

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS & TRANSPORTATION

Call to Order: By Senator Cecil Weeding, Chair, on January 21, 1993, at 1:00 p.m.

ROLL CALL

Members Present:

Sen. Cecil Weeding, Chair (D)
Sen. Betty Bruski-Maus, Vice Chair (D)
Sen. John Harp (R)
Sen. Francis Koehnke (D)
Sen. Doc Rea (D)
Sen. Spook Stang (D)
Sen. Chuck Swysgood (R)
Sen. Henry McClernan (D)
Sen. Daryl Toews (R)
Sen. Larry Tveit (R)

Members Excused: None.

Members Absent: None.

Staff Present: Dave Bohyer, Legislative Council
Beth Satre, Committee Secretary

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

Committee Business Summary:

Hearing: SB 105
Executive Action: None.

HEARING ON SENATE BILL 105

Opening Statement by Sponsor:

SEN. STANG, Senate District 26, explained that SB 105 would eliminate the Class E Authority given to log haulers last session. **SEN. STANG** was Chair of the House Highways Committee last session. According to him, the bill establishing Class E Authority "got a real fair hearing" in that Committee. It subsequently passed the House and was amended in the Senate. **SEN. STANG** stated that he introduced SB 105 at the request of the log truckers in his district, who think the current regulation of log haulers has created unnecessary paperwork and is an undue invasion of their privacy. Log truckers would like to eliminate this certification and **SEN. STANG** feels they deserve the chance

to "get that done." He mentioned he had received notes questioning his motives and base of support. He also mentioned a meeting that took place a week before in Missoula where only 12 of the 75 truckers in his district signed a petition against SB 105.

SEN. STANG referred to the survey of all 519 Class E log haulers in Montana undertaken by **SEN. HARP, Senate District 4**. Each registered log hauler received a survey card with two options:

1. I strongly support PSC regulation of log hauling in Montana or
2. I strongly oppose PSC regulation of log hauling in Montana.

SEN. STANG stated out of 266 responders, 179 oppose and 87 support the regulation currently in place in Montana (Exhibit #1). This survey is not complete, but **SEN. STANG** is of the opinion if it stays consistent the results will show that 2 to 1 that the log haulers with permits in Montana oppose the regulation. **SEN. STANG** closed his remarks with the exhortation that the testimony remain pertinent to SB 105 and not involve the personalities of the participants. He mentioned that **SEN. HARP** has the survey, questions, and current results of the survey which he will submit for the record (Exhibit #1a).

CHAIRMAN WEEDING established a limit of 30 minutes per side, outlined basic committee procedure, and reminded all visitors that interaction between the sides would not be permitted.

Proponents' Testimony:

Rep. Jim Elliot, House District 51, said both his and **SEN. STANG's** constituents had requested SB 105 and he would be carrying it on the floor of the House if it is approved in the Senate. **Rep. Elliot** said the people he met campaigning this year were overwhelmingly opposed to the regulation of log hauling in Montana. He stated this had not always been the case. In 1989 many people in Sanders and Lincoln counties were interested in having some regulation, by 1991 they were uniformly opposed to regulation. He stated the result of regulation has been increased paperwork with absolutely no benefit. He then read parts of a letter from Jo An Riedlinger, Troy (Exhibit #2) which illustrate this point. According to **Rep. Elliot**, the opponents of SB 105 will argue setting a rate will change make the paperwork worthwhile. **Rep. Elliot** responded to that argument by saying the attempt was made to set a rate in 1991, and the odds of achieving that are no better this session.

Mark Cooper, Boulder, stated he was representing B.L. Cooper, Inc his small family-owned logging business. His company did not qualify for a Class E Authority because the Public Service Commission (PSC) determined that hauling was "incidental" to their normal logging operation. According to **Mark Cooper**, his company does have one truck but hires other trucks as well. He stated he finds the contract requirements baffling. He finds that it is a lot of added paperwork. Every new job and every new truck that comes onto that job requires a new contract which means that often those contracts are filled out and signed at 4-

5:00 a.m. in the dark. He stated Class E Authority is an example of what is wrong with Montana's economy: "too many people are shuffling paper and not enough people are out producing things".

Sherm Anderson, owner of Sun Mountain Logging Company, Deer Lodge, MT read from written testimony (Exhibit #3).

Richard Coverdale, Columbia Falls, MT, a log hauler for 23 years and an owner/operator for 19, stated he did not need or want regulation. He believes the original intent behind regulation was to set a rate, but no rate was set. He claimed he could set his own rate by negotiating with the job contractor or sawmill. Because so many variables exist in log hauling, **Mr. Coverdale** was of the opinion that log haulers need more flexibility than they would get if the PSC were to set rates. He agreed with the other proponents of SB 105 that regulation creates added paperwork as well as the taxing and opening up of haulers' personal accounts. He stated the public had no role in an agreement between shipper and trucker and the PSC therefore also had no role to play. He was initially in favor of having the state-required contracts, because they would provide those people having problems negotiating with a tool. He said that these contracts were not working.

Richard Coverdale stated he had not received one of the postcards sent out by the Logging Association, nor had he had much notice of the hearing today. He then gave an personal example of the negative side of PSC regulation. This past year he wanted to sell his truck, but was told he could only lease, not sell, his Class E Authority. This involved a lot of fees and paperwork, and he was also forced to change his personal plans. He found the fact that he had to go through the state to sell something he had worked years for was an invasion of his rights as a United States citizen. **Mr. Coverdale** also told the Committee he had unfortunately lost his agricultural designation when he received his Class E Authority. He closed his comments on SB 105 by saying "I do not need the PSC to tell me how to run my business safely, when or where I can haul or to negotiate a hauling rate for me. I am an independent businessman and I want that back".

Tony Miller, Judith Gap, stated his intention to talk about rates and possible PSC rate-setting. He expressed his conviction that individual haulers can negotiate their rates at the sawmills and questioned the ability of the PSC bureaucrats to set fair rates when they "haven't even been on the road". On some roads it might take an hour to go five miles versus 10 or 20 minutes on other roads. **Mr. Miller** also questioned the PSC's ability to enforce the ban on out-of-state trucks and complained about the increased bookwork required by the regulation. He stated he initially approved of the idea of regulation, but currently finds it "out of hand". He closed his testimony by saying "if the truckers can't stand up and go into the sawmills and discuss their own rates they shouldn't be in the business".

Pete Merkes, Elliston, stated he was glad that the State had instituted the Class E Authority, because it has an eye-opening experience. It is obvious the industry gains nothing through regulation but more responsibility and paperwork. He does not think that the State of Montana needs more things to run, nor does he understand how the PSC is going to find the funds to enforce the current regulations when they cannot enforce the laws that are presently on the books. He stated he thought that regulation is misguided and that Montana does not need more bureaucracy, it needs less of it. In his opinion log haulers are capable of handling the rates among themselves. According to him, haulers always have the choice of leaving a poorly paying haul and finding another one. **Mr. Merkes** thinks that is the "independent" in the independent trucker and he does not want the independence taken from him.

Susan Miller, Judith Gap, commended **SEN. HARP** for doing the survey. She stated a great deal of people in this industry are never heard from and reminded each member of the committee that a lot of people are working and not represented at the hearing. She asked the Committee to strongly consider the results of the survey.

Charley Park, Drummond, stated his business has its own log trucks and hires log trucks as well. He expressed the opinion that regulation will never work; the government does not need added bureaucracy to support when it cannot support what it already has. He told the Committee about a fine he had incurred when one of his trucks, which do not have Class E Authority was sent to help out a neighbor. According to **Charly Park**, sawmills only pay loggers a flat rate that does not reflect hauling rates. He feels that a big rate on hauling logs would end up putting independent log haulers out of business, because the logging companies would start to use their own trucks. He stated there is no way PSC can enforce rate setting and all that is being accomplished is to force people who want to stay in business to be dishonest. He stated he never thought he would get involved in the legislative process, but he was glad to support a bill which would get rid of bureaucracy.

Darren Duncan, R-Y Timber, Inc, Townsend, submitted a letter from the operations manager, **Jack Mahon** (Exhibit #4). He stated that after living with this particular law, he did not think that it helped the log hauler, but probably added an additional burden on his operation in terms of bookkeeping and contract requirements. He said regulation has hurt small logging contractors who happen to have a truck, because they cannot get authority to haul any logs other than their own. As a result they are deprived of a certain amount of business they could have picked up on jobs other than their own.

Jacque Christofferson, Vice-President and CO-Owner Christofferson Log Liners, stated she was not sure if she was a proponent or

opponent of SB 105 and then read from prepared testimony (Exhibit #4a).

Leroy Christofferson, President and Co-Owner Christofferson Log Liners, stated his opinion that the Current Class E regulation provides log haulers with protection from out-of-state truckers coming into active areas and doing our jobs. His company is currently providing nine trucks and a loader for Carson Helicopters, out of Jacksonville, OR.

CHAIRMAN WEEDING briefly interrupted **Leroy Christofferson** to ascertain if he were actually a proponent of the bill. **Leroy Christofferson** assured the Committee he was in support of SB 105 because he opposed the tariff setting.

Leroy Christofferson continued by stating that out-of-state trucks were a problem and encouraged the Committee to leave the current Class E regulation as is. He expressed the opinion that the very people who are in this room supporting SB 105 today are the same group of people who wanted regulation in the first place. He stated he did not understand their motivations. He was of the opinion that whenever the logging industry needed to unite, there are always small groups of individuals who seem to be satisfied. He concluded his testimony by stating the industry needed neither to deregulate, nor to adopt more bureaucracy.

SEN. STANG stated the last two people were opponents of SB 105, and he requested their time to be given to people who are really testifying in favor of SB 105.

Ed Bodell, White Sulfer Springs stated he was an individual owner/operator and a rancher and representing a small minority of people in White Sulfer Springs. He expressed their support of SB 105, because it has not accomplished anything. He stated neither he nor the majority of the people in his area were for the current regulation. He asked **SEN. KOEHNKE** to check the postcards to see how the **SEN. KOEHNKE'S** constituents felt about this issue.

Opponents' Testimony:

R.T. Adkins, Kalispell, Safety Director of the Log Truck Association of MT, stated regulation promotes safety. He informed the Committee that 619 Class E Authorities have currently been issued and approximately 1000 trucks operate under them driving approximately 55 million miles on Montana's highways and roads. He stated Class E Authority had first enabled the State to keep track of the number of trucks hauling logs as well as the number of people who pay their fuel taxes. **Mr. Adkins** stated the log truck industry in Montana has a safety program for the first time ever under regulation, and the State cannot afford to lose that. According to **Mr. Adkins**, it is reassuring to know that all the trucks have gone through safety inspection and have qualified drivers behind the wheel. He felt this was important because Montana cannot afford to have 1000 trucks, the largest segment in the trucking industry, operating without trained and

safety-oriented drivers. He stated ten years ago 50% of the trucks in Montana were speeding, grossly overloading, and causing great damage to Montana's highways. In terms of highway maintenance alone, Montana cannot afford to deregulate its log hauling industry. He closed his comments by stating "this regulation has only been in effect about six months. It hasn't had time to work, we need that time. Safety pays and if we lose regulation we lose safety".

Norm Jones, Missoula MT, a private owner/operator with two trucks, stated because of environmentalist pressure helicopter logging is becoming more prevalent in Montana. According to **Norm Jones**, not one helicopter is registered in Montana or operated by a state company and the only reason these out-of-state companies are not using their own trucks to haul their logs is the required Class E Authority. He told the Committee that the Montana Logging Association had held a meeting in Missoula on January 16, 1993 and read from a letter which he submitted to the record with attached meeting register and petition sheets (Exhibit #5).

Norm Jones stated enforcement is the key to the successful operation of regulation. Because the Class E Authority has been in effect for less than one year, **Norm Jones** believes the measure should not yet be judged nonbeneficial. He stated he believes the Class E Authority is being cleaned up, and will become workable. He stated he and 57 other signatures totally oppose **SEN. SPOOK STANG** and mentioned that some of **SEN. STANG's** supporters signed the petition against SB 105 at the January 16th meeting.

Dave Brandt, Eureka, MT, stated most of his arguments against SB 105 center around the fact that regulation just went into effect last year. He stated regulation should have time to work. In his personal experience it has substantially helped his business. He does not find it an overburden of paperwork to know up front what every job paid that he hauled this last year. He thought the regulation has helped to strengthen rates and he knew the rates were spoken of more freely. He expressed his agreement on several points brought up by proponents of SB 105, but stated there was a simple solution to each problem they had mentioned. He commented on what he saw as the generosity of the State in issuing grandfather Class E Authorities and stated there even were four or five Authorities for sale at a reasonable rate in the Eureka area. He closed by saying he thought the system would work and it was "the greatest thing that ever happened" to the log hauling industry.

Denny McManus, Kalispell, stated he had worked from the beginning to establish this regulation and believes it is "working great". He has personally benefitted from this regulation. In November he had a problem with Idaho trucks operating in the Kalispell area. The PSC was notified and officers came in and enforced the law and **Mr. McManus** has had no further problem. **Mr. McManus** stated the negotiation part of regulation has yet to become

SENATE HIGHWAYS & TRANSPORTATION COMMITTEE

January 21, 1993

Page 7 of 10

effective. According to him, the cost of operations are steadily increasing and log haulers have no control over their wage. He stated log haulers have to take "what the logger wants to dish out".

Lyle Doty, Lyle Doty Trucking, alerted the Committee to the fact that two different sets of postcards soliciting log hauler's response to industry regulation were in circulation. **SEN. HARP's** survey card asks if an individual supports or opposes "PSC regulation of log-hauling." The Log Truckers' Association card sent out to Senators on the Committee asks that the Senator either support or oppose "passage of SB 105". The cards are similar in format, but an affirmative on one card is the same as a negative on the other card. He cautioned the Committee to carefully look at each card before "putting them in the proper pile." **Lyle Doty** stated that he had recounted the cards in **SEN. HARP's** file at **SEN. HARP's** request and 143 advocated keeping regulation and 99 advocated disposing of regulation.

He stated he did not believe regulation has hurt anyone, and that the additional paperwork the regulation requires is very minimal. He stated "a contract is just good business"; it gives the trucker a chance to know what he will be paid before he starts hauling. According to **Mr. Doty**, that information was often unavailable before the Class E Authority was instituted. He stated that having no knowledge of the rate made it possible for contractors to unfairly manipulate the rates while making it virtually impossible for the log haulers to negotiate. He related a personal experience to the Committee in which he benefitted from PSC regulation. He had been paid by a contractor for a job he had done, but the checks had bounced. **Mr. Doty** reported that to the PSC and within 48 hours the checks were covered. **Mr. Doty** was of the opinion if he had not had a contract, he would probably still be waiting for his money.

Jim Hill, Hillco Inc, stated he has 20 trucks of his own, usually hires about 15-20 trucks, and has on the average about 40 active jobs. **Mr. Hill** told the Committee he had never had any problem with the paperwork the regulation requires. He expressed the opinion that if a business is run effectively, the paperwork should present no major difficulties. He responded to **Mr. Coverdale's** statement that the log trucking had nothing to do with the public. **Jim Hill** stated the log trucking is probably the only phase of the logging industry that takes place on Montana's highways and the public is directly impacted by what occurs on those highways. He expressed his belief that if the regulation is repealed the safety factors in the industry will be degraded. He stated that good trucks are safe trucks and the calibre of trucks on the roads has been upgraded since regulation has been a "threat".

Mr. Hill commented on the potential losses from out-of-state haulers if the industry were deregulated. He stated that a lot of Oregon operators and helicopter loggers have large fleets of

trucks they could easily bring into Montana. If they did, these trucks would take jobs away from Montana haulers and, in his opinion, the companies would not pay into the Worker Compensation fund, nor would the individual drivers pay Montana Income Tax. He stated he had canvased his drivers, and they all felt regulation should be given a chance. Mr. Hill expressed his belief that the current regulation might need to be re-tuned in the future, but to simply eliminate would not be smart.

Ben Havdahl, Montana Motor Carriers Association (MCA), the MCA has a variety of members hauling Montana's commodities including logs. He stated he would like to go on record in opposition to SB 105. He then read from written Testimony (Exhibit #6).

Rep. Dave Wanzenried, House District 7, introduced himself as the sponsor of the bill last session which established the Class E Authority. He asked what the reasons for repeal were. He stated the law currently requires that the transportation of logs from point to point in Montana be covered by a contract and that the PSC has no rate-making authority under the existing law. He mentioned that a bill currently in the House would speak to that issue. He emphasized that SB 105 would repeal the basic protection of a contract between a vendor and a person who wants a service. He stated he did over a million dollars worth of business last year in the transportation business and none of it was done without a written contract. According to **Rep.**

Wanzenried, Montana has made policy decisions in every area regarding public transportation and it has been decided that in some areas regulation is of legitimate public interest. Log hauling is not the only industry regulated in Montana, and the degree of regulation in this area is minimal when compared to other areas. He agreed that paperwork was a by-product of this. He stated the PSC made sure the regulations were flexible, and he did not believe that the requirements made the paperwork onerous.

Rep. Wanzenried emphasized that although the effective date of the bill establishing regulation was October 31, 1991, the full regulation and the regulatory climate were not present until October of 1992. He admitted the current law is not perfect and if the law is repealed, current protections are also going to be repealed. He referred to the potential competition from out-of-state trucks.

Rep. Wanzenried also stated that his constituents, unlike **SEN. STANG's** are in favor of regulation, and admitted opinions on regulation vary throughout the industry. According to **Rep. Wanzenried**, the intent of the regulation to attempt to identify more closely what the rate could be if there was a selective universe of trucks to haul the logs. He stated he was trying to improve the rate structure because many haulers from northwestern Montana are hauling for the same wages they were in 1979. He asked the Committee to consider whether doing away with the current protection afforded by the Class E Authority is

justified. He believes it is not, because regulation is having a detrimental effect on neither the logging industry nor the log transportation industry in Montana.

William Stacey, Columbia Falls, stated he did not buy a gallon of fuel, tires, insurance or parts without knowing the price. Until the industry was regulated, he knew what he needed to break even on a haul, but was never sure if the contractor or the sawmill was paying that price. He stated he cannot keep hauling at 12 year-old rates when all of his costs have doubled or tripled. If SB 105 passes, he believes that he will be out of business.

Questions From Committee Members and Responses:

SEN. REA requested information about the administrative costs associated with the current level of regulation for the log hauling industry. **Wayne Bud, Montana PSC**, stated the PSC has the same number of enforcement officers as it previously had.

Closing by Sponsor:

SEN. STANG thanked all the people present for contributing to the hearing. He then responded to the primary arguments presented by the opponents of SB 105.

He questioned the assertion made by many opponents that the Class E Authority was solely responsible for the current safety standards in the industry. He stated log trucks are inspected and safety standards are enforced at Department of Transportation (DOT) or GVW scales. He expressed his opinion that the CDL and mandatory driving tests are actually responsible for the current level of safety in the State's trucking industry. He emphasized that repealing regulation would not necessarily mean the end of the safety program.

SEN. STANG questioned how widely **Norm Jones** had publicized the meeting in Missoula on January 16, 1993. He stated he knew 50 people in his district who supported SB 105 and who were not invited. He acknowledged some of the same people who had asked for SB 105 had signed the petition against it, and questioned what kind of pressure they were placed under at the meeting.

He told **Dave Brandt**, Eureka, and **Denny McManus**, Kalispell, he was glad regulation was working for them, but that he regretted the fact they felt that regulation was the sole reason they were able to obtain contracts. **SEN. STANG** stated he thought anyone could get contracts if they really wanted them.

SEN. STANG referred to **SEN. HARP's** survey and stated it was "too bad it was put into the hands of the head of the trucking association. Now it's a tainted survey". He told the Committee the people who filled out the cards knew what side of the issue they were on. He then made the allegation that "because some of the cards were sent through the Log Truckers Association, they probably did what the association said". He stated **SEN. HARP's**

survey reflected log hauler sentiment more accurately. He expressed his opinion that some people would not send the Association cards, but would fill out a survey card with a printed label because it is certain that the "person who's name is on this label filled this out".

SEN. STANG stated SB 105 was not an easy bill for him to introduce. He had worked with some of the people opposed to SB 105 last session to make sure that the regulation issue got a fair hearing in his committee. He stated he had voted to get last session's bill out of the Highways Committee because he felt it was an issue that needed to be aired publicly. He emphasized that if he had wanted to kill the bill two years ago, he could have easily kept it in committee. He told the committee members his original intent was to get SB 105 into the House Highways Committee with Rep. Wanzenried's bill. **SEN. STANG** stated 99% of the log haulers from his district were of the opinion that Class E regulation is not working in its present form; if there are no rates then they do not want any regulation. In reply to the protection from out-of-state trucks that Class E Authority grants, **SEN. STANG** stated those trucks can currently come into the State. If the out-of-state company buys the logs, it can bring its own trucks into Montana to transport those logs. **SEN. STANG** stated the companies do not bring their own trucks because it is too expensive. He then submitted a letter from William Crismore to the record (Exhibit #7).

