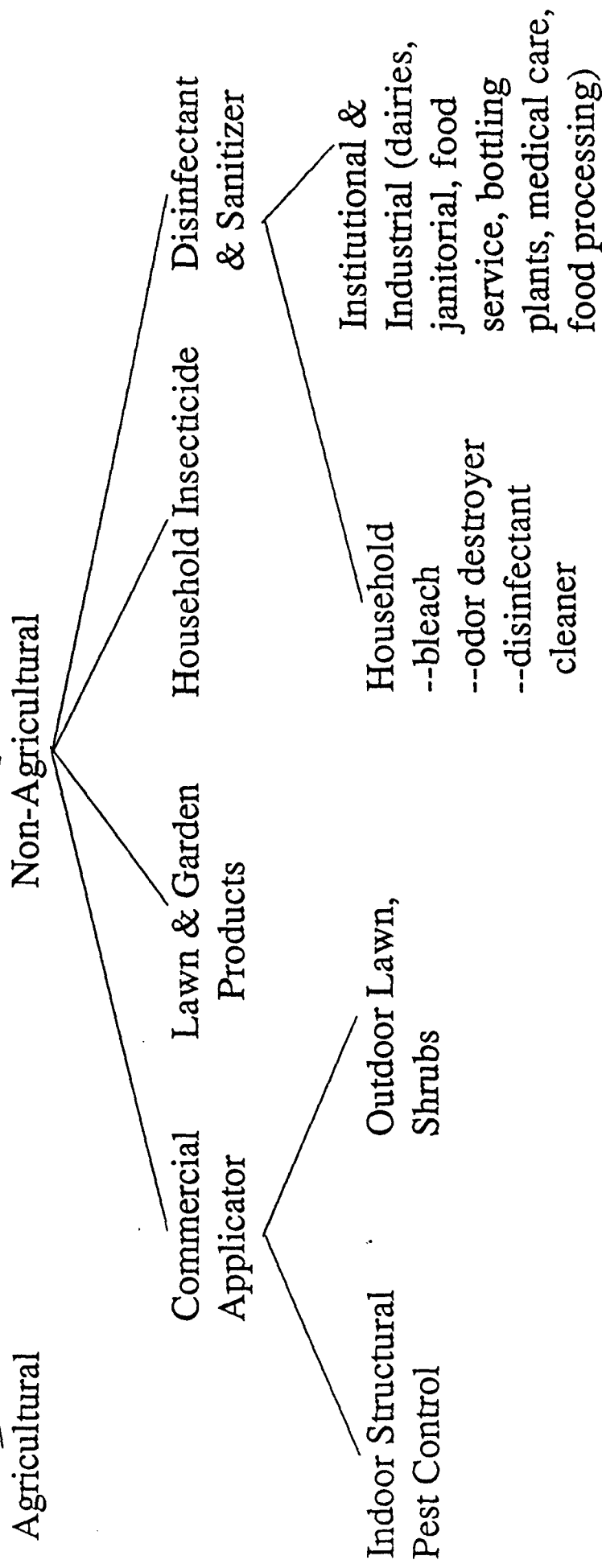
At the state and federal level, there is increasing recognition of the need for distinguishing among pesticide classes depending upon the purposes of the program. At 40 CFR 171.3, the categorization of commercial applicators of pesticides goes by the different types of application site - forest, water, seeds, animals, etc. California and Arizona have contamination prevention laws that focus specifically on agricultural use pesticides, exempting the disinfectants and sanitizers, even when used in dairies. The Minnesota Agriculture Chemical Response and Reimbursement law, a "superfund" for pesticides and fertilizers, exempts disinfectants and sanitizers.

We submit that pesticide regulation should distinguish between administration of registrations and revenue production for other

purposes such as environmental protection and remediation. As a class the disinfectants and sanitizers should pay reasonable registration fees but be exempted from economic charges for other purposes.

c:dc17

Pesticides



TESTIMONY
April 8, 1991

SENATE NATURAL RESOURCES

EXHIBIT NO. 3

DATE 4-8-91

BILL NO. SJR-28

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE

FOR THE RECORD, I AM ALAN EVANS FROM ROUNDUP

I SUPPORT SJR 28 AND STRONGLY OPPOSE HJR 31.

THIS TOPIC COULD BE THE SINGLE MOST IMPORTANT QUESTION, IN TERMS OF MONTANA AND AMERICA'S FUTURE, YOU FACE THIS SESSION.

FOR THE PAST TWELVE YEARS I HAVE BEEN INVOLVED IN THE DESIGN AND IMPLEMENTATION OF NATIONAL AND MONTANA ENERGY POLICY. UNTIL I RECENTLY RETIRED FROM BLM, I SERVED ON SEVERAL NATIONAL ENERGY POLICY DESIGN TEAMS. MOST NOTEWORTHY OF THEM TO THIS HEARING WAS THE AMERICAN ENERGY ASSURANCE COUNCIL. THAT GROUP OF 150 OR SO OF AMERICA'S LEAD PEOPLE IN FEDERAL AND STATE ELECTED POSITIONS, ACADEMIA, INDUSTRY AND CONSUMER GROUPS, DESIGNED A PROCESS FOR CONSENSUS BUILDING AND ENERGY PLANNING. THAT PROCESS IS AN EXCELLENT BLUEPRINT FOR MONTANA TO FOLLOW. IT EMPHASIZES THE NEED FOR A BROAD BASED AND GRASSROOTS PUBLIC INVOLVEMENT.

FROM 1978 UNTIL 1990, I WAS APPOINTED BY GOVERNOR SCHWINDEN TO A FEDERAL/STATE TEAM CHARGED WITH IMPLEMENTATION OF MONTANA'S MAJOR FACILITY SITING ACT. AS YOU KNOW, THAT 1973 LAW REQUIRED MAJOR SURGERY AFTER IT WAS SIGNED INTO LAW. IT TOOK CONSIDERABLE HANDS-ON EFFORT FROM ACROSS MONTANA, AFTER THE LEGISLATION WAS ENACTED, BEFORE IT BECAME THE EXCELLENT WORKING TOOL NOW IN USE. WHILE ASSIGNED TO THAT TASK FORCE, I WAS INVOLVED IN NEEDS ASSESSMENT AND SITING OF THE COLSTRIP POWER LINES, NORTHERN BORDER PIPELINE,

NORTHERN TIER PIPELINES, EXXON CO2 PIPELINES, POWDER RIVER COAL PROJECTS AND MANY OTHERS. FROM THAT WORK, I AM INTIMATELY ACQUAINTED WITH THE BIAS AND MIND SET OF THE EQC, EIC AND ENERGY FACILITY SITING STAFF AT DNRC.

IN ADDITION, I SERVED AS ONE OF THE SEVEN MEMBER SUPERCOLLIDER TASK FORCE, NOW SERVE ON THE MONTANA COAL BOARD, HAVE SERVED FOR NINE YEARS AS A DIRECTOR OF FERGUS ELECTRIC COOP AND WAS A MEMBER OF THE STATEWIDE RURAL ELECTRIC BOARD. I AM A MEMBER OF THE ENERGY TASK FORCE FOR THE MONTANA AMBASSADORS.

WHAT DID I LEARN FROM ALL OF THIS? ENERGY POLICY WORK IS COMPLEX AND CAN BE DEVISIVE IF NOT PROPERLY STAGED. A WELL THOUGHT OUT ENERGY POLICY IS CRITICAL TO THE SECURITY OF OUR NATION AND TO OUR ECONOMY NATIONALLY AND IN MONTANA. A WORKABLE POLICY MUST BE BALANCED FROM THE PERSPECTIVE OF ORDERLY RESOURCE DEVELOPEMENT, CONSERVATION AND CONSUMER INTEREST.

DESIGN OF A MONTANA ENERGY POLICY LAW WILL TAKE CONSIDERABLE EFFORT BY A BLUE RIBBON GROUP OF HANDS-ON AND EXPERIENCED GRASSROOTS PEOPLE. THE PROJECT WILL REQUIRE STRONG AND BI-PARTISAN LEADERSHIP. CAN MONTANA AFFORD SUCH AN EFFORT? WE MUST! IT HAS TO BE A VOLUNTEER PROJECT. IT HAS GOT TO BE GIVEN THE STATUS AND LICENSE OF THE GOVERNOR AND LEADERSHIP OF BOTH THE SENATE AND HOUSE.

I CANNOT SAY STRONGLY ENOUGH, MONTANA HAS GOT TO START ADDRESSING MAJOR ISSUES IN THE WAY SUGGESTED BY THIS RESOLUTION. THAT IS, BROAD AND COMPREHENSIVE POLICY. WE CAN NO LONGER LIVE WITH THE BITE SIZED, SPECIAL INTEREST DRIVEN, LEGISLATION THAT CHARACTERIZES MANY PAGES OF OUR MONTANA STATUTE BOOKS.

THANK YOU. I WILL BE HAPPY TO ANSWER YOUR QUESTIONS.

WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 8 day of April, 1991.

Name: DAVID SHULER

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Representing whom?

FERGUS Electric COOPERATIVE

Appearing on which proposal?

SJR - 28

Do you: Support? ☒ Amend? ☐ Oppose? ☐

Comments:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY