

HOUSE BILL NO. 97

1/07 Introduced
1/07 Referred to Business & Labor
1/10 Fiscal Note Requested
1/10 Rereferred to Judiciary
1/15 Fiscal Note Received
Died in Committee

1 HOUSE BILL NO. 97
 2 INTRODUCED BY GILBERT

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE COLLECTIVE
 5 RATEMAKING FOR THE INTRASTATE CARRIAGE OF COMMODITIES BY
 6 REGULATED MOTOR CARRIERS; TO DIRECT THE PUBLIC SERVICE
 7 COMMISSION TO ADOPT PROCEDURES FOR SUCH RATEMAKING; AND
 8 AMENDING SECTIONS 69-12-601 THROUGH 69-12-603 AND 69-12-605,
 9 MCA."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 69-12-601, MCA, is amended to read:

13 "69-12-601. ~~Carrier agreements~~ Collective ratemaking.

14 (1) ~~Any carrier, as defined in 69-12-101, which is a party~~
 15 ~~to an agreement between or among two or more carriers~~
 16 ~~relating to rates, fares, classifications, divisions,~~
 17 ~~allowances, or charges (including charges between carriers~~
 18 ~~and compensation paid or received for the use of facilities~~
 19 ~~and equipment) or rules pertaining thereto or procedures for~~
 20 ~~the joint consideration, initiation, or establishment~~
 21 ~~thereof may, under such rules as the commission prescribes,~~
 22 ~~apply to the public service commission for approval of the~~
 23 ~~agreement. The commission shall by order approve any~~
 24 ~~agreement if approval thereof is not prohibited by~~
 25 ~~69-12-602. The approval of the commission shall be granted~~

1 ~~only upon such terms and conditions as the commission may~~
 2 ~~prescribe as necessary to enable it to grant its approval in~~
 3 ~~accordance with this subsection.~~ In order to insure
 4 nondiscriminatory rates for all shippers, the commission
 5 shall establish, by rule, a collective ratemaking procedure
 6 for all commodities for which it prescribes rates. This
 7 procedure shall assure that respective revenues and costs of
 8 carriers engaged in the transportation of the particular
 9 commodities for which rates are prescribed are ascertained
 10 in orders issued for particular sets or groups of
 11 commodities under this procedure. Failure on the part of any
 12 carrier to comply with this section or the rules or orders
 13 made pursuant to this section may result in suspension or
 14 cancellation of the carrier's operating authority by the
 15 commission.

16 (2) Each conference, bureau, committee, or other
 17 organization established or continued pursuant to any
 18 agreement approved order issued by the commission and under
 19 the provisions of this section shall maintain such accounts,
 20 records, files, and memoranda and shall submit to the
 21 commission such reports as may be prescribed by the
 22 commission. All such accounts, records, files, and memoranda
 23 shall be subject to inspection by the commission or its duly
 24 authorized representative."

25 Section 2. Section 69-12-602, MCA, is amended to read:



-2- INTRODUCED BILL
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1 "69-12-602. Limitations on ~~carrier~~ agreements
2 collective rate orders. The commission may not approve order
3 under 69-12-601 any agreement set of rates:

4 (1) for transportation divided by agreement between a
5 carrier by highway and a carrier by rail unless it finds
6 that such agreement is ~~of the character described in~~
7 ~~69-12-601 and is~~ limited to matters relating to the
8 transportation under joint rates or over through routes; or

9 (2) which it finds is an agreement with respect to
10 pooling or division of traffic, service, or earnings;

11 ~~{3} which establishes a procedure for the~~
12 ~~determination of any matter through joint consideration~~
13 ~~unless it finds that under the agreement there is accorded~~
14 ~~to each party the free and unrestrained right to take~~
15 ~~independent action either before or after any determination~~
16 ~~arrived at through such procedure."~~

17 Section 3. Section 69-12-603, MCA, is amended to read:

18 "69-12-603. Investigation of operation under agreement
19 order. The commission may, upon complaint or upon its own
20 initiative without complaint, investigate and determine
21 whether any agreement order previously approved issued by it
22 under 69-12-601 or any terms or conditions upon which such
23 approval order was granted issued are not in conformity with
24 69-12-601 and 69-12-602 or whether any such terms or
25 conditions are not necessary for the purpose of conformity

1 with 69-12-601 and 69-12-602. After such investigation, the
2 commission may by order ~~terminate or modify its approval of~~
3 ~~such agreement prior order or any terms or conditions~~
4 ~~contained therein~~ if it finds such action necessary to
5 insure conformity with 69-12-601 and 69-12-602 ~~and may~~
6 ~~modify the terms and conditions upon which such approval was~~
7 ~~granted to the extent it finds necessary to insure~~
8 ~~conformity with 69-12-601 and 69-12-602 or to the extent it~~
9 ~~finds its terms and conditions unnecessary to insure such~~
10 ~~conformity~~. The effective date of any order ~~terminating or~~
11 ~~modifying approval or~~ modifying terms and conditions may be
12 postponed for such period as the commission determines is
13 reasonably necessary to avoid undue hardship."

14 Section 4. Section 69-12-605, MCA, is amended to read:

15 "69-12-605. Relationship of ~~carrier~~ agreements
16 collective rate orders and antitrust laws. ~~{1}~~ The parties
17 ~~to any agreement approved carriers subject to any collective~~
18 rate order issued by the commission under 69-12-601 and
19 other persons are, if the approval of such agreement is not
20 prohibited by 69-12-602, hereby exempted from Montana
21 antitrust laws with respect to such agreement, including
22 Title 30, chapter 14, part 2, or any other statutes
23 prohibiting monopolies, price fixing, or restraint of trade.

24 ~~{2}~~ Any action of the commission under 69-12-601
25 through 69-12-603 in approving an agreement, in denying an

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1 application--for--such-approval, in-terminating-or-modifying
2 its-approval-of--an--agreement, in-prescribing--terms--and
3 conditions--upon--which-its-approval-is-to-be-granted, or-in
4 modifying-such-terms-and-conditions-shall--be--construed--as
5 having--effect--solely-with-reference-to-the-applicability-of
6 subsection-(1)."

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 069-85

Form BD-15

In compliance with a written request received January 10, 19 85, there is hereby submitted a Fiscal Note for H.B. 97 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

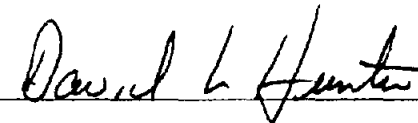
H.B. 97 requires Public Service Regulation to establish rules for collective ratemaking for the intrastate carriage of commodities by regulated motor carriers.

ASSUMPTIONS:

1. There are approximately 15 broad commodity groupings that would cover most commodities (i.e. petroleum products includes gasoline, diesel fuel, asphalt, crude oil). For the purposes of this fiscal note, it is assumed that only these 15 groupings will require a hearing and order.
2. It is assumed that each commodity grouping would receive a hearing for the commission to issue an order with one hearing day required for each commodity grouping.
3. It is estimated that the rulemaking would require 10 pages of changes in present or new rules.
4. Staffing assumptions are one FTE rate analyst and one-half FTE attorney.
5. It is estimated 5 hearings in FY 86 and 10 hearings in FY 87.

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY 86</u>	<u>FY 87</u>	<u>Total Biennium</u>
Personal Services	\$ 36,708	\$ 36,708	\$ 73,416
Supplies	243	188	431
Telephone	1,412	1,392	2,804
Printing (Hearings)	1,750	3,500	5,250
Equipment	1,515	-0-	1,515
Total Cost to General Fund	\$ 41,628	\$ 41,788	\$ 83,416



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 14, 1985