ADJOURNMENT

Adjournment: 2:20 p.m.



SENATOR CECIL WEEDING, Chair



BETH E. SATRE, Secretary

CW/bes

ROLL CALL

SENATE COMMITTEE HIGHWAYS & TRANSPORTATION DATE January 21, 1993

[illegible]

FO8

Attach to each day's minutes



MONTANA STATE SENATE

SENATOR JOHN G. HARP
SENATE DISTRICT 4
HOME ADDRESS:
53 WILLOW DRIVE
KALISPELL, MONTANA 59901

OFFICE OF MINORITY WHIP
COMMITTEES:
TAXATION
JUDICIARY
HIGHWAYS
RULES

CAPITOL STATION
HELENA, MONTANA 59620
PHONE: (406) 444-4800
HOME PHONE: (406) 752-0614

SENATE HIGHWAYS

EXHIBIT NO. 1

DATE January 21, 1993

BILL NO. SB 105

ON THE
DATE
ON THE
SENATE HIGHWAYS

MEMORANDUM

TO: Senator Barry "Spook" Stang
Highways and Transportation Committee Member

FROM: Senator John G. Harp
Senate Minority Whip *JGH*

DATE: January 21, 1993

RE: Senate Bill 105
Logging Regulations

I have sent out 519 surveys to Class E Authority Haulers. Of those that have returned the survey, 179 opposes ~~the bill~~ while 87 support the bill.

leg

179
87
266

Exhibit No. 1a contains the survey, questions, and results of the survey regarding PSC regulation, (SB 105, date of hearing - 1/21/93). The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

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SENATE MEMBERS

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City: HelenaState: MontanaDATE 1/21/93 TIME _____FAX#: 444-4105PHONE#: 444-4800

ZIP: _____

FROM:Name: John Riedlinger

Company: _____

Street: P.O. Box 844City: TracyState: Idaho Zip: 59935

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EXHIBIT 2
 DATE 1/21/93
50105

Jan. 21, 1993

Dear Mr. Elliot

As you know I wanted to be there today to testify in person on, "Senate Bill 105." However the road conditions here ~~were~~ are so bad I thought it unwise to attempt it. I am hoping you can do it for me.

Let me start out by telling you we have owned one or more log trucks for the past 45 years. I can not see where this log truck regulation we have now has changed a thing except require more bookkeeping.

Heaven knows we already had enough. This authority not only caused the log truck owner more paper work but also the company hiring them. I would very much like to see, "Senate Bill 105," to eliminate the log trucking regulation, passed.

Following is some of the paper work requirements for owners of just one log truck: First of course, yearly, is the license. Then, yearly, quarterly or monthly, gross weight; Yearly, over-size permit; Quarterly, ~~for~~ State fuel tax reports; Quarterly, Federal fuel tax reports; Yearly fuel tax permit and Fed. Highway Use Fee. Then if you hire a driver, which we do there is a monthly Work Comp report, quarterly State unemployment report, Federal unemployment report, quarterly Federal ~~withholding~~ Withholding and Social Security, quarterly

State Withholding tax reports and at the end of the year W-2 forms.

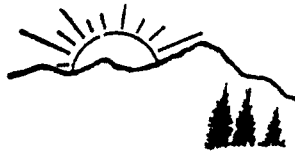
Now in addition, because of this bill we have to make sure there is a new contract every time we go on a new job even if it's only one load. We also must make sure we get a new cab card at the beginning of the year, do quarterly income reports and I just received in the mail a yearly income report form that's eight pages long.

Also as a bookkeeper that hires log trucks it's certainly a big headache. This company logs and builds some logging roads. I have to make sure the trucks each have a new contract on each new job even if it's only for one day which happens frequently when they are hauling from the road right of way. We usually have three trucks hauling and in the past 6 months I've had to make out approximately 50 contracts.

It seems rather ironic that in a country that's supposed to be a free country that one log truck can require this much bookkeeping.

Yours truly

Jo Ann Riedinger
P.O. Box 844
Troy, Mt. 59935



Sun Mountain Logging

Sherm Anderson

P.O. Box 287
Deer Lodge, Montana 59722

SENATE HIGHWAYS
EXHIBIT NO. 3
DATE January 21, 1993
BILL NO. SB 105

TESTIMONY ON PROPOSED LEGISLATION TO DEREGULATE INTRASTATE LOG HAULING SB105

Mr. Chairman, Members of the Committee:

For introductory purposes, I am Sherm Anderson, owner of Sun Mountain Logging Company located in Deer Lodge, Montana. I am a logging contractor. I perform the complete logging process from felling, skidding, processing, loading and road building. Aside from logging, I own fifteen log trucks which operate within the state, primarily in the Deer Lodge area, hauling about 6,000 loads/year.

I have been in the logging business as a sole proprietor for sixteen years. Prior to that I worked with my father who was also a logging and log hauling contractor.

I am in support of SB105.

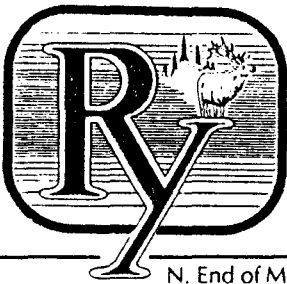
I fail to see any benefits to the log truckers or the State of Montana that have been derived from being regulated this past year. There has been no reduction in the amount of log trucks or no more jobs created in our industry because of regulation. Maybe fewer independent truckers are being used because of a shift toward larger trucking firms by the shippers to eliminate the need for so many contracts with individuals.

Additional paperwork is involved including quarterly reports, annual reports, annual fees, cab cards, stickers or stamps, revenue taxes, written contracts and proof of contracts for each job, for each truck before hauling. This creates additional cost of time and money to the industry and the State government with no positive returns to anyone.

Written contracts between shippers and carriers have been a problem. To my understanding, it is the responsibility of the shipper to provide written contracts to the carrier in advance of hauling with proof of contract to be carried in the truck. The responsibility is shared in that the shipper is to provide the contracts, but the carrier is to see to it that the contracts are carried in each truck. The burden of responsibility for compliance falls upon the carrier, not the shipper, because the carriers are the ones traveling up and down the highways through the weigh stations being checked for proof of contracts. Often times in our business trucks are called to haul logs off a given job the night before or even the same day, giving no time to provide such contracts.

Our industry has so many variables throughout the state that other industries are not confronted with such ^{as} the haul roads off highway, the weather, the mud, the snow, the working hours, the loading and unloading conditions, the number of jobs being operated on, that I do not see how a workable regulatory system can ever be established that will be to the benefit of the log truckers or the State of Montana.

We need to work toward far less government intervention in the works of private business. Therefore I strongly urge the passage of this bill to deregulate log hauling in our state.



R-Y TIMBER, INC.

SENATE HIGHWAYS

EXHIBIT NO. 4

DATE January 21, 1993

BL '0 SB 105

N. End of Maple Street • PO Drawer P • Townsend, MT 59644-1013 • Phone (406) 266-3111 • Fax (406) 266-3115

January 21, 1993

Honorable Cecil Weeding, Chairman
Highways & Transportation Committee
Montana Senate, Capitol Building
Helena, MT

Dear Senator Weeding:

I write you in reference to Senator Stang's proposed SB105 to abolish Class E regulation for log hauling.

There are many small logging contractors on the East Side. Traditionally, a significant number of them engaged in three activities:

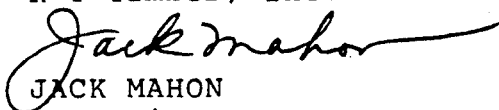
1. At times they bought standing timber, logged it and hauled it to a mill with which they had signed a contract to produce and deliver logs.
2. At other times they logged and hauled a mill's timber on a logging contract basis.
3. Also, they would at times do contract hauling for each other or occasionally haul for a larger contractor. This has worked quite well as they often-times could not buy standing timber, and were not always able to obtain contract work to log and haul to a mill.

The 1991 HB192 Log Hauling bill has worked a specific hardship on these folks. In many cases, they had not hauled for contract during the grandfathering period and thus have been closed out permanently as contract haulers.

Therefore, I urge your committee to issue a "do pass" for Senator Stang's Bill 105.

Sincerely,

R-Y Timber, Inc.


JACK MAHON
Operations Manager

Jacque Chircofferon
Confused? Now can you not

be when we the people in

our own industry don't know

what we want. I feel like

a political pawn in this game

of who funds whose campaign,

who left who money at the

bar last night, or whether

I'm a democrat or republican.

Let's remind ourselves that

The Presidential Campaign '92

was based on issues not who

is who.

Common Sense tells me
that never should a minority
or a majority rule any
situation but compromise. And
that is exactly what the
current law is a compromise.
Leave it alone. It provides
protection of saturation, an
asset to your financial statement,
and those people who were
working without a contract and
known rate.

Now that is another interesting subject working without a rate. By my definition that is like buying a house and not knowing how much it costs. Good management I question that process, so we now pay union dues to the P.S.C. to force contracts, it's workable but questionable. I believe in less government after all you don't go to a brain surgeon when your foot

if this bill passes or
if the tariff bill passes
it is not a compromise
for all the people. I
don't believe the P.S.C.
is the answer to this
industrial hauling problems
by assessing highway rates
to logging rates. And I
~~don't believe~~ ^{know} the Mt. Log
Truckers Assoc. is the union
I want to belong to either.

January 18, 1993

SENATE HIGHWAYS

EXHIBIT NO. 5

DATE January 21, 1993

BILL NO. SB105

Highways and Transportation Committee
Montana State Legislature
State Capitol
Helena, Montana

ATTENTION: CECIL WEEDING, CHAIR

RE: SB 105

A meeting was held on January 16, 1993 in Missoula by Montana truckers holding Class E Logging Certificates regarding the proposed bill, SB105, sponsored by Spook Stang.

Certificate holders and interested parties were asked to sign petitions for or against the proposed bill. The meeting participants had no preconceived knowledge of the issue to be voted on prior to this meeting.

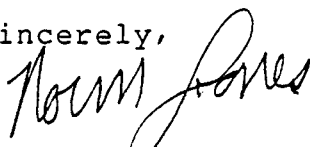
A general discussion of pro's and con's regarding our current Class E authority requirements took place during this meeting.

Attached are copies of the participant register. You should note that not all meeting participants signed the participant register. It should also be noted that both the support and the opposition petitions of SB105 were distributed to each meeting participant at the same time.

Copies of the signed petitions are also attached. As you can see, 100% of the signatures indicate that your Western Montana Logging Truckers unanimously oppose SB105 which would repeal the requirement of Montana PSC issued Class E Logging Certificates.

Your consideration of our interests regarding this bill is greatly appreciated.

Sincerely,



Norm Jones
LTAM Board of Directors

NJ/gaa

Enclosures

DATE 1/21/93
SB 105

SUPERIOR

SB105 sponsored by Spook Stang of ~~Spokane~~ will repeal the requirement of Montana PSC issued Class E Logging Certificates.

WE THE UNDERSIGNED SUPPORT SB105. The Montana PSC Class E Certificate requirement should be repealed.

[illegible]

SIB 105

SUPERIOR

OPPOSE

[illegible]

SB105 sponsored by Spook Stang of ~~██████████~~ will repeal the requirement of Montana PSC issued Class E Logging Certificates.

WE THE UNDERSIGNED OPPOSE SB105. The Montana PSC Class E Certificate requirement should remain intact.

[illegible]

SP 105

WE THE UNDERSIGNED OPPOSE SB105. The Montana PSC Class E Certificate requirement should remain intact.

[illegible]

January 20, 1992

Senate Bill 105

Senate Committee on Highways and Transportation

Montana Motor Carriers Association

Mr. Chairman and members of the Committee. For the record my name is Ben Havdahl and I am representing the Montana Motor Carriers Association. MMCA has a variety of members hauling various commodities including logs. We would like to go on record opposing SB 105 which would "deregulate" the intrastate economic regulation of "for hire" log transportation by motor carriers.

MMCA supported the enactment of legislation in the last session, under HB 192, to regulate the transportation of logs for hire by Class E motor carriers. The last effective date of HB 192 just ended on October 1, 1992, just a few months ago. It would appear to us that this action to "deregulate" the contract motor carriage of logs is very premature. To do so under SB 105 at this time, in our view, would constitute a classic example of "throwing out the baby with the bath water."

The bill in the last session as introduced, contained rate making authority by the Public Service Commission for the intrastate transportation of logs. Those rate making provisions were amended out of the bill. Establishment of fair rates by PSC for regulated motor carriage of any commodity is the heart of a successful transportation system.

It would seem to us that if the regulation system for transportation of logs needs to be improved upon, that the improvements should be in that direction and not to "deregulate" a log transportation system that has not even had a chance to get off the ground for the log haulers.

The Motor Carrier Act has been in effect in Montana for more than 60 years to insure a viable motor carrier transportation system for a large number of commodities transported within Montana either under written contract or by common carriage. Montana Motor Carriers Association has a long standing policy for continued support of intrastate regulated motor carriage under that law. Hence we are expressing our opposition to enact this deregulation effort.

The law, as it applies to log transportation requires a written contract for the transportation and provides for basic contract provisions to protect both the motor carrier and the shipper, cargo insurance, general insurance and for a safe operation of a motor carrier's equipment. Because of regulation under HB 192, these carriers were no longer exempted from safety requirements. Prior to that log hauling "contracts", if any, were all verbal and on a take- it or leave - it basis. Also safety requirements were not required for log truckers operating up to a radius of 200 miles from their base. Regulation of log hauling removed that exemption.

MMCA would strongly urge this Legislative body to consider authorizing the PSC to establish contract rates for log transportation as opposed to the approach proposed in SB 105. Thank you.

SENATE HIGHWAYS

EXHIBIT NO. 7

DATE January 21

BILL NO. SB 105

FAX MESSAGE

William Crismore, Sr.
237 Air Field Road
Libby, mt, 59923

January 21, 1993

Senator Spook Stang
Helena, MT

Dear Senator Stang,

I would like to go on record in support of Senate Bill 105 in support of deregulating log haulers, or Class E Carriers.

Since Class E carriers have been regulated, there has been no economic benefit to me as a carrier.

The attempt to set prices for hauling logs will not insure adequate revenues for log haulers.

The problem is not with the amount of money we receive for hauling logs. The problem is that we are not able to haul enough logs during a logging season due to cut-backs in the logging industry for a variety of reasons.

There are no regulations that can help or assist Class E carriers when the problem is not the amount received per trip, but the number of trips available.

Sincerely yours,

William Crismore
William Crismore, Sr.

As logging truck owners and operators, we support the proposed deregulation for the following reasons:

- 1) We cannot see any economic benefit to us as Logging truck owners/operators.
- 2) The additional administrative activities and State reporting requirements are costs we cannot support.
- 3) We lose our flexibility as owner/operators to haul under circumstances that each individual situations calls for.

[illegible]



STOLTZE-CONNER LUMBER CO.

Box 415 DARBY, MONTANA 59823

January 20, 1993

Cecil Weeding, Chairman
Highway Committee
State Capitol Building
Helena, MT

Gentlemen:

Please use this letter as our support for Senator Stang's Bill
SB105, on the repeal of the Class E regulation.

Sincerely,

Bud Hall,
Log Quality Supervisor

BH/be

NAME Barton L. Cooper

ADDRESS Box C

HOME PHONE 225-3886 WORK PHONE _____

REPRESENTING B L Cooper Inc

APPEARING ON WHICH PROPOSAL? SB 105

DO YOU: SUPPORT ✓ OPPOSE _____ AMEND _____

COMMENTS:

I feel very strongly that the log hauling industry was doing OK ~~and~~ before certification and will continue to prosper without certification. The main thing I don't like about the certification is the added paper work and the time and responsibility that it takes to complete it. If the truckers want a written contract then they can fill it out and I will sign it. But I don't think any one should be required under penalty of law to have one on file. My company did not receive certification and sometimes we haul logs other than ones we produce. Without certification I am in violation when I do this. I don't think the logging & hauling industry should be limited to do jobs that our gear is made for.

WITNESS STATEMENT

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

NAME

ADDRESS

HOME PHONE

WORK PHONE

REPRESENTING

APPEARING ON WHICH PROPOSAL?

DO YOU:

SUPPORT

OPPOSE

AMEND

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE JAN. 21SENATE COMMITTEE ON Highways & TransportationBILLS BEING HEARD TODAY: SB 105

Name	Representing	Bill No.	Check One	
			Support	Oppose
Barton L Cooper	B L Cooper Inc	SB 105	✓	
Wayne Bud	M PSC			
Jamie M. Cooper	B. L. Cooper Inc		✓	
Wm. Cuddy	Cuddy Logging Co.		✓	✗
Sherrin Anderson	Sun Mountain Logging		✓	
Ray Tink	Ray Tink Logging	SB 105	✓	✓
Gene Rinn	SS SS Ginn			✓
David V. Paden	Dynamo Mountain Lumber		✓	
Eel Bodell	Bodell Lumber		✓	
Charles Whinnard	Whinnard Trucking		✓	
Tom Miller	Judith Log Lbr		✓	
Almerino Almerino	Almerino Logging		✓	
Charles Williams	Judith Log Lbr		✓	
Pat Merkes	Elliston MT		✓	
Richard H. Coverdale	Col. Falls Mt		✓	
Clairice C. Coverdale	Self Col. Falls MT	SB 105	✓	
Edith C. Almerino	Whinnard Trucking	105	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE Jan 21, 1993

SENATE COMMITTEE ON Highways + Transportation

BILLS BEING HEARD TODAY: SB 105

Name	Representing	Bill No.	Check One	
			Support	Oppose
Bill & Dawn Cawger	Cawger Logging	105	✓	
Thom Jones	Self	105		✓
James Hill	H. Hill, Inc	105		✓
Douglas W Jones	Jones Dredging	105		✓
Daniel P. Pymel	Pymel Tring	105		✓
DREW LIVESAY	MOTOR CARRIER SERVICES DEPT OF TRANS	105		
REP JIM ELLIOTT	HD 51	105		✓
Gary Hegeler	MT Wood Products Assoc.	105	✓	
Don Allen	MT Wood Products Assoc.	105	✓	
David M. Brandt	Box 452 Du-Brandt	105		✓
Tony Stacy	Box 34	105		✓
DEAN STACY	Box 467 Eureka	105		✓
Jim Tishbourn	Box 77 Eureka			✓
Leroy Christensen	3520 S 3 West	105	X	
Pete Kelly Jr	1002 c Dry Cr. Bldg			✓
R.T. Albee	1705 Ash Hwy	105		✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE January 21, 1993SENATE COMMITTEE ON Highways & TransportationBILLS BEING HEARD TODAY: SB 105

Name	Representing	Bill No.	Check One	
			Support	Oppose
<u>Lyle Doty Kalispell</u>	<u>Lyle Doty Trucking</u>	<u>105</u>		<input checked="" type="checkbox"/>
<u>Denny McManus Kalispell</u>	<u>Denny McManus Trucking</u>			<input checked="" type="checkbox"/>
<u>Glenn Duncan</u>	<u>R/Y Timber Inc</u>	<u>105</u>	<input checked="" type="checkbox"/>	
<u>James A. Deach</u>	<u>Deach Trucking</u>	<u>105</u>		<input checked="" type="checkbox"/>
<u>Margaret</u>	<u>Christoffer</u>	<u>105</u>	<input checked="" type="checkbox"/>	
<u>Cherie Parke</u>	<u>Parke Brothers</u>	<u>105</u>	<input checked="" type="checkbox"/>	
<u>Craig Haley</u>	<u>FARLEY TRUCKING</u>	<u>105</u>	<input checked="" type="checkbox"/>	
<u>Lochman</u>	<u>Champion International</u>	<u>105</u>	<input checked="" type="checkbox"/>	
<u>Rod Conant</u>	<u>Conant Logging</u>	<u>105</u>	<input checked="" type="checkbox"/>	
<u>Elaine Toole</u>	<u>Adkins Trucking</u>	<u>105</u>		<input checked="" type="checkbox"/>
<u>B6 HAU DAHL</u>	<u>MT Motor Services</u>	<u>105</u>		<input checked="" type="checkbox"/>
<u>Wanda Lewis</u>	<u>CF ME</u>	<u>105</u>		<input checked="" type="checkbox"/>

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY