

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS & TRANSPORTATION

Call to Order: By **CHAIRMAN SHIELL ANDERSON**, on March 15, 1995,
at 3:08 p.m.

ROLL CALL

Members Present:

Rep. Shiell Anderson, Chairman (R)
Rep. Rick Jore, Vice Chairman (Majority) (R)
Rep. Patrick G. Galvin, Vice Chairman (Minority) (D)
Rep. Joe Barnett (R)
Rep. Matt Brainard (R)
Rep. Robert C. Clark (R)
Rep. Charles R. Devaney (R)
Rep. Marian W. Hanson (R)
Rep. Rod Marshall (R)
Rep. Linda McCulloch (D)
Rep. Daniel W. McGee (R)
Rep. Jeanette S. McKee (R)
Rep. William M. "Bill" Ryan (D)
Rep. Dore Schwinden (D)
Rep. Roger Somerville (R)
Rep. Joe Tropila (D)
Rep. Jack Wells (R)

Members Excused:

Rep. Don Larson (D)

Members Absent: None

Staff Present: Connie Erickson, Legislative Council
Kim Greenough, Committee Secretary

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

Committee Business Summary:

Hearing: SB 282, SB 321, SB 378
Executive Action: None

{Tape: 1; Side: A; Approx. Counter: 002; Comments: None.}

HEARING ON SB 282Opening Statement by Sponsor:

SEN. JIM BURNETT, SD 12, presented SB 282. He said the bill was given to him by the landowners located on the Beartooth Front where proposals to make highway changes are occurring. This bill would require the Department of Transportation to have a survey boundary line that is acceptable. He explained that each line is measured on each side and that is the amount of line taken by the highway. This should be acceptable as a legal survey and this bill would set up acceptable boundaries. It would make distinctions in case someone wanted to adjudicate because of the right of way. Most people want to argue a point about the right of way, but this is just a survey.

Proponents' Testimony: None

Opponents' Testimony:

Jim Kembel, City of Billings, testified against the bill. The City of Billings is opposed to the legislation because every right-of-way obtained requires a complete survey. He pointed out the additional costs to the city as well as the liability of those projects. EXHIBIT 1

Questions From Committee Members and Responses:

REP. MATT BRAINARD asked about the cost of the things they wanted to survey. SEN. BURNETT said when the highway makes this survey they give designated survey points on the highway so there is someplace for a boundary line. Right now they don't do that, they make a line and measure and take so much land for the highway. REP. BRAINARD commented that when they survey they use plats and tie into survey corners and regular boundary lines. SEN. BURNETT said they have had some problems in this area.

REP. ROGER SOMERVILLE asked Marvin Dye, Director, Department of Transportation (DOT), about information he had received from the Flathead County Clerk and Recorder, who is also a surveyor. He referred to three documents which legally describe the land which were submitted by DOT to Flathead County. He said these documents would not be able to be used but would have to be redone to tie in some points. Marvin Dye referred to Gary Gilmore for consultation.

REP. JACK WELLS asked Mr. Kembel what the City of Billings would do differently under this bill with regard to surveys. Mr. Kembel replied that the way the legislation was written they would have to resurvey the complete property which requires a lot more work, rather than just taking the highway into account.

REP. BOB CLARK asked Mr. Kembel if this was just the Department of Transportation bill or did it include the City of Billings.

He replied that they operate under the same section of laws for this purpose.

CHAIRMAN ANDERSON asked **SEN. BURNETT** how the fiscal note would be changed. **SEN. BURNETT** said there was no argument about the whole parcel but rather that boundaries need survey markers. **Mr. Gilmore** discussed the original fiscal note which involved resurveying every parcel and incorporating it as a subdivision, then basically they were subdividing a parcel when taking an acre or five acres or whatever. However, that was amended in the Senate Local Government Committee, so presently the fiscal note stands at \$450,000. **CHAIRMAN ANDERSON** asked for clarification of the underlined portion on page 2, line 4, 5, and 6.

Mr. Gilmore replied that meant previously they had to survey every parcel in the introduced bill. Currently if it is a subdivision, those corners need to be established which were just taken previously.

{Tape: 1; Side: A; Approx. Counter: 420; Comments: n/a.}

CHAIRMAN ANDERSON asked if that meant they had a certificate of survey at that point. **Mr. Gilmore** replied that private land surveyors would need to be hired and would provide a certificate of survey which would be a revised certificate for the parcel.

CHAIRMAN ANDERSON asked if that certificate would then be shared with the landowner. **Mr. Gilmore** replied that it would if he filed at the courthouse.

CHAIRMAN ANDERSON asked if he owned a quarter mile running along a highway and the neighbor had a quarter mile platted to be subdivided, would the department survey just to the center line on the first quarter mile, but on the part that is subdivided would that landowner get a certificate to say where those corners are. **Mr. Gilmore** said the landowner with the subdivision would get a certificate to tell where those corners are and pins in the ground that shows where they are.

REP. PAT GALVIN questioned the fiscal note on the first assumption where the bill would require a survey to reestablish property corners of tracts of land created by the certificate of survey or recorded subdivision. Would those corners be on those subdivided lots or are they on townships? Would the corners of townships need to be reestablished? **Mr. Gilmore** replied only on the subdivided lots.

REP. BILL RYAN asked **SEN. BURNETT** what the obstacles to the bill were in his opinion. **SEN. BURNETT** replied that surveys done in the past don't show a point of survey. There is just the highway center which is marked through and so much on each side is designated. **REP. RYAN** asked if the problem comes up when they try to sell the land. **SEN. BURNETT** replied yes, that was right.

Closing by Sponsor: SEN. BURNETT closed on the bill.

HEARING ON SB 321

Opening Statement by Sponsor:

SEN. CHARLES SWYSGOOD, SD 17, presented SB 321 which would increase the percentage of gasoline license tax to snowmobiles. He explained that last special session this account was cut. The accounts are set up for not only snowmobiles but for off-road vehicles. The bill increases the fee. He discussed the study done by the University of Montana during the interim regarding the increase of snowmobile use. In concurrence with the Contractors Association, Department of Transportation and the Snowmobile Association this percentage was agreed upon based on the number of snowmobiles registered and those that were not. About 18,000 snowmobiles are registered, however 54,000 are potentially out there. Some people use them on their own land which is exempt. The Snowmobile Association is conducting some educational programs to increase awareness of the need to register.

Proponents' Testimony:

Arnie Olson, Administrator, State Parks Division, Department of Fish, Wildlife and Parks (FWP), testified in favor of the bill. He said the department works with these groups to establish and maintain the groomed trails, provide safety education and law enforcement. Increased demand requires increased grooming. Despite the requests, grooming has decreased due to the age of the fleet of the State's groomers and the increased cost of keeping these groomers functional. SB 321 would provide increased funds to meet the needs of the trail users and provide a more balanced safety program. EXHIBIT 2

Ken Hoovestol, Montana Snowmobile Association, testified in support of the bill. EXHIBITS 3 and 4 He pointed out that the bill is not a grant, a gift or a tax increase. He noted that the fiscal note sounds like a lot but that it reflected the special session cuts and amounts to a 10% increase. This was an agreed upon compromise. He pointed out the study and the efforts on registration compliance.

{Tape: 1; Side: B; Approx. Counter: 000; Comments: n/a.}

Dennis Ogle, President, Montana Snowmobile Association, testified in support of the bill. EXHIBIT 5 He pointed out that snowmobilers have always paid their way. The funding comes from a gas tax refund. He discussed the University of Montana study that shows the dollars paid by snowmobilers in gas taxes.

Brad Griffin, Montana Retail Association, testified for the bill. He said this influx of tourists was important to maintain good

business for Montana's economic future. **EXHIBIT 6** He pointed out that tourists have spent over \$12 million in the retail business.

Marvin Dye, Director, Department of Transportation, spoke about the bill and expressed his support.

{Tape: 1; Side: B; Approx. Counter: 140; Comments: n/a.}

Carl Schwietzer, Montana Contractors Association, presented an amendment to the bill. **EXHIBIT 7** He reiterated that of the 54,000 snowmobiles in Montana, only one third were registered. He suggested inserting "registered" on page 2, line 23 to clarify how to determine how much money snowmobilers are receiving.

Jess Smith, President, Helena Snowdrifters, testified in support of the bill. **EXHIBIT 8** He pointed out that snowmobilers were off-road users and essentially funded their own program. He discussed the past funding and what the group has done with the money. He demonstrated the importance of safety and grooming maintenance. He pointed out the great influx of tourist dollars generated by this snowmobile industry.

Bob Bushnell, Ponderosa Snow Warriors, Lincoln, spoke in favor of the bill. He said they have an antiquated machine trying to keep the trails up for the local demand as well as the tourists that come into the area. Breakdowns are a continual problem.

Peggy Trenk, Western Environmental Trade Association, spoke in favor of the bill. She said the Montana Chamber of Commerce and its director, David Owen, also support the bill. She pointed out that recreation is a growing industry in Montana. **EXHIBIT 9**

Dan Bushnell, Glendive, spoke for the bill. He said that many enthusiastic people in the state travel into other parts of the state. He urged passage of the bill.

Opponents' Testimony:

Mike Ford, Equipment Operator, spoke in opposition to the bill. He explained that 20 years ago he worked in road construction around the state. He said the bill poses a serious threat, one that would divert a lot of money away from the highway fund. He said this affected him directly as an equipment operator since there seems to be less work. He said this would be a frivolous use of the gas tax money since there are many people that depend on this money to make a living and they should keep as much money in the highway program as possible.

Mike Grayson, Anaconda, testified against the bill. **EXHIBIT 10** His concern was at a time when funding was being cut for roads, schools, mental health, child welfare and other programs based on public needs, the legislature would consider a 50% increase in the subsidy for the snowmobile fund. He pointed out that the tax money is not a user's fee that entitles snowmobilers to keep. He

said that the tourists were coming into towns anyway and it had nothing to do with the snowmobile fund. He said that Montana citizens want their gas tax money spent on roads, schools and people, not on snowmobile trails.

Mark Good, Great Falls, testified against the bill. **EXHIBIT 11** He pointed out that when government is being asked to do more with less, it makes little sense to increase funding for the snowmobile program. He said it was inappropriate to divert more gas tax money from roads and highways when funding for basic public services and infrastructure should be a higher priority.

Bonnie Lockman, Great Falls, testified against the bill. She said she opposed money being spent that gives other people pleasure. She said she paid for her own pleasure and felt others should do the same. This money could go to other projects that need help.

Judy Kilmer spoke in opposition to the bill. She felt the money could be better used for the highways and it was inappropriate to take the money out of that program and give it to snowmobilers.

Questions From Committee Members and Responses:

REP. SOMERVILLE asked **Mr. Ogle** about the dollars. **Mr. Ogle** said he felt there would be an increase in funding, much of which would be applied to enforcement and registration. **REP. SOMERVILLE** asked **Mr. Silvester** from the University of Montana about the compliance. He explained the polls he used as far as number of people snowmobiling and ownership of machines. He said the results found that 10% of Montana households owned snowmobiles.

REP. SOMERVILLE asked **Mr. Bushnell** if people did not have groomed trails, where would they go. **Mr. Bushnell** replied they would be going where they shouldn't. The groomed trails help divert them into national forest areas where there are not problems with wildlife. He said there were hundreds of phone calls and letters asking for the groomed system. A good experience on groomed trails brings more tourist dollars into the state.

{Tape: 2; Side: A; Approx. Counter: 000; Comments: n/a.}

REP. SCHWINDEN asked **Mr. Silvester** about the snowmobiler study update and the random sampling. **Mr. Silvester** replied that number reflected just the registered snowmobilers. He asked about the problems arriving at the number of snowmobilers. **Mr. Silvester** said he then used a random sample of Montana households who own snowmobiles. This poll was repeated three times and the results were 10% each time.

REP. BRAINARD asked **Mr. Hoovestol** about page 2, line 17, where it looks like a sizable increase for the Fish, Wildlife and Parks Department. He replied that the registration fees amount to

about \$50,000 plus \$28,000 for a total budget of \$78,000. He said enforcement helps the industry. When looking at other states the amount of compliance is directly related to the amount of enforcement. **REP. BRAINARD** asked **Mr. Hoovestol** for an opinion on the amendment proposed by the Montana Contractors. He replied that he did not like the amendment. He said even though the number is based on the number of registered snowmobiles they would hate to see that become part of the statute.

One reason is that once the amount of gas used by non-resident snowmobilers that come into the state would not know how much gas they bring with them or how much they buy in town, how much was paid by rental operators. The funding should not be based strictly on Montana registered snowmobiles since there are other factors to consider.

{Tape: 2; Side: A; Approx. Counter: 256; Comments: n/a.}

Closing by Sponsor:

SEN. SWYSGOOD closed on the bill. He pointed out that during the special session this off-road use of highway funds was the only account where funding was cut. However, there is income generating from the snowmobiles that are not indicated from the percentage increase. The extra money is going into the department to fund whatever they see fit. The federal funds are already matched. He said the important thing to note is what this recreation brings into the state of Montana. Snowmobilers do purchase gasoline which is taxed. The tax goes to constructing highways, which is not used by off-road vehicles. That is why the funds are set up and this particular user continues to enhance it to promote that recreational activity for Montana and those from out of state who also engage in snowmobiling. He said this money is paid for by users, it is appropriate to put in the categories that are already in the statute.

HEARING ON SB 378

Opening Statement by Sponsor:

SEN. CHARLES SWYSGOOD, SD 17, presented SB 378. He explained the bill would eliminate state regulations for certain motor carriers and transfer the permit program to the Department of Transportation. He pointed out the concern by people over regulations. The reason for the bill is that the federal government deregulated motor carriers, however in that process, the state entered into a lawsuit against the federal government along with Oklahoma. The decision was to uphold the federal government's right to preempt state laws. This affected interstate motor carriers January 1, 1995.

SB 378 will take Montana motor carriers' property out of the Public Service Commission. However, it leaves regulated the household goods carriers, garbage carriers and carriers of passengers. He described the other transfers that would go into effect with the passage of the bill. He pointed out the amendment to address the "land farms." He said that waste tires and waste water should not be included and that was also addressed in the amendment. The reason the federal government left particular items regulated was because they were carriers of property that come in daily contact with the public.

Proponents' Testimony:

Jerome Anderson, Montana Passenger Carriers and the Bus, Taxi and Warehouse Carriers Association, testified in favor of the bill.

EXHIBIT 12 He described the history of the carriers, the reason they became regulated such as catastrophic accidents, inadequate service and discriminatory rates. He pointed out the results of deregulation in the 1980s in the loss of Greyhound and Intermountain bus lines, the loss of the Amtrak southern route and some portions of the northern route. A viable passenger carrier group in Montana is an absolute necessity for the state to participate in the tourist industry and other growing industries.

He discussed an Oregon study regarding the effects of deregulation at the federal level, such as safety problems, reduced maintenance and increased aging of equipment, business failures and substantial reductions in service especially to small rural communities. He said the bill would continue to leave that segment of the industry regulated so that service can be maintained, rates and charges will be controlled, insurance will be maintained at specified levels and maintenance of facilities and equipment will continue to meet adequate service requirements and safety needs.

{Tape: 2; Side: B; Approx. Counter: 000; Comments: n/a.}

Ben Havdahl, representing the Montana Motor Carriers Association, testified in support of SB 378 and the amendment that was presented. He described the 450 carrier members and their operation as a quasi-public utility. The Public Service Commission approved rates and restricted the number of carriers. New carriers had to fill a public need and convenience. January 1 brought a dramatic, Congressional change in the system. He explained that SB 378 is not a deregulation bill as indicated by the sponsor. Rather it is a downsizing of the scope of economic regulation under the PSC which provides for the continued regulation of those carriers not affected by the federal law. He said that SB 378 was consistent with the policy changes of the MMCA and urged the committee to support the bill.

Mark Foos, co-chairman of the Montana Passenger Carrier Association, urged the committee to pass the bill.

Jim Leiter, Landfill Manager of Browning-Ferris Industries of Montana and President of the Montana Solid Waste Contractors' Association, spoke in support of the bill. **EXHIBIT 14** He said their association supports two sections of the amendment, the part that affects land farms and the part that affects waste water. He said they do have an objection to the tire portion of the bill for several reasons. He said the determination of garbage and solid wastes exist in state law and the removal of waste tires from the definition for transportation purposes and creates a big difference in the solid waste management act which Montana allows. The act calls waste tires waste, until they are actually recycled. He explained the amendment would encourage illegal disposal of certain waste tires. He urged the committee to pass the bill without the waste tire exclusionary language.

Dave Galt, Administrator of the Motor Carrier Services, Department of Transportation, spoke in favor of the bill. He said they stand ready to accept the responsibilities of the bill.

Dale Duff, President of Rocky Mountain Transportation, Whitefish, testified for the bill.

Pat Flarity, Mergenthalers Transport and Storage Company of Helena, spoke in support of the bill.

George Hall, owner of G & L Transit of Helena and representing his brother with Hall Transit of Great Falls, spoke for the bill. He said they were all charter bus service companies and support the bill.

Tom Northy from Montana Transfer Company in Missoula, recommended passage of the bill.

Allen McCann, Big Sky Transfer in Great Falls, a household goods carrier, supported the bill.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. CHARLES DEVANEY asked **Mr. Havdahl** if the federal deregulation of the interstate transport took away all regulations, such as tariffs. **Mr. Havdahl** replied that it did. However, the federal law did allow the continuation by public service commissions of financial responsibility requirements, the filing of insurance and the enforcement of safety regulations. Legislation passed ten years ago moved the safety responsibilities to the Department of Justice. This bill will change that.

REP. DORE SCHWINDEN asked **SEN. SWYSGOOD** about the tire amendment. He replied that he was receptive to changing the amendment. He pointed out the perspectives of the small haulers vs. the large

haulers. If someone wanted to haul to a recycling place then they did not have to get authority to do it.

REP. BRAINARD asked **SEN. SWYSGOOD** about the financial impact. He explained the values of intra-state authority.

{Tape: 2; Side: B; Approx. Counter: 455; Comments: n/a.}

Closing by Sponsor: **SENATOR SWYSGOOD** closed on the bill.

HOUSE HIGHWAYS & TRANSPORTATION COMMITTEE

March 15, 1995

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ADJOURNMENT

Adjournment: 5:54 P.M.



REP. SHIELL ANDERSON, Chairman



KIMBERLEE GREENOUGH, Secretary

DEB THOMPSON, Recording Secretary

SA/ksg/dt

HOUSE OF REPRESENTATIVES

Highways

ROLL CALL

DATE March 15, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Shiell Anderson, Chairman	✓		
Rep. Rick Jore, Vice Chairman, Majority	✓		
Rep. Pat Galvin, Vice Chairman, Minority	✓		
Rep. Joe Barnett	✓		
Rep. Matt Brainard	✓		
Rep. Bob Clark	✓		
Rep. Charles Devaney	✓		
Rep. Marian Hanson	✓		
Rep. Don Larson			✓
Rep. Rod Marshall	✓		
Rep. Linda McCulloch	✓		
Rep. Daniel McGee			
Rep. Jeanette McKee	✓		
Rep. Bill Ryan	✓		
Rep. Dore Schwinden	✓		
Rep. Roger Somerville	✓		
Rep. Joe Tropila	✓		
Rep. Jack Wells	✓		

Jim Kuntal

EXHIBIT B-105
DATE 3/15/95
SB 282
Oppose

SB 282

• Oppose

Public Works
Director

- Would require a complete survey of every piece of right-of-way obtained.
- As an example for a project at 24TH ST. West + Grand Ave the City acquired 12 parcels of land. The added cost for surveying alone would have been over \$30,000.
- Right-of-way acquisition costs would increase significantly.
- Since recordable title + recordable document is already involved ^{in the process} there is no added protection for property owners.

Olsen
EXHIBIT 2
DATE 3/15/95
SB 321

TSB321.HP

Senate Bill No. 321

March 15, 1995

Testimony presented by Arnold Olsen
Montana Fish, Wildlife & Parks

before the House Highways and Transportation Committee

The Department has worked cooperatively with the snowmobilers of Montana and land management agencies to establish and maintain a 3,400 mile groomed snowmobile trail system, also providing safety education and law enforcement. Although the trail system size has begun to stabilize, increased demands by both residents and non-residents require an increased frequency of grooming to provide a safe experience. In spite of this, frequency of trail grooming has actually decreased due to the aging fleet of the states snowgroomers and increased costs of keeping these groomers functional. SB 321 provides increased funds to meet the needs of the trail users and provides a more balanced enforcement and safety program component.

The success of the program is due in part to the volunteer efforts of snowmobilers and the Montana Snowmobile Association. Last year an estimated 26,700 hours and \$105,500 were donated to supplement the fuel tax and decal registration fees provided. The snowmobilers have also taken steps to make their program more environmentally sensitive through the completion of a programmatic environmental impact statement in 1994 and educational efforts to reduce wildlife impacts.

The Department supports the compromise package embodied in SB 321 and will continue to work toward positive implementation of the snowmobile trail grooming, safety and enforcement programs as funded by the legislature.

Therefore, we support SB 321.

First I want to explain what this Bill is not.

This is not a grant or a Gift. It is a special Allocation based on the concept of a refund of Highway Tax ^{paid on gas} burned off-road.

Another point of clarification:

This is not a Tax increase, and should not even be perceived as one. It's simply a transfer between State Agencies - As the fiscal note shows.

Regarding the fiscal note:

The 200,000 increase is technically true when compared to what we were left with after the '93 special session robbed us of the 3 and 4¢ increase and cut our percentage. Had this not occurred our current level of funding would be approx. \$600,000.

So you can see, this Bill provides only a small increase and yet only half of what the study showed.

Sen. Swags good called a series of meetings between DOT, MCA, Wash corp. and US (MSA).

Some questions were raised on the study, such as "Do the registered sleds burn the most fuel compared to the unregistered sleds?" "How much Aviation gas is used ^{etc}

Consequently we negotiated this compromise. We all agreed.

Jim Sylvester from the Bureau of Business and Economic Research to answer my questions on the study.

Recent figures from Deer Lodge show our registered numbers were up 3400 up to last year and an additional 2000 this past year.

MSA has done many things to increase compliance (See List)

We also funded a PEIS on our statewide system to the tune of \$80,000⁰⁰ to insure our trails are environmentally sound. and they have to maintain that criteria.

~~I could have,~~

there are other supporters
who will tell you of the needs,
this bill will meet.

I could have packed this room
with proponents, but in consideration
of your time crunch, there will only
be a few.

I'd be happy to answer any
questions.

Thank you

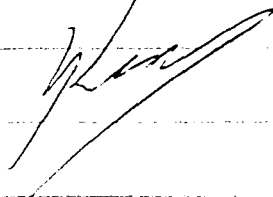
A stylized handwritten signature, possibly reading "Wendy", written in dark ink.

EXHIBIT 3DATE 3/15/95SB 321

Montana

SNOWMOBILE

Association

Contact: Ken Hoovestol (443-1744) or Dennis Ogle (475-3797)

SNOWMOBILING IN MONTANA

TO: Montana State Legislature

FROM: Montana Snowmobile Association

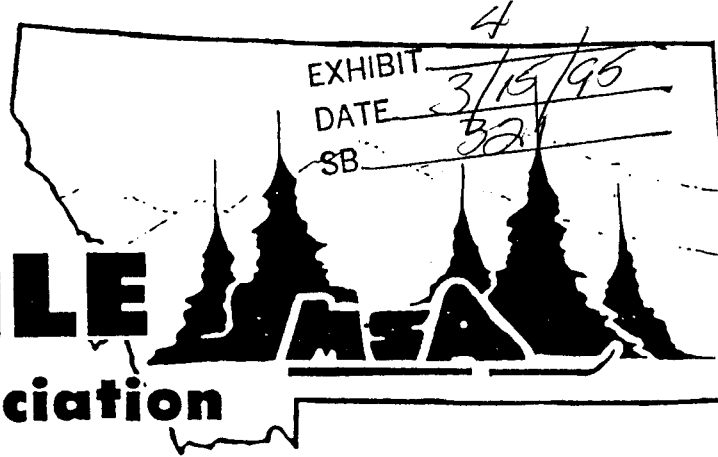
SUBJECT: Highlights of Economic Impact and Fuel Use Study

Enclosed is a summary of the Montana snowmobile economic impact and fuel use study conducted by the University of Montana, Bureau of Business and Economic Research, entitled Snowmobiling In Montana, An Update. This study is an objective, third party, statistically accurate overview of snowmobiling in Montana and identifies important financial impacts from the sport during the winter of 1993 - 1994.

- \$1,341,000 of state gasoline taxes paid on gas purchased in Montana and used in snowmobiles (@ .27 cents/gallon)
 - 4,967,000 gallons of gasoline consumed in snowmobiles for off-road use in Montana
- \$103,171,783 total economic impact to Montana
 - \$62,522,000 expended by Montana snowmobilers for snowmobile activities: \$30,750,000 trip expenditures and \$31,772,000 yearly expenditures on equipment
 - \$40,649,783 of new money expended by non-resident snowmobile tourists in Montana, which equates to 750 jobs created
- 32,000 households in Montana own snowmobiles
- 95,000 Montanans snowmobiled
- 54,000 snowmobiles owned by Montanans
- 1,415,000 snowmobile activity days in Montana - exceeds the number of downhill skiing activity days by 40%

Montana

SNOWMOBILE Association



INFORMATION PERTAINING TO SB 321

MONTANA STATE SNOWMOBILE PROGRAM PRESENT & FUTURE NEEDS

Montana's State Snowmobile Program has been a tremendous success since its inception in the mid 1970's. Through cooperation among the state legislature, snowmobile clubs, Montana Snowmobile Association (MSA), federal, state and local land management agencies and Montana Fish, Wildlife and Parks, Montana now provides 3,400 miles of quality and safe snowmobile trails for residents and non-residents that are funded from the state snowmobile special revenue fund.

The dollars for the special revenue fund come from two sources: 1) registration decal fees paid by snowmobilers who ride on public lands (presently \$5/machine/year, 50% for law enforcement and 50% for the program), and 2) special appropriation of state gas tax dollars viewed by legislators as a refund of monies paid by snowmobilers for gas used in snowmobiles. This pays for the entire program including grants to sponsors, trail development, trail maps, equipment, safety education, law enforcement, support services and overhead.

The Montana Snowmobile Association (MSA), in cooperation with Fish, Wildlife and Parks (FWP), has expended much time in trying to satisfy the needs and demands of this successful program. However, with increasing numbers of snowmobilers and federal and state safety and environmental mandates, inflation, and especially increased equipment costs, it has become impossible to maintain the program to the standards of a few years ago.

SNOWMOBILE TRAIL GRANT PROGRAM

Grants to snowmobile sponsors are primarily associated with trail grooming and maintenance costs. This includes groomer operator wages; gas, oil, maintenance and minor parts for groomers; labor associated with trail maintenance and some trail-head signing. Although prices have increased through inflation and rising costs for gasoline, oil, equipment parts, and insurance, the amount of funds available for grants have remained essentially constant. This has forced reduced grooming of trails, less than adequate replacement of trail-head signing and lack of funding for such things as bridges for crossing of tributaries in order to meet new stringent environmental criteria.

More funds are needed now and in the future to increase the regularity of grooming which results in higher quality and safer snowmobile trails. More funds are needed for improved trail-head signs and interpretive signs which inform the users of laws, rules, groomed trail locations, safety information, and advisories about unique natural and cultural resources that should either be avoided or appreciated for their educational values. More funds are needed to incorporate bridges at certain tributary crossings where fords are not appropriate from safety or resource impact standpoints.

SNOWMOBILE TRAIL GROOMER AND EQUIPMENT REPAIRS

The primary need of the program is equipment upgrade. Fourteen full size trail groomers, owned by the state and leased to snowmobile clubs, now exist in the program. These machines are necessary to maintain larger trail systems (50 - 300 miles) in Montana's mountainous terrain. Presently these machines cost between \$90,000 - \$130,000 each and expected life span is 5 - 10 years, depending on annual hours of use and terrain. It is possible in certain conditions, such as the current funding shortfall, to maintain groomers for longer periods of time by spending disproportionate amounts on repairs. However, more and more dollars are needed on older groomers for major repairs which is at best a band-aid approach and financially inefficient in the long run. In fiscal year 1994, \$37,500 was expended strictly on major repairs to groomers. This does not count thousands of dollars expended by individual snowmobile clubs from club dues and donations for daily or weekly minor repairs to equipment. If we do not achieve a reasonable replacement schedule of 2.5 to 3 groomers per year, worn-out machines that break-down will likely be parked and grooming terminated, resulting in poor, unsafe trails, a large reduction in winter tourism and a very unhappy snowmobile public.

For an effective and quality grooming program for Montana, funds are needed to purchase 2 groomers per year. In addition, funds for major repairs are always necessary. Currently, this requires \$37,500 per year. Even with a newer fleet of groomers, major repair funds are necessary for unexpected mechanical breakdowns after warranties terminate (similar to our personal automobiles).

Finally, smaller, less heavily used trail systems are maintained with smaller grooming equipment such as the Ski-Doo Alpine which cost \$8,000 - \$9,000 per machine. Montana's snowmobile program currently has six such machines in the grooming fleet ranging in age from 6 - 16 years old. These should also be replaced every 6 - 8 years.

Table 1 is an inventory of existing trail groomers and their year of manufacture. This table shows Montana's rapidly aging inventory. Replacement of the older machines must be initiated as soon as possible or some grooming programs will be eliminated.

TABLE 1. SNOWMOBILE EQUIPMENT INVENTORY - December, 1993

EQUIPMENT (Groomer)	YEAR MFG'D	LOCATION	MILES OF TRAIL
Bombardier 252	1977	Eureka	41.0
LMC 1450	1978	Anaconda	106.0
LMC 3300	1980	Libby	150.0
PB 170D	1982	Seeley Lake	218.0
PB 200D	1984	West Yellowstone	207.0
PB 200D	1984	Kalispell	210.0
PB 130 D	1985	Hobson	86.0
Tucker 1642	1986	Missoula	398.0
Tucker 2000	1987	Bozeman	350.0
PB 240D	1987	West Yellowstone	207.0
Tucker 2000	1987	Lincoln	220.0
PB 200D	1987	Great Falls	175.0
LMC 1800	1993*	Helena	245.0
LMC 1800	1993*	Dillon	184.5

*Lease/Purchase acquisitions.

Ski Doo Alpine	1979	Livingston	85.0
Aktiv Grizzly	1985	Anaconda	106.0
Ski Doo Alpine	1988	Wisdom	86.0
Ski Doo Alpine	1988	Virginia City	97.0
Ski Doo Alpine	1989	Wise River	175.0
Ski Doo Alpine	1989	Big Timber	34.0

SAFETY EDUCATION, TRAIL SIGNS, MAPS & AVALANCHE AWARENESS

The snowmobile safety program provides Instructor Guides to volunteer safety instructors and manuals for students. Also, videos are purchased for classes and survival kits for instructors. There is an increasing demand for safety classes by the snowmobile public, schools and youth groups. The safety program is paramount in ensuring safe experiences for all of the snowmobile public and other individuals who use snowmobile trails.

Increased classes and students require an increased investment in student manuals and instructional videos. MSA sees the need for an annual school for safety instructors to keep them up-to-date on new information. A new series of snowmobile safety videos are now in production by the International Association of Snowmobile Administrators and will be available in June of 1995. These videos correspond with the student workbooks used in Montana's safety program. Ten sets of this complete package should be purchased.

One very effective means of providing information about safe and ethical snowmobile use is through television and radio public service announcements (PSAs). However, it costs money to produce

and air PSAs at effective times. Increased funds will be used to incorporate production and use of PSAs in the safety program.

Brochures, displays and other printed materials that stress the need for safety and user ethics should be produced.

Quality, up-to-date snowmobile trail maps are necessary for all funded trail systems. These maps not only direct snowmobilers to safe trails but also provide information about potential resource impacts, sensitive areas to avoid, avalanche danger, hypothermia, and rules and regulations. Maps must be updated every two to three years.

Signs are necessary along trails to reassure users of their location, inform about possible hazards and site-specific regulations. The cost of signs has skyrocketed in the past five years. Plastic signs are used because they are effective and cheaper than steel signs. Plastic signs are made from petroleum products so as such prices have increased, so has the cost of signs.

More improved trail maps and signing will lessen the possibility of snowmobilers becoming lost, thus reducing search and rescue costs to local governments.

Increased gas tax refunds will be invested to assist the three U.S. Forest Service (USFS) avalanche centers: Gallatin National Forest Avalanche Warning Center, Northwestern Montana Avalanche Warning Center and the Lolo/Bitterroot National Forest Advisory. These centers provide daily information to the public concerning avalanche potential and provide training and information to private and public organizations. This would benefit all winter backcountry users including cross-country skiers, snowshoers, dog-mushers and snowmobilers.

LAW ENFORCEMENT

Adequate law enforcement is necessary to protect human and natural resources and to improve compliance with state and federal laws. 50% of snowmobile registration decal fees is set aside for this program. Presently, this has provided for minimal enforcement with budgets of \$13,800 to \$17,000 per year. At the request of the Montana Snowmobile Association, the 1993 general session of the Montana legislature increased the registration decal fee from \$2.00 to \$5.00, thus increasing the dollars for law enforcement by 250% to \$45,000 per year.

Of the 13% of 15/28 of 1% of state gas tax funds scheduled for law enforcement and safety (SB 321), 1/3 is scheduled for law enforcement. Fish, Wildlife & Parks game wardens will spend more time in known problem areas and work cooperatively with other enforcement agencies to increase law enforcement efforts to reduce encroachment into restricted areas and improve registration decal compliance. In addition, game wardens will assist snowmobile clubs with winter safety education programs and attend snowmobile club

meetings to discuss snowmobile laws. This funding will also allow for more interaction in the field with the snowmobile public to inform them of laws and safety measures that will benefit all winter trail users.

RESEARCH

The Snowmobile Programmatic Environmental Impact Statement relied on current national research related to snowmobiling activity. In the review of the literature, it became apparent that little research on snowmobile impacts has been conducted in Montana. An increase in the snowmobile state gas tax refund to the program will be used to contract for research in Montana on snowmobile impacts to specific wildlife species, other trail users, Montana's economy, and effective grooming technology.

NOXIOUS WEED CONTROL

Noxious weeds are a serious problem in the entire state. Montana's noxious weed program is administered by the Department of Agriculture. All types of human activities can result in the spread of noxious weeds. Montana's snowmobile community sees a need to increase funds for the noxious weed program. An increase in the state gas tax refund would allow the snowmobile program to work cooperatively with the Department of Agriculture and provide approximately \$6,600 per per year to assist with production of educational tapes and public service announcements to assist with public education and the reduction of noxious weeds in Montana.

SUPPORT SERVICES

Fish, Wildlife and Parks administers the funds in the snowmobile special revenue account. This includes the grant program, equipment, safety education program and law enforcement. The State Parks Division, State Trails Program Coordinator and Region Park Managers, work with snowmobile clubs, land management agencies and the Snowmobile Advisory Committee with grant review, compliance and long range planning. The Conservation Education Division, Recreational Vehicle Safety Coordinator, coordinates and plans for safety education programs, sign inventory and acquisition and design and provision of trail maps. The Law Enforcement Division enforces snowmobile laws in cooperation with other local, state and federal law enforcement officials.

Support services costs will increase with the implementation of the Snowmobile Grant Programmatic Environmental Impact Statement, done in 1993, increased safety education programs and law enforcement.

OVERHEAD

Overhead is a state assessment which recovers the cost of administrative services provided such as bookkeeping, budgeting, accounting, clerical and word processing personnel. Currently overhead is assessed at 10.7% of actual expenditures of state originated funds. The current rate would be applied to any program increases.

TOURISM & ECONOMIC BENEFIT

Snowmobiling is a valuable segment of the tourism industry and is extremely important to the economy of the State of Montana. Many businesses that used to be closed during the winter months are now open year-round to serve resident and non-resident snowmobilers and the general public.

Annual non-resident expenditures by snowmobilers, \$40.6 million, constitute a substantial direct economic gain for Montana. When coupled with resident expenditures of \$62.5 million, the total direct economic impact of snowmobiling to Montana's economy exceeds \$100 million per year. This translates into more than 750 winter jobs.

SNOWMOBILING'S ECONOMIC BENEFIT TO MONTANA

From: Non-Resident Snowmobilers	<u>\$ 40.6 Million</u>
Resident Snowmobilers	<u>\$ 62.5 Million</u>
<hr/>	
<u>TOTAL ECONOMIC BENEFIT</u>	<u>\$103.1 Million</u>

PROPOSED DISTRIBUTION OF FUNDS PROVIDED BY SB 321 : FY 1996
Winter 1996 - 1996

SB 321 : 15/28 of 1% of unrefunded state gas tax = \$664,032

1. Specified In SB 321:

Safety Education (SB321) 2/3 (Page 3)	8.67%	\$ 57,549
13%		
Law Enforcement (SB321) 1/3 (Page 4)	4.33%	\$ 28,775
Noxious Weed Control Trust Fund (SB321)	1.00%	\$ 6,640
(Page 5)		
<u>TOTAL</u>	<u>14.00%</u>	<u>\$ 92,964</u>

2. State Assessed Overhead (Page 5) 10.70% \$ 71,051
Established by state law

3. Distribution of balance subject to
recommendations of Snowmobile Advisory
Committee and decisions of Department of
Fish, Wildlife and Parks.

FW&P Support Services (Page 5)	9.30%	\$ 62,000
Ongoing Research (Page 5)	2.00%	\$ 13,200
Grooming Grants (Page 1)	42.66%	\$283,080
Equipment Purchase & Repairs (Page 2)	21.34%	\$141,737
<u>TOTAL</u>	<u>75.30%</u>	<u>\$500,017</u>

NOTE: The above financial information is strictly related to SB 321 and only expresses the use of state gas tax dollars for the snowmobile program.

In addition to the above figures, \$50,000 should be added to law enforcement and \$50,000 should be added to equipment purchase and repairs from registration decal revenues.

Mr chairman / Members of the Committee

My Name is Dennis Ogle President
of the Montana Snowmobile Association

A couple of key points to be considered

- # 1 - We are not asking for any kind of
tax increase - Snowmobiles have always
paid there way. Our funding comes
from a gas tax refund. The results
of the study prepared last year by the
University of Montana - Bureau of Business
and Economic Research show Snowmobiles
paid 1,341,000 dollars in gas taxes last
year. SB321 is requesting less than
half that figure \$664,000

#2 This same study reports 103 million dollars is generated annually in Montana by nonresidents. 42 million plus is spent in Montana by Non Resident automobile and over 60 million is spent by Resident automobiles.

#3 SB 321 is a sound investment for the economic impact it holds for Montana

3. The Dept of Transportation/Montana Contractors support this bill - Even our most vocal opponents ~~who will remain anonymous~~ during the special session (who will remain anonymous) have not

presented testimony in ~~opposition~~ opposition at
hearings held at the General Session to
date.

In order for the Association to
~~offer~~ ~~continue~~ the quality of snowmobiling
~~Recreationist~~ Snowmobilers expect we
ask for your support of SB 321

The Montana Retail Assoc stands
in support of SB321 because
tourism is perhaps Montana's
brightest spot in our economic
outlook. The retail community
receives tremendous benefit, roughly
27% of a tourist's dollar is
spent in retail establishments.

The snowmobilers who come to
MT spend roughly 12M in
our retail ~~com~~ businesses, who in
turn employ 1 out of 10 of
Montana's workers

Maintaining the
flux of
tourists is
good for business &
The economic future of MT,

6
EXP
DATE 3/15/95
SB 321

Amendment to SB 321
(third reading copy)

7
EXHIBIT

DATE

3/15/95

SB

321

Schwartz

1. Page 2 line 23 following: "propelling"
Insert: "registered"

EXHIBIT 8

DATE 3/15/95

SB 321

Testimony
for
Senate Bill #321
before
House Highways and Transportation
Committee
Room 420, the Capitol
3/15/95

Mr. Chairman, members of the Committee, for the record, my name is Jess Smith, current president of the Helena Snowdrifters snowmobile club. The club has asked me to convey their support for this bill and have included several points;

1. Our trails program/grooming is funded by an allocation from the state gas tax. This activity is OFF ROAD!, and primarily confined to established trail systems. Snowmobilers are in essence funding our own program.

2. Our trails grooming budget, which is submitted yearly to an advisory board and the department of Fish, Wildlife, and Parks, has historically been under funded. We have, for the past several years, asked for just under \$20,000 and have consistently received only \$11,780. Of this money, \$1000 is club insurance, 30% of wages for workers compensation (\$2500-\$3500), and \$8000 for wages, fuel, and minor repairs. This \$8000 is enough money for low snow years such as this winter and last. During winters with normal snow depths, the additional \$8220 would provide the needed operating expenses for a normal grooming schedule, ie. 3 to 4 times per week instead of once or twice a month.

3. The Helena club, with the generous help of our state association (MSA), has hosted, for three legislative sessions, a snowmobile ride for interested legislators. During the course of preparing the trails for two of these rides our old groomer suffered major breakdowns. The cost for repairs exceeded \$9000. Since then we have acquired a new groomer with a five year warranty period. We are confident that excessive repair bills are a thing of the past. Increased funding to purchase new groomers for other trail systems, using our example, will allow the snowmobile program to apply more dollars directly to the snow.

4. Two years ago, during the advisory board meeting, ten clubs asked for new groomers. To meet the upgrade requests our state snowmobile program would need between \$950,000 and \$1,350,000. The clubs realize the purchase of all ten, at once, is not feasible. The point is, our trail system statewide is in a somewhat neglected condition. Safety and grooming considerations are maintained, thanks to large numbers of volunteers. As we have been operating in an underfunded condition for at least fifteen years, these efforts become diminished without proper grooming equipment and updated trails requirements as per the Programmatic Environmental Impact Statement. Detractors of our program have maintained that S.B. #321 is a 50% or more increase in funding when there is a general philosophy to decrease government spending. In our case, our people believe we are finally able to have adequate funding for all trail systems using our own money generated by snowmobilers spending money on fuel they burn. We use no general fund monies. As the University of Montana snowmobile study shows, snowmobiling returns 40 million to Montana in new tourism dollars alone, while spending \$660,000 on trails to provide "the place" for tourists to snowmobile. This is a return on investment approximating 60 to 1. Not bad banking!

In closing, our club members would like you, the committee, to know we understand the burdens of decision you must face. Please consider that we are not funded by the general budget, only ourselves. We have been snowmobiling for years in our own cutbacks and a prior legislative funding reduction. We urge a do pass on SB #321.

Thank you for your time.

The Helena Snowdrifters
By Jess Smith

2/15

Snowmobile Industry

EXHIBIT 9
DATE 3/15/95
SB 321

Proponents:

1. Gene Olson - 11th FW & P
2. Bill Anderson - 11th FW

Mr. Chairman, Members of the Committee,
My name is Page and I am representing
the United States Tax Assn. in support
of Senate Bill 321. ~~For~~ the FW purpose
of this bill, we also have come ~~to~~ by
joint order of the 11th Chamber of Commerce
to express its support as well.

We believe that the industry is a very
important industry and the industry is
in the industry is a very important part of
the industry. As an industry, they have special needs
just like any other industry and the bill
allows them to have just the same.

On behalf of our industry, I thank
you for your support.

Dear Legislators,

March 14, 1995

DATE

3/15/95

SB

321

It boggles the mind that at the same time funding is being cut for roads, schools, mental health, and child welfare, our legislature would even consider a 50% increase in the subsidy for the snowmobile fund. This expanding use of gas tax revenues is a luxury we can no longer afford. Isn't the \$450,000.00 that already goes into the snowmobile fund every year enough?

If the gas tax money was not diverted to smoothing bumpy trails, it could be left in the Department of Transportation budget where it would earn a much needed federal highway match of as much as nine to one. That could be almost two million dollars to repair and maintain our roads. Instead, most of the money (86%) will be diverted into a Fish, Wildlife and Parks program that gives huge block grants to local snowmobile clubs to build, groom, and maintain snowmobile trails. Only a small portion will go to law enforcement (4.33%), safety and education (8.67%), and weed control (1%).

This tax money is NOT a "users fee" that snowmobilers are entitled to keep. Sure, snowmobilers pay gas taxes when they buy gasoline. But this simple fact does not require the legislature to give back more than a 100% rebate for an already over-funded program. I also pay gas taxes when I buy fuel for my lawnmower, but the state doesn't give me back a grant for cutting my yard. A tax is a tax, and snowmobiles are a luxury item that should be taxed at least as much as cars are when they burn gas.

Contrary to what the proponents of this bill claim, no new tourist money will come from flushing another quarter million dollars down the snowmobile fund. There is undoubtedly a lot of tourism around West Yellowstone and a couple other towns from snowmobilers. However, that tourism is happening anyway; it has nothing to do with the expenditures from the snowmobile fund. There is nothing in any study that links expenditures from the snowmobile fund with increased tourism.

I will not debate the details of any study designed and paid for by the snowmobile promoters. I don't care how many snowmobiles some industry poll says exist in Montana. The only number that has any value is the number of **registered** snowmobiles. That number can be checked and verified. If some poll showed that Montanans owned three times the number of registered cars, would you believe it? Should illegal, unregistered snowmobiles be rewarded by giving them an extra \$225,000 in gas tax money?

Montana citizens want their gas tax money spent on roads, schools, and people; not snowmobile trails. Please Vote No on SB 321, the snowmobile subsidy bill. Thank you.



Mike Grayson, P.O. Box 122
Anaconda, MT 59711 (406)563-7037

March 14, 1995

Members of the House Committee on Highways and Transportation:

We wish to express our opposition to Senate Bill 321 which would increase the amount of gas tax money being diverted in the snowmobile fund by 50%.

At a time when government is being asked to do more with less, budgets for many basic public services are being reduced. We think it makes little sense to increase funding for the snowmobile program. If we can't afford to repair our capitol, build more prisons, or provide property tax relief and maintain budgets for roads, infrastructure and health care - how is it we can afford to increase funding for the snowmobile program? We're not opposed to snowmobiles or snowmobile clubs. Recreation activities are important, but there are other publicly funded services which we believe most taxpayers think are more important.

Moreover, the method used for calculating the proposed increase is at best questionable. Concluding that there are 54,000 snowmobiles when only 18,000 are registered suggests that either the number of snowmobiles is being exaggerated or we are rewarding snowmobilers for driving illegally. Snowmobiles used on private land should not be included in the funding calculation, nor should rentals or snowmobiles powered by bulk gas which is not taxed.

We believe it is wrong to earmark gas tax money for snowmobilers year after year just because they use gas. Most other taxes are not earmarked nor would we expect tax money to be returned just because we use lawn mowers. Lets face it, snowmobiles are a luxury which should be taxed.

In recent letters to the editor it has been claimed by some supporters of this bill that the purpose of snowmobile funding is to attract more out of state money. If that is the case then perhaps funding for snowmobile trails should come from tourism budgets. If the legislature wants to attract more out of state money through gas tax money then the best way is to keep our existing system of roads and highways well maintained. Funding roads and infrastructure is also more equitable. Snowmobile funds provide little benefit to eastern Montana. In communities where snowmobiling activities are an important part of the local economy, they should be supported by local taxes.

As long as there are places in Montana which have snow, snowmobile clubs will continue to exist and people will continue to use their snowmobiles. Snowmobilers should be thankful their budgets are not being reduced. We believe it is inappropriate at this time with a shrinking federal budget and an uncertain future to divert more gas tax money from the roads and highways. Funding for basic public services and infrastructure should be a higher priority.

This testimony is being presented on behalf of the following individuals who were not able to attend this hearing:

<u>Name</u>	<u>Address</u>	<u>Phone</u>
Kerry Jennings	317 Fox Dr. Great Falls, MT	452-3476
Doni Hausner	205-7 th ST SW ⁵³⁴⁰⁴ to Falls	#53-6138
Carley M. Cauday	2725-8 th St No. #5 St Falls	453-9474
James Cunningham	604 Willow Creek Ct. St. Falls	454-2256
Jimmy N. Bell	517 3RD AVE NO. #310 St Falls	453-9808
Dennis Tighe	717 13th St. S.W. St. Falls	765-5463
Paul Ford	917 3rd Ave South St Falls	761-2524

- me
- Mr. Passenger Carriers Assn - Buss + Taxi
Mr. Transport + Warehousemen - Household goods carriers
appeal in support
- Thank Longwood
- Brief history of regulation + reason for it.
 - 1887 - Congress passed Act to Regulate Commerce which brought R.R. under Federal control.
 - Done because Congress realized that economic regulation of commerce was required if the national transportation system was to serve the needs of the general public.
 - Had found - Discriminatory rates
 - Inadequate service
 - Railway Company failures because of distressed financial condition
 - 1913 - For same reasons District of Columbia enacted the first law governing motor carrier operations
 - Penn. N. York, Colorado and Wisconsin quickly followed suit.
 - 1931 ~~1933~~ - Montana started regulating motor carriers for hire
 - 1935 - Federal Motor Carrier Act passed - By this time virtually all states had regulations

Regulation existed because:

- (A) Discriminatory rate practices
- (B) Massive safety problems on the highway
- (C) Instability of carriers and properly maintain + replace equipment due to lack of financial stability.
- (D) Failure of carriers inadequately compensate those injured in carrier operations arise because of financial condition.

- In the early 1980s Motor Carrier De Regulation commenced at the Federal level,

- The results have been less than satisfactory for the general public

- In Montana we no longer have the large regular route pt to pt bus operation
Greyhound - gone

Intermountain - gone

Amtrak - South route gone

Amtrak - North route cut down and probably soon gone.

Air service on +
Eastern +
North
not
threatened

We need
household goods
carrier industry
to meet the needs
of residents +
comm. and biz.

- A viable passenger carrier group in Montana is an absolute necessity if this state is to participate in the tourist industry.

in the growing health industry

in Commerce and industry generally

- Several years ago the Oregon Public Utility Comm. did a study of de-regulation, which it was in the best interests of that state to continue to regulate regulation of carriers.

It found that it was -

It studied the effect of de-regulation at the Federal level -

Found -

- 1 - Decreased rate practices
- 2 - Substantial safety problems
- 3 - Reduced maintenance and increased aging of equipment.
- 4 - Entry of new small carriers not properly equipped to handle transportation needs.
- 5 - Increased business failure rate and ~~bank~~ bankruptcy
- 6 - Substantial reduction in service of small rural communities.

Sound like MT. - sure does.

A Price
Hike
Study
The Price
Study
showed that
prices were
too high
and de-regulation
was a mistake

March 15, 1995
Statement on SB 378 to the
House Highways and Transportation Committee
Montana Motor Carriers Association

Mr. Chairman and Members of the committee. For your record, I am Ben Havdahl, representing the Montana Motor Carriers Association. MMCA would like to go on record in support of SB 378.

MMCA has some 450 motor carrier members. Many of these carriers have operated as regulated intrastate motor carriers under a certificate of public convenience and necessity granted by the Montana Public Service Commission.

The regulated system, adopted 60 years ago, provided for motor carriers to operate as a "quasi public utility" under authority by law. The certificate granted by PSC contained a basic requirement for the motor carriers to serve all shippers within the scope of their authority upon demand and without prejudice.

In exchange for this requirement, the PSC approved the rates to be charged and restricted the number of carriers who would serve those shippers. The test for issuance of new authorities to carriers wanting to transport regulated commodities was centered around public need and convenience.

MMCA was founded in 1939 and the centerpiece of its foundation was the Motor Carrier Act. MMCA has maintained a standing policy supporting the continuation of a regulated intrastate motor carrier system since that time.

Now the Congress, effective January 1 of this year, as you have heard from prior testimony, has changed that system dramatically.

With that change, has come the change of a long standing policy position by MMCA for continued support of intrastate motor carrier regulation under PSC.

The new MMCA policy was adopted on January 5 of this year following the action by Congress and the dismissal of the lawsuit in the federal court.

SB378 is not a deregulation bill per se, as the sponsor has indicated. It represents a "downsizing" of the scope of economic regulation under the PSC, providing for the continued regulation of those carriers not affected by the federal law.

MMCA Board voted to support transferring the "Single State Registration Program", now authorized for interstate carriers under still a different federal law which replaced the so called "bingo stamp" registration system.

The base state issues one receipt to each carrier, copies of which are kept in the cabs as proof of registration of insurance when operating in other states. SB 378 transfers the administration of the SSRS program from PSC to the Motor Carrier Division of the MT DOT.

It also requires MT DOT to enforce the identification of ownership of certain motor vehicles no longer under the jurisdiction of PSC and grants rule making authority to the department.

SB378 is consistent with the policy changes made by MMCA and we want to support its passage. We would urge this committee to vote a do pass on the bill. Thank you.

Comments on Senate Bill 378

Prepared by Jim Leiter, Browning-Ferris Industries of Montana
President, Montana Solid Waste Contractors' Association

Browning-Ferris Industries of Montana and the Montana Solid Waste Contractors' association support the passage of SB 378 but **suggest that the bill be amended to remove a proposed amendment exempting waste tires as regulated "garbage" for purposes of requiring Class D authority.** Exempting waste tires from regulation in this bill will weaken Montanans' ability to encourage legitimate hauling, re-use, recycling and disposal programs in the state.

Currently, the bill provides that tires to be transported to legitimate recycling facilities may be transported without Class D authority, a less restrictive situation than currently exists. This will allow less regulation of those tires which will legitimately be re-used or recycled. This is a desirable part of this bill. Existing language of the bill and current requirements, however, specify that Class D permit holders must be used to transport tires having no commercial value. These tires have always been regulated as "garbage" under PSC permitting requirements. They also have always been defined as "solid waste" under applicable regulations administered by the Department of Health and Environmental Sciences (attached). **Based on years of experience indicating the need for a cautious approach to waste tire management, the DHES assumes that such waste tires remain waste tires until they are ground up or re-processed for recycling into other products.** Current language requiring permitting for transport of these tires serves several purposes, including:

- 1) **The language in the definition of "garbage" is consistent with other state laws and regulations. To lessen confusion and insure consistency, an effort should always be made to make our various laws and regulations as consistent as possible.** Weakening language in some laws may lead to weakening of language in others. This could lead to a greater number of uncontrolled tire disposal sites.
- 2) **Allowing other persons not possessing Class D authority to haul what obviously amounts to a municipal waste material makes it less certain that these waste tires will wind up at legitimate, licensed disposal facilities.** The state has worked many years to insure that old tire piles are eliminated and waste tires wind up in approved sites. The proposed amendment would work against this progress. Unlicensed haulers have tried to illegally haul tires to unapproved sites for as long as there have been waste tires. The amendment encourages this kind of activity.
- 3) **Exempting waste tires from transportation requirements places the burden for enforcement of programs to eliminate unlicensed tire piles and the health and environmental hazards they create on the Montana Department of Health and Environmental Sciences,** an agency already burdened with other municipal waste enforcement duties. Class D haulers consistently use licensed disposal sites. Other haulers may not, and MDHES personnel readily admit they have inadequate resources to pursue illegal tire piles.

4) Even when a tire site is licensed, the Department of Health & Environmental Sciences has minimal regulations specifically for tire disposal sites and already is hoping for a great amount voluntary cooperation from tire pile owners and operators. There are few real "teeth" in their regulatory controls of waste tire sites. Allowing virtually anyone to haul waste tires lessens the state's ability to control end disposal options and makes it more likely that unlicensed, unregulated tire piles will develop.

5) There are several legitimate tire recycling programs being developed in the state. The viability of such programs depends upon the ability to compare the real "cost" of recycling with some realistic disposal alternative which includes a hauling and disposal component. Allowing some tires to escape the system or hiding the true cost of disposal lessens the opportunity that legitimate businesses have to promote systematic tire recycling programs.

We encourage the committee to vote a "**do pass**" recommendation for SB 378 **without the waste tire exclusionary language.**

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

House Highways

COMMITTEE

BILL NO. SB 378

DATE 3/15/95

SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Mark Foos	Mont. Passenger Carrier Assn.	✓	
Joe Rentmeister	Safety Commercial Carrier	✓	
MARGIE GATZMEIER	" "	✓	
Bob Bushnell	Perderson Snow Machine	✓	
Dan Bushnell	Colendine Snowmobiles	✓	
Kennie Cole	MT Snowmobile Assn	✓	
Vell McAnn	Big Sky Transfer	✓	
Ben Hardan	MT Motor Carriers Assn	✓	
Tom Northey	MONTANA Transfer Co.	✓	
Jim Leiter	MONTANA Solid Waste Contractors Assn Brewing - Ferment Industries	✓	
STROMB ANDERSON	MONTANA PASSENGER CARRIER ASS MONTANA TRANSFER & WAREHOUSING ASS	✓	
Donna Hancock	2007 7th St SW Great Falls		✓
Dave Gault	MDT	✓	
Dale L. Duff	Rocky Mt. Trap WFO	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

George A. Hall
GEORGE OCHENSKI
Abe Weingarten

G & L Transfer
WASTE MGMT OF MONTANA
MT Solid Waste
Contractors

✓
✓

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

House Highway

COMMITTEE

BILL NO. SB321

DATE 3/15/95 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
P.O. Box 446 Choteau, MT. Michael Ford			✓
JOHN SEMPLE	MSA MT SNOW ASSOC	X	
JESS SMITH	HELENA SNOW DRIFTERS PRESIDENT	X	
Bob Orr	MSA Ponderosa Snow Warriors	X	
Ken Hoovester	MT. Snowmobile Assn.	X	
Jim Sylvestre	BBER University of Montana	Neutral	
Mike Grayson	Citizen		✓
Jim Emerson	Citizen		✓
Brad Griffin	MT Retail Assoc.	✓	
Judy Kilmer	citizen		✓
Dennis Olson	Fur P	✓	
Peggy Trenk	WETA MT. Chamber of Commerce	✓	
Mark Card	citizen		✓
Corley McCaulay	Sec		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MARV DYE

MDT

✓

**HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER**

House High way COMMITTEE BILL NO. SB 321
DATE 3/15/95 SPONSOR(S) _____

PLEASE PRINT.

PLEASE PRINT

PLEASE PRINT

[illegible]

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

House Highways

COMMITTEE

BILL NO. *SB 282*

DATE *3/15/95* SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>W James Kembel</i>	<i>City of Billings</i>		<i>X</i>
<i>Jim Burnett</i>	<i>5711 Wooten Landowners Co.</i>	<i>X</i>	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.