

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By J.D. Lynch, Chair, on March 5, 1993, at 10:00 a.m.

ROLL CALL

Members Present:

Sen. J.D. Lynch, Chair (D)
Sen. Chris Christiaens, Vice Chair (D)
Sen. John Brenden (R)
Sen. Betty Bruski-Maus (D)
Sen. Delwyn Gage (R)
Sen. Tom Hager (R)
Sen. Ethel Harding (R)
Sen. Ed Kennedy (D)
Sen. Terry Klampe (D)
Sen. Francis Koehnke (D)
Sen. Kenneth Mesaros (R)
Sen. Doc Rea (D)
Sen. Bill Wilson (D)

Members Excused: Senator Hager

Members Absent: None.

Staff Present: Bart Campbell, Legislative Council
Kristie Wolter, Committee Secretary

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

Committee Business Summary:

Hearing: HB 356, HB 305
Executive Action: None.

Announcement:

Beth Baker, Department of Justice, stated there were three alternative sets of amendments on HB 222 and supplied the Committee with a copy of the amendments (Exhibit #1). She stated the first alternative would drop the fees from \$300 to \$200 for licensing and from \$175 to \$100 for endorsement. She stated alternative one would also exempt portable fire extinguishers. She stated the second alternative would keep the portable fire extinguishers under regulation only for servicing and not for selling. She stated the portable servicers would have to pay a

\$200 licensing fee and no endorsement fee. She stated the third alternative would repeal the current statutes. She stated the preferable alternative was the second one.

Senator Lynch stated the changes would reduce the full-time employees (FTE's) from three to two. He stated the plan-reviewer would be eliminated, but a deputy fire marshall and a clerical worker would be added. He stated the fire marshalls were going to attempt educating volunteer fire departments on inspection procedures.

Senator Brenden asked Ms. Baker if, under the second alternative, a Coast-to-Coast store operator would have to pay the licensing fee. Ms. Baker stated there would be no fee for selling of fire extinguishers.

Senator Koehnke asked Ms. Baker if it would be feasible to train one person in each district, city or town to run the inspections. Ms. Baker stated the Department was working toward implementing the situation described by Senator Koehnke.

Senator Lynch opened the floor for comments from the audience.

Ken Olson, Northerntier Fire Protection, stated he felt the second alternative was a fair one and expressed his support of it.

Kelly Flaherty, stated it is important for the portable fire extinguishers to be serviced by qualified persons. She stated the second alternative was acceptable.

Senator Gage asked Ms. Baker what opinion the Department and other people involved had of the third alternative. Ms. Baker stated most of the people she had contact with did not want the third alternative.

Senator Kennedy asked Ms. Baker if, under the second alternative, the portables were still included. Ms. Baker stated the portables were in alternative 2, but only for servicing of the extinguishers.

HEARING ON HB 356

Opening Statement by Sponsor:

Representative Bob Gilbert, House District 22, stated HB 356 would clarify the Public Service Commission's (PSC's) authority to regulate motor carrier fitness. He said HB 356 would also allow the PSC to investigate complaints concerning the violations of Title 69. He stated the law states that in order to apply to be a motor-carrier, a person must meet certain requirements of "fitness" and public need. He stated there have been complaints about carriers and the PSC has found the law is not clear on

their ability to enforce the "fitness" requirement after the initial application process.

Proponents' Testimony:

Tim Sweeney, Montana Public Service Commission (MPSC) read from prepared testimony in support of HB 356 (Exhibit #2).

Ben Havdahl, Montana Motor Carriers Association, stated his support of HB 356.

Sue Weingartner, Montana Solid Waste Contractors, stated her support of HB 356.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Gage asked Mr. Sweeney to define "fitness" as it pertains to motor carriers. Mr. Sweeney stated "fitness" was determined by the Commission. He stated the Commission would look at a carrier's financial base, financial resources for maintenance, equipment base, and insurance. He stated illegal operations or any past evidence a carrier has engaged in illegal operations is considered for the determination of "fitness".

Referring to line 20, Senator Gage asked Mr. Sweeney what kinds of penalties could be imposed. Mr. Sweeney stated the Commission currently has the ability to fine carriers and revoke or suspend certificates. Senator Gage asked Mr. Sweeney what size fine could be assessed. Mr. Sweeney stated the fines could be up to \$1000.

Closing by Sponsor:

Representative Gilbert closed stating HB 356 was a "housekeeping" bill to clarify the law. He asked the Committee for favorable consideration and stated Senator Swysgood would carry HB 356 on the Senate floor.

HEARING ON HB 305

Opening Statement by Sponsor:

Representative Mike Kadas, House District 55, stated HB 305 would address the current statute which would require a person trying to start a limousine service to get a license. He stated in order to attain a license for a limousine, a person must prove

"public need" for a limousine in the area where the license would be used. Representative Kadas stated the "public need" was shown by petition. He stated the "public need" could be disputed by already existing limousine services. He stated the statutes, as they stand, cause a monopoly for the counties with existing limousine services. He stated limousines are a "luxury" and there should be no monopoly on them. He stated HB 305 would eliminate the requirement for meeting the "public need" test. He stated the "public need" test means if a person already has a limousine in an area, and that person says they could meet the need that a competitor is claiming, then the competitor cannot enter into the market. He stated HB 305 would allow for competition in the area of limousine service.

Proponents' Testimony:

Debbie Bartlett, Camelot Limousine Service, read from prepared testimony in support of HB 305 (Exhibit #3).

Ted Macy, Former Montana Public Service Commissioner, read from prepared testimony in support of HB 305 (Exhibit #4).

Duane Bartlett, stated his support of HB 305. He stated the opponents were afraid of competition. He stated quality service should be the base for competition in the market and if a limousine company can provide quality service, they will be able to compete.

Robin McCue, Attorney, PSC, took a neutral position on HB 305. He stated the PSC would propose an amendment to line 2, page 12 which would change the 2 hour limitation to 24 hours. He stated the longer the period required to reserve the limousines, the lower the impact HB 305 will have on taxi companies. Mr. McCue stated it is important for the public interest that the PSC maintain viable taxi service.

Opponents' Testimony:

Ben Havdahl, Montana Motor Carriers Association, stated his opposition to HB 305 and read from prepared testimony (Exhibit #5).

Jacque Christofferson, Valet Limousine Incorporated, stated her opposition to HB 305. She stated she had paid \$20,000 to obtain her "Certificate of Need" and if HB 305 passed, she would lose that investment. She stated the "public need" clause is vital.

Dean Holmes, Limousines of Montana, stated his opposition to HB 305. He stated the statute as it stands provides for public safety and the rights of the public.

Rhonda Estes stated HB 305 would deregulate limousines. She

stated her concern was with section 2, line 19 which addresses public need. She stated through deregulation, the PSC would give the limo operator the power to decide where, when and how the public would be served.

William Bennett, General Manager, Karst Stage, stated "public need" was the foundation of the current statute. He stated HB 305 would have a serious effect on motor carriers. He stated limousines should be covered by HB 305, but motor carriers should be exempt. He stated the provision addressing vehicles of "up to 13 passengers". Mr. Bennett stated most limo operators only carried 6 or 7 passengers. He stated the 13 passenger provision would affect buses.

Larry Wright, Limousine Service Owner, stated there is a "need" for limousine services. He stated the limousine services are required to fill a need. He stated existing limousine services have no control over anyone else getting into the business. He stated if the need increases, then additional authority would be granted.

Leroy Christofferson, Valet Limousine Services, stated the PSC is doing its job and stated his opposition to HB 305.

Leona Knutson, Former Owner, Valet Limousine Services, stated her opposition to HB 305. She asked the Committee to consider the struggling owners of the limousine services before passing HB 305.

James Michael, Kalispell Taxi, stated his opposition to HB 305. He stated HB 305 would have an impact on taxi services.

Questions From Committee Members and Responses:

Senator Christiaens asked Mr. Bennett about the 13 passenger provision and why he felt the services should be exempted from that number of passengers. Mr. Bennett stated the 13 passengers should be changed because there are no limousines which could carry that number of passengers. He stated the normal passenger load is anywhere from 6 to 8.

Senator Mesaros asked Mr. McCue what the criteria for "public need" was. Mr. McCue stated "public need" was determined by the Commission. He stated they PSC asks for "shipper witnesses" which are persons who say they want to use a limousine in the area but have no limousine services available to them. He stated the existing carriers may then come forward and state they had never received a call for business, or they do not agree. He stated if there is an existing carrier who is able to meet the need, the application will be denied.

Senator Rea asked Mr. McCue if the proponent's petitions were usable. Mr. McCue stated the petitions are not any good in a

formal hearing, but their testimony must be on the record in that hearing.

Senator Wilson asked Representative Kadas if HB 305 was the first attempt at deregulating limousine services. Representative Kadas stated it was.

Senator Wilson asked Mr. McCue how many other states had deregulated the limousine industry. Mr. McCue stated he did not have the information but could obtain it.

Senator Brenden asked Ms. Christofferson what the \$20,000 included. Ms. Christofferson stated she paid \$20,000 for her authority.

Senator Rea asked Mr. Havdahl if there were any other motor carriers in the state which were not regulated. Mr. Havdahl stated many motor carriers were not regulated through the PSC. He stated the transportation of unregulated commodities did not fall under the regulation of the PSC. Senator Rea asked Mr. Havdahl what the concern was with deregulation of limousine services. Mr. Havdahl stated deregulation would take away the "public need" criteria for all motor carriers.

Senator Klampe asked Mr. Havdahl if he supports the regulation by the PSC. Mr. Havdahl stated that was correct.

Senator Klampe asked Mr. McCue why limousine services were currently regulated. Mr. McCue stated the service was regulated because it provides a luxury service and is not necessary or in the public interest. Senator Klampe asked Mr. McCue if he would feel there should be a limit on the number of dentists in the state. Mr. McCue stated his personal opinion was there should be no limitation on the number of dentists, but the PSC has not taken a position on the issue.

Senator Gage asked Mr. McCue if the PSC was at all responsible for the limitation of services. Mr. McCue stated the PSC had some responsibility because any injury incurred would be unfortunate under economic regulation.

Senator Lynch asked Mr. McCue why Cadillac taxi cabs were any different than a limousine. Mr. McCue stated the difference would be in the charge for the services. Senator Lynch asked Mr. McCue if taxi cabs fall under the same laws as limousines. Mr. McCue stated taxi cabs do fall under the same statutes.

Senator Kennedy asked Mr. McCue if the prices for limousine services were set by the PSC. Mr. McCue stated there are tariffs set by the PSC on limousines.

Senator Klampe asked Representative Kadas if he was for complete deregulation of limousines. Representative Kadas stated he felt complete removal from PSC authority would not be appropriate. He

stated there is a public interest and the rates for limousines should be controlled by the PSC. He stated the issue HB 305 was addressing was the regulation of competition.

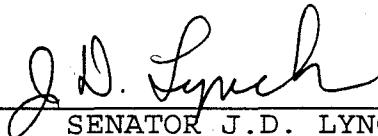
Senator Rea asked Representative Kadas why hb 305 contained the provision for 13 passengers. Representative Kadas stated the original bill had stated 9 people, and people had testified a stretch limousine which would hold 13 people existed.

Closing by Sponsor:

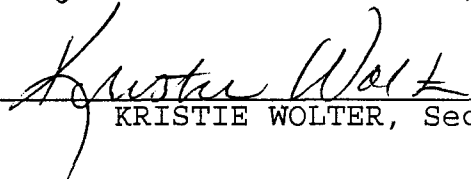
Representative Kadas stated the PSC has set up a monopoly and the price of \$20,000 for a permit proved there is a problem. He stated the consequence of deregulation would just be the elimination of the "public need" clause and establishment of a competitive market. He stated taxis are not an issue, and the concern with the 2 hour limit could be addressed through an amendment by the Committee. He stated HB 305 delineates the difference between taxi's and limousines on page 2, lines 10 through 14.

ADJOURNMENT

Adjournment: 11:17 a.m.



SENATOR J.D. LYNCH, Chair



KRISTIE WOLTER, Secretary

JDL/klw

ROLL CALL

SENATE COMMITTEE Business & Industry DATE 3/5/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Lynch	✓		
Senator Christiaens	✓		
Senator Bruski-Maus	✓		
Senator Gage	✓		
Senator Hager			✓
Senator Harding	✓		
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Koehnke	✓		
Senator Mesaros	✓		
Senator Rea	✓		
Senator Toews	✓		
Senator Wilson	✓		

Amendments to House Bill 222
House Third Reading Copy

Prepared by Department of Justice

Alternative One

1. Page 1, line 25.
Following: "of"
Strike: "servicing"
2. Page 2, line 1.
Strike: "fire extinguishers, or before engaging in the business of"
3. Page 2, line 11.
Strike: "TO SERVICE fire extinguishers, OR"
4. Page 2, line 22.
Strike: "service a fire extinguisher or"
5. Page 5, line 3.
Following: "annual"
Strike: "\$300"
Insert: "\$200"
6. Page 5, line 6.
Following: "(A)"
Strike: "\$100 TO SERVICE FIRE EXTINGUISHERS;"
7. Page 5, line 7.
Strike: "(B) \$175"
Insert: "\$100"
8. Page 5, line 9.
Strike: "(C) \$175"
Insert: "(b) \$100"
9. Page 5, line 11
Strike: "(D) \$175"
Insert: "(c) \$100"

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE _____

BILL NO. _____

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE 3/5/68

BILL NO. HR 222

Amendments to House Bill 222
House Third Reading Copy

Prepared by Department of Justice

Alternative Two

1. Page 2, line 11.
Strike: "TO SERVICE fire extinguishers OR"
2. Page 5, line 3.
Following: "annual"
Strike: "\$300"
Insert: "\$200"
3. Page 5, line 6.
Following: "(A)"
Strike: "\$100 TO SERVICE FIRE EXTINGUISHERS;"
4. Page 5, line 7.
Strike: "(B) \$175"
Insert: "\$100"
5. Page 5, line 9.
Strike: "(C) \$175"
Insert: "(b) \$100"
6. Page 5, line 11
Strike: "(D) \$175"
Insert: "(c) \$100"

Amendments to House Bill 222
House Third Reading Copy

Prepared by Department of Justice

Alternative Three

1. Page 1, line 5.
Following: "ACT"
Strike: "REVISING"
Insert: "REPEALING"
2. Page 1, line 7.
Following: "EQUIPMENT"
Strike: "AMENDING"
Insert: "REPEALING"
3. Page 1, line 9.
Following: "AN"
Strike: "APPLICABILITY"
Insert: "IMMEDIATE EFFECTIVE"
4. Page 1, line 11.
Strike: lines 11 through 17 in their entirety.
5. Page 1, line 19.
Following: line 19.
Strike: remainder of page 1 and all of pages 2, 3, 4, 5, and 6.
Insert: "NEW SECTION. Section 1. Repealer. Sections 50-39-101, 50-39-102, 50-39-103, 50-39-104, and 50-39-105, MCA, are repealed."
6. Page 6, line 18.
Following: line 18.
Insert: "NEW SECTION. Section 2. Effective date. [This act] is effective upon passage and approval."

HOUSE BILL 356

Tim Sweeney, Staff Attorney
Montana Public Service Commission

The Montana Public Service Commission (Commission) considers carrier fitness to be an integral component of motor carrier regulation in this State. The term "carrier fitness" refers to the Commission's determination of whether a carrier is actually fit, willing and able to provide service to the public. In making this determination the Commission considers a carrier's experience and past operations, its financial condition and equipment base, and whether the carrier truly intends to provide service. If a carrier cannot demonstrate that it is qualified to provide service to the public, then the Commission will not grant a certificate of operating authority.

While the requirement that a carrier be fit, willing and able to provide service is axiomatic to the granting of operating authority, this requirement was successfully challenged in state district court. In Wilson v. Department of Public Service Regulation, CDV-92-972 (First Judicial District, Oct. 20, 1992), the court held that the Commission could not proceed with an enforcement action based on carrier fitness because there was no statute requiring a carrier to be fit, willing and able to provide service.

Section 69-12-323, MCA, permits the Commission to grant a certificate of operating authority only when a carrier's service is required by public convenience and necessity. Though the Commission believes that a determination of carrier fitness is

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 3

DATE 3/5/93

BILL NO. HB 305

Dear Senators,

Before your committee is HB305. Removing having to show need and necessity when applying for a Limousine certificates with The Montana Public Service Commission. The law was made in 1930's and in 1993 it is out of date and needs to be changed. *Limousine are a luxury vehicle that are totally optional.*

With the new law a person will still have to apply with the P.S.C.. The person will still have to meet all other requirements such as insurance, financial fitness and rates and rules.

The current law has created a **MONOPOLY SYSTEM**. These monopoly businesses protest and keep other people from opening new business that would give them competition. There are limousine businesses that sit on counties and don't run them to their fullest yet they protest others and keep them out that want to service those areas. Competition is the best for the people in Montana, it give people a choice that many in Montana don't have.

We went through the system of the P.S.C.. The current law has the new application prove fault and put down the current carriers. In May we went through a 7 1/2 hour hearing, 100 signed statements of support, 7 witnesses. I feel that we proved the business where not filling the needs of the people.

The new law is very specific to only limousines. Taxi services have been protected by a 2 hour reservation. Many limousine business have a 12 hour reservation. Buses have absolutely nothing to do with limousines. With this new law it will not make limousine business worth any less. What make a business worth any amount of money is the businesses reputation, loyal customers and the amount of revenue it produces. Not all limousine business have been bought.

We have 7 counties, Cascade being airport authority only. We had to apply for 12 counties because of the wording you have use. Originate and terminate. We had plains to be working with outfitters and fishing guides. We where planing on using Missoula and Kalispell airports. We can't originate in Missoula County at all, where we live and work.

Please help us change this over 60 year old law. The citizens of Montana will be greatly benefited.

Sincerely,

Debbie J. Bartlett
Camelot Limousine Service
100 N. Johnson #8
Missoula, MT 59801
549-4524 or 240-5466

Ted C. Macy
721 Cole Avenue
Helena, MT 59601
Ph. (406) 443-6085

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4

DATE 3/5/93

BILL NO. HB 325

Honorable Montana Senators
Capitol Station
Helena, MT 59620

March 2, 1993

Re: House Bill #305

Honorable Senators:

As a former Montana Public Service Commissioner I had a very unfortunate introduction to the regulation of limousine service in this state. The very first public hearing that I conducted concerned the application of Debbie and Duane Bartlett for a certificate of authority to operate Camelot Limousine Service. To me, a limousine service is clearly a luxury type of service and by no means a necessity to the general public. Therefore, it is not of governmental importance whether or not there is only one, ten, or even zero limousine services available, although it is nice if limousine services are available to the public.

So, although I was surprised to find the service under such strict regulation from the competition perspective, as opposed to just ensuring that normal safety and insurance practices are complied with, after conducting the hearing I was prepared to recommend to the other Commissioners that the Bartlett's application for a certificate of authority be granted. However, during succeeding meetings with PSC staff members I was astounded to find out that according to state law there is not any way the Commission could legally defend granting them a certificate.

I learned that in order for the Commission to approve the application, three criteria must be satisfied in order to prevent the Commission's decision from being overturned in court. First, "need" must be established. This is appropriate when considering additional authorities for necessary and essential services, but seems ridiculous for unessential, luxury services. Second, if "need" is established, then the Commission must determine that the existing carrier cannot or will not service this need before the decision making process can advance to the next criteria. Although this second criteria provides justifiable stability and continuity to essential public services, it effectively establishes an unjustifiable monopoly for non-essential services. So, only if it can be determined that the existing carrier cannot or will not service the documented "need" can the possibility of granting a certificate proceed to the third criteria, which is: that granting an additional certificate of authority cannot result in financial harm to the existing carrier! Again, this provides important

stability and continuity to essential public services but is not justifiable or reasonable in the case of non-essential, luxury type services. This criteria effectively removes the prospect of free enterprise and the benefits of competition from non-essential public transportation services.

I know that you, the present senators, probably had nothing to do with creating this unfair and unreasonable situation. Understandably, I was reluctant to follow the legislature's law in this specific case. Unfortunately, to ignore the criteria and grant the certificate would just lead to the decision being overturned in court at a considerable expense to the PSC, and ultimately, the ratepayers.

You should know that the "unreasonableness of my decision" was widely portrayed numerous times in the Missoula media during my election campaign. I do not blame, or hold it against the Bartlett's for taking their case to the media, but I was unfairly cast as the villain in the situation and this cost me dearly in the election. Many people, even close friends, were perplexed and angered by such a seemingly flagrant, outrageous, anti-free enterprise decision. I hope you can understand why I feel like the lawmakers' scapegoat in this matter. Now, the problem is rightfully in your hands. Do what is right from a governmental perspective and do what is best for the people of Montana; correct this situation.

Sincerely,



Ted C. Macy
Former Montana Public Service Commissioner
District 5 (Northwest Montana)

Statement to the Senate Business and Industry Committee

HB 305 - March 5, 1993

Presented by Ben Havdahl

Montana Motor Carriers Association

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 3/5/93

BILL NO. HB 305

Mr. Chairman. Members of the Committee. For the record I am Ben Havdahl, representing the Montana Motor Carriers Association. MMCA represents 440 motor carrier members. Included are members with intrastate bus authority and limousine authority.

MMCA, as a matter of policy strongly supports the Montana Motor Carrier Act and has great concern about the provision of HB 305, eliminating the requirement that an applicant for limousine authority show "public need."

The provision on page 4 of the bill states, for purposes of issuing operating certificates for limousine serviced, a determination of public convenience and necessity does not include consideration of public need."

This provision removes the standard of evidence required by the Motor Carrier Act for issuance of new authority necessary to support a healthy motor carrier transportation system. The present statutes require that the evidence shows that public convenience and necessity (public need) require the authorization of the service proposed. (69-12-323 MCA)

This proposed provision in HB 305, if adopted, may well impact all motor carriers if the element of public need is removed from the law for limousine service. Therefore MMCA opposes this bill. We find no apparent rationale for eliminating a showing of public need for limousine service as opposed to the transportation of all other regulated commodities for which public need must be shown to obtain authority.

The role of the Public Service Commission is to encourage and promote a strong motor carrier industry to serve Montana. Through regulation, the public is assured that a sound transportation system exists for the benefit of all and not for the interests of a select few.

The criteria of public need has long been the basic standard for granting transportation authority. Public need is one of the very foundations of the Motor Carrier Act. Operating licenses are called Certificates of Public Convenience and Necessity, in effect certificates of "public need".

To remove the basic element of public need in granting an authority is to undermine the very intent of regulation - that of maintaining a strong common carrier system to meet the needs of the shipping public.

Proponents of HB 305 argue that limousines provide service to only a select few of the public, who are capable of obtaining the necessary service at an acceptable rate from carriers capable of providing safe, clean, well-maintained equipment. As such limousine service is not representative of the transportation industry as a whole.

If that is true and if public need is not to be considered in granting authority to limousines, then limousine transportation should be exempted entirely from PSC regulation.

Motor carrier regulation has served a useful purpose in Montana for many years, 61 to be exact...the act and I are same age, both born in 1931. Easing entry for limousines opens the door for piecemeal deregulation, case by case, special interest, by special interest, commodity by commodity. The issues of regulation, pros and cons, are complex in nature, and merit a much more thorough review that contemplated by HB 305.

MMCA would urge a do not pass recommendation for this bill. Failing that, alternatively, to entirely exempt limousine transportation from PSC regulation.

Thank you.

WASHINGTON CORPORATIONS

101 INTERNATIONAL WAY
POST OFFICE BOX 8182
MISSOULA, MONTANA 59807
TELEPHONE: (406) 523-1300
FAX: (406) 721-4794



SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 6

DATE 3/5/93

BILL NO. HB 305

2/1/93

To whom it may concern:

Deb Bartlett and her husband have done work for us for two years and I have known them as honest, and hard working entrepreneurs who provide quality service and deliver what they promise. I consider their concept of starting a competitive limo service in Missoula as a fine example of the spirit of free enterprise and the American dream.

I have difficulty understanding the logic of applying the strict interpretation of what sounds to me like an antiquated law to suppress the ambition of these fine people. The use of the Public Service Commission to enforce a monopoly is not a service to the public, and contrary to the spirit of free enterprise and the purpose for which it was established. As a private citizen, and the manager of an operation likely to use such a service, I would appreciate the opportunity to have a choice.

Sincerely yours,

A handwritten signature in cursive script that reads "Thomas R. Philips".

Thomas R. Philips
Chief Pilot/Director of Flight Operations



TURN ON THE LITE™

February 25, 1993

Mr. J.D. Lynch, Chair (D)
Montana Senate - Business and Industry Committee
Capitol Building, Room 410
Helena, MT 59601

"HOUSE BILL 305"
REMOVES LIMOUSINES FROM HAVING TO SHOW NEED AND NECESSITY

We support *House Bill 305* that stands before the Senate Committee, partially deregulating limousine services in the state of Montana. The *Montana Motor Carrier Act*, which dates back to 1931, was written to provide a dependable transportation system to the state and to regulate public transportation at a time when few Montanan's had access to their own motorized transport. We support a change in the *Act* which would delete the requirements that applicants show a public "need and necessity".

- A) The requirement that applicants demonstrate a public necessity is burdensome because limousines are categorized as luxury items. A luxury item provides the consumer with an option. Bus lines, taxi cabs, etc. are public transportation or public necessity. Limousine services are not a necessity to the public.
- B) The requirement that applicants show a need is burdensome since the demand for limousine services cannot be accurately measured by the experience of currently licensed carriers. Given the number of other options for private transportation available (rental cars, etc.), in any given location, the demand variable is subject to the effects of marketing, advertising and level of services provided.

Sincerely,

Sheila Callahan
GM//KMSO

SC:rm



MISSOULA-PARKSIDE

200 South Pattee Street
Missoula, MT 59802

406/721-8550

March 3, 1993

Montana State Senators
Business and Industry Committee
State Capital
Helena, MT

Dear Senators:

Please support Bill HB305 which deals with the P.S.C. and limousines. The new law will remove having to show need and necessity. The present monopoly system in limousines is not to be benefit of the citizens or businesses in Montana.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Parker". The signature is written in black ink and is positioned above the typed name.

Carolyn Parker
Asst. General Manager

Dear Senators;

I am a graduating senior in the school of business at the University of Montana. My fiancée and I decided that it would be a nice touch to be picked up from graduation ceremonies by a white stretch limo and taken to our wedding reception. These are the circumstances that put me in touch with the Camelot Limousine service.

When I called Camelot to inquire about their service, I was told that in order for them to meet my needs, they were required to pick me up at the Ravalli county line some 16 miles from Missoula. You can imagine my surprise. I still can't believe that this domestic restraint of trade still exists in this day and age, I am told that the law disallowing more than one limo service in a given area dates back to the 1930's. Well I am here to tell you, this law has outlived its usefulness, and anyone that doesn't see that has outlived their usefulness as well.

Please realize that we live in a different world than existed in the 1930's. Back then, Henry Ford could tell people, "You can have any color you want as long as it's black" because consumers had no other choice. Today is a different story. Merchants and manufactures realize that consumers not only like and want choice, they demand it. In a free enterprise system, consumer sovereignty should determine who the successful and competitive businesses will be not government regulation.

I chose Camelot over the other service provider for several reasons. First, they had the product I was interested in. Their limo is white whereas the other service has a gray car. Secondly, their prices were more competitive. It will cost us \$65. less for the same service through Camelot. This is a substantial savings for college students. And last but certainly not least, was the concern for my personal needs that was expressed by those at Camelot. Even if my first two reasons had been violated, I would still have chosen Camelot due to the third. That may not be rational, but that is what consumer choice is all about.

Perhaps Adam Smith, the father of modern economics, said it best when he referred to competition as the "invisible hand". It keeps prices in line and it

maintains a high quality of service to the consumer. Where as, a lack of competition breeds mediocrity and contempt for consumer needs. After all, if you're the only game in town, where is the incentive to try harder?

The point is, in America our entire market system is built on the precept of free competition and the belief that monopolies are an unfair business practice. Please don't make hard working consumers bear the burden of what this law and others like it do. That is, increase prices and lower quality. Please, take a stand and vote out mediocrity and give the power back to the people.

An Unsatisfied Consumer,

Kandy L. Fox

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(406) 721-9765

DATE 3/5/83

SENATE COMMITTEE ON Business and Industry

BILLS BEING HEARD TODAY: HB 305, HB 356

Name	Representing	Bill No.	Check One Support Oppose
Debbie J Bartlett	CAMELOT LIMOUSINE		✓
Jarque Christofferson	VALET Limousine Inc.	HB 305	✓
Rhonda Estes	Public	HB 305	✓
WILLIAM C BENNETT	KARST STAGE, INC	HB 305	✓
Leona Knutson	Self	# HB 305	✓
TIM SWEENEY	FSC	HB 356	✓
Leroy Christofferson	VALET LIMU INC	# 305	✓
Ed Wright	DAKE TO KACATE	305	✓
Ann Wright	DAKE TO KACATE	305	✓
B. DEAN HOLMES	LIMOUSINES of MT	305	✓
Rose Holmes	Limousines of Mt.	305	✓
Ted Macy	Self	305	✓
Alie Kerkman	MT Salvage Waste Contractors	305	✓
James & Michael	KALISPELL TAXI	305	✓
Ben Hardan	MT Motor Carriers	305	✓
" "	" " "	356	✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY