# HOUSE BILL NO. 750

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# INTRODUCED BY BARDANOUVE

## BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

### IN THE HOUSE

February 9, 1985	Introduced and referred to Committee on Natural Resources.	
February 11, 1985	Fiscal Note requested.	
February 15, 1985	Fiscal Note returned.	
February 23, 1985	Committee recommend bill do pass. Report adopted.	
	Bill printed and placed on members' desks.	
February 25, 1985	Second reading, do pass.	
February 26, 1985	Considered correctly engrossed.	
February 27, 1985	Third reading, passed.	
	Transmitted to Senate.	
IN THE	SENATE	
March 6, 1985	Introduced and referred to Committee on Natural Resources.	
March 29, 1985	Committee recommend bill be concurred in. Report adopted.	
,	On motion, rules temporarily suspended in order that all bills considered on second reading on the 70th Legislative Day advance to third reading that same day.	

Second reading, concurred in as amended. Third reading, concurred in. Ayes, 50; Noes, 0. Returned to House with amendments. IN THE HOUSE April 2, 1985 Received from Senate. Second reading, amendments concurred in. April 8, 1985 On motion, rules suspended and

bill placed on third reading this day.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

April 1, 1985

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exemptions from this chapter for the relocation,
reconstruction, or upgrading of a facility that:

(a) would otherwise be covered by this chapter; and
(b) (i) is unlikely to have a significant
environmental impact by reason of length, size, location,
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# -2- INTRODUCED BILL HB 750

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agreement to comply with the requirements of this chapter 3 and the conditions of the certificate. (4) The board shall issue as part of the certificate 4 the following time limits during which construction of a 5 6 facility must be completed: (a) For a facility as defined in (b) or (c) of 7 8 75-20-104(10) that is more than 30 miles in length, the time 9 limit is 10 years. (b) For a facility as defined in (b) or (c) of 10 75-20-104(10) that is 30 miles or less in length, the time 11 limit is 5 years. 12 13 (c) The time limit shall be extended for periods of 2 years each upon a showing by the applicant to the board that 14 a good faith effort is being undertaken to complete 15 16 construction. Under this subsection, a good faith effort to complete construction includes the process of acquiring any 17 necessary state or federal permit or certificate for the 18 facility and the process of judicial review of any such 19 permit or certificate. 20 21 (5) The provisions of subsection (4) apply to any

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facility for which a certificate has not been issued or for 22 23 which construction is yet to be commenced."

NEW SECTION. Section 4. Centerline location. (1) For 24 all facilities defined in 75-20-104(10)(b) and (10)(c) and 25

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 board shall condition the certificate upon board approval of
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18 (2) The plan shall be submitted by April 1 of each19 year and must include the following:

(a) the general location, size, and type of all
facilities to be owned and operated by the utility or person
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ensuing 10 years, as well as those facilities to be removed
from service during the planning period;

25 (b) in the case of utility facilities, a description

of efforts by the utility or person to coordinate the plan
 with other utilities or persons so as to provide a
 coordinated regional plan for meeting the energy needs of
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10 (d) projections of the demand for the service rendered
11 by the utility or person and explanation of the basis for
12 those projections and a description of the manner and extent
13 to which the proposed facilities will meet the projected
14 demand; and

15 (e) additional information that the board by rule or 16 the department on its own initiative or upon the advice of 17 intersited state agencies might request in order to carry 18 out the purposes of this chapter.

(3) The plan shall be furnished to the governing body of each county in which any facility included in the plan under (2)(a) of this section is proposed to be located and made available to the public by the department. The utility or person shall give public notice throughout the state of its plan by filing the plan with the environmental quality council, the department of health and environmental sciences, the department of highways, the department of public service regulation, the department of state lands, the department of fish, wildlife, and parks, and the department of commerce. Citizen environmental protection and resource planning groups and other interested persons may obtain a plan by written request and payment therefor to the department.

8 (4) A rural electric cooperative may furnish the 9 department with a copy of the long-range plan and 2-year 10 work plan required to be completed under federal rural 11 electrification requirements in lieu of the long-range plan 12 required in subsection (1).

13 (5) No person may file an application for a facility unless the facility had been adequately identified in a 14 long-range plan at least 2 years prior to acceptance of an 15 application by the department, except for electric 16 transmission lines of a design capacity of 230 kilovolts or 17 less." 18 NEW SECTION. Section 7. Extension of authority. Any 19 existing authority of the board of natural resources and 20

21 conservation to make rules on the subject of the provisions 22 of this act is extended to the provisions of this act.

23 NEW SECTION. Section 8. Repealer. Section 75-20-214,

24 MCA, is repealed.

25 NEW SECTION. Section 9. Codification instruction.

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Sections 2 and 5 are intended to be codified as an integral
 part of Title 75, chapter 20, part 2, and the provisions of
 Title 75, chapter 20, apply to sections 2 and 5.

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<u>NEW SECTION.</u> Section 10. Applicability. Section 2
applies retroactively, within the meaning of 1-2-109, to
occurrences and projects filed with the federal energy
regulatory commission after January 1, 1981.

8 <u>NEW\_SECTION.</u> Section 11. Effective date. This act is
9 effective on passage and approval.

-End-

### STATE OF MONTANA

### FISCAL NOTE

REQUEST NO. FNN 386-85

Form BD-15

In compliance with a written request received <u>February 11</u>, 19<u>85</u>, there is hereby submitted a Fiscal Note for <u>House Bill 750</u> 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:

House Bill 750 revises and clarifies the Montana Major Facility Siting Act by amending Sections 75-20-202, 75-20-303, 75-20-402, and 75-20-501, MCA, to provide a means for the department to collect fees for the expenses incurred in processing an exemption, and for participating in the federal energy regulatory commission's process; to codify the existing practices for centerline selection and monitoring of certified facilities; and repeals Section 75-20-214, MCA.

### ASSUMPTIONS:

No dollar estimates are presented as this bill will have no fiscal impact during the 1987 biennium.

FISCAL IMPACT:

### **Revenues and Expenditures:**

The department is not aware of any pending exemptions at this time; however, if an exemption is requested the revenue collected for processing it will offset the expenditures. The department does not expect to receive an application for a facility that is subject to the jurisdiction of the federal energy regulatory commission during the 1987 biennium. This bill codifies the existing practices for centerline selection and monitoring of certified facilities and there is no fiscal impact. Repealing Section 8 will cause no fiscal impact.

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Not applicable.

David La Hunter

BUDGET DIRECTOR Office of Budget and Program Planning

Date: Fib 15, 1985 UR 750

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### LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Sections 1 and 2 of this bill will generate earmarked revenue from fees collected to offset expenditures which were paid with general funds in the past. Codifying the existing practices for centerline selection and monitoring of certified facilities will cause no long-range fiscal impact. Repealing Section 8 will cause no long-range fiscal impact.

### TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGLISLATION:

Not applicable.

APPROVED BY COMM. ON

### LC 0701/01

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### 49th Legislature

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ensuing 10 years, as well as those facilities to be removed
from service during the planning period;

25

(b) in the case of utility facilities, a description

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of efforts by the utility or person to coordinate the plan
 with other utilities or persons so as to provide a
 coordinated regional plan for meeting the energy needs of
 the region;

5 (c) a description of the efforts to involve 6 environmental protection and land use planning agencies in 7 the planning process, as well as other efforts to identify 8 and minimize environmental problems at the earliest possible 9 stage in the planning process;

10 (d) projections of the demand for the service rendered 11 by the utility or person and explanation of the basis for 12 those projections and a description of the manner and extent 13 to which the proposed facilities will meet the projected 14 demand; and

(e) additional information that the board by rule or
the department on its own initiative or upon the advice of
interested state agencies might request in order to carry
out the purposes of this chapter.

19 (3) The plan shall be furnished to the governing body 20 of each county in which any facility included in the plan 21 under (2)(a) of this section is proposed to be located and 22 made available to the public by the department. The utility 23 or person shall give public notice throughout the state of 24 its plan by filing the plan with the environmental quality 25 council, the department of health and environmental sciences, the department of highways, the department of public service regulation, the department of state lands, the department of fish, wildlife, and parks, and the department of commerce. Citizen environmental protection and resource planning groups and other interested persons may obtain a plan by written request and payment therefor to the department.

8 (4) A rural electric cooperative may furnish the 9 department with a copy of the long-range plan and 2-year 10 work plan required to be completed under federal rural 11 electrification requirements in lieu of the long-range plan 12 required in subsection (1).

13 (5) No person may file an application for a facility 14 unless the facility had been adequately identified in a 15 long-range plan at least 2 years prior to acceptance of an 16 application by the department, except for electric 17 transmission lines of a design capacity of 230 kilovolts or 18 less."

<u>NEW SECTION.</u> Section 7. Extension of authority. Any
existing authority of the board of natural resources and
conservation to make rules on the subject of the provisions
of this act is extended to the provisions of this act.

23 <u>NEW SECTION.</u> Section 8. Repealer. Section 75+20-214,
24 MCA, is repealed.

25 NEW SECTION. Section 9. Codification instruction.

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### LC 0701/01

Sections 2 and 5 are intended to be codified as an integral
 part of Title 75, chapter 20, part 2, and the provisions of
 Title 75, chapter 20, apply to sections 2 and 5.

4 <u>NEW SECTION.</u> Section 10. Applicability. Section 2 5 applies retroactively, within the meaning of 1-2-109, to 6 occurrences and projects filed with the federal energy 7 regulatory commission after January 1, 1981.

8 <u>NEW SECTION.</u> Section 11. Effective date. This act is
9 effective on passage and approval.

-End-

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S	ENATE COMMITTEE OF THE WHOLE AMENDMENT		pril 1, 1985
	Apr 1, 1985 DATE		DATE
	3:00	$\frown$	8:00 a.m.
)	TIME		TIME
MR. CH	HAIRMAN: I MOVE TO AMEND HOUSE BILL No. 750		No 750
t	hird reading copy () as follows: Color		
Page 2, line 17. Following: line 16 Insert: "(3) A person subject to the provisions of subsection (2) shall pay a fee to the department pursuant to 85-2-124 at the time an application is filed with the federal energy regulatory commission. The fee shall be used by the department to carry out its responsibilities under Title 85, chapter 2, and to develop a state recommendation and participate as a party in any necessary federal proceeding to assert the state recommendation. No fee prescribed by 75-20-215 may be assessed against a person paying a fee under this section."		<ol> <li>Page 2, line 12. Following: "person" Insert: "making application to the federal energy regulatory commission" Following: "file" Strike: "and" Insert: "with"</li> <li>Page 2, lines 12 and 13. Following: "department" on line 12 Strike: "shall accept an" Insert: "notice of and a copy of the federal"</li> <li>Page 2, line 13. Following: "application" Strike: "and complete a study of"</li> </ol>	
)	PC3HB750.701	4. Page 2, lines 14 and 15. Following: "(1)" on line 14	
		Strike: "as provided in 75-20-211 through 75-20-216" 5. Page 2, line15. Following: "on" Strike: "the" Insert: "its" 6. Page 2, line 16. Following: "study" Strike: "completed under this chapter" Insert: "of the federal application and other materia	
		Insert: "of the federal application and other materia gained through intervention in the federal proceeding 7. Page 2, line 17. Following: "timely" Insert: "notice of and a copy of the federal"	1
48		РСЗНВ750.691	
) ADOPT REJEC		ADOPT REJECT CUMP	
	HALLIGAN	GAGE	

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1	HOUSE BILL NO. 750	1	as a fuel source
2	INTRODUCED BY BARDANOUVE	2	greater efficiend
3	BY REQUEST OF THE DEPARTMENT OF NATURAL	3	greater system re
4	RESOURCES AND CONSERVATION	4	(3) A perso
5		5	shall pay to th
6	A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND	б	incurred by the c
7	CLARIFY THE MONTANA MAJOR FACILITY SITING ACT; AMENDING	7	NEW SECTION
8	SECTIONS 75-20-202, 75-20-303, 75-20-402, AND 75-20-501,	8	energy regulato
0 9	MCA; REPEALING SECTION 75-20-214, MCA; AND PROVIDING AN	9	facility that is
	IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."	10	energy regulator
10	IMMEDIATE EFFECTIVE DATE AND AN AFFECTABLEIT DATE.	11	state recommendat
11	THE THAT AND BUT TRATCLAMURE OF MUR CANAR OF MONMANN.	12	(2) Aperso
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	13	REGULATORY COMM
13	Section 1. Section 75-20-202, MCA, is amended to read:	14	shall-acceptan
14	"75-20-202. Exemptions. (1) A certificate is not	15	application and
15	required under this chapter for a facility under diligent	16	subject to subsec
16	onsite physical construction or in operation on January 1,	17	75-20-216. The s
17	1973.	18	study completed
18	(2) The board may adopt reasonable rules establishing	19	APPLICATION AND (
19	exemptions from this chapter for the relocation,	20	IN THE FEDERAL PI
20	reconstruction, or upgrading of a facility that:	21	(3) A PERS
21	(a) would otherwise be covered by this chapter; and	22	(2) SHALL PAY A 1
22	(b) (i) is unlikely to have a significant	23	AT THE TIME AN A
23	environmental impact by reason of length, size, location,	23	REGULATORY COMM
24	available space or right-of-way, or construction methods; or	24	DEPARTMENT TO CA
25	(ii) utilizes coal, wood, biomass, grain, wind, or sun	20	DEFARIMENT TO CA

Montana Legislative Council

as a fuel source and the technology of which will result in
 greater efficiency, promote energy conservation, and promote
 greater system reliability than the existing facility.
 (3) A person proposing to construct an exempt facility
 shall pay to the department reasonable costs, if any,
 incurred by the department in processing the exemption."

7 <u>NEW SECTION.</u> Section 2. Facilities subject to federal 8 energy regulatory commission jurisdiction. (1) For a 9 facility that is subject to the jurisdiction of the federal 10 energy regulatory commission, the department shall file a 11 state recommendation with the commission.

(2) A person <u>MAKING APPLICATION TO THE FEDERAL ENERGY</u>
<u>REGULATORY COMMISSION</u> shall file and <u>WITH</u> the department
shall-accept--an <u>NOTICE OF AND A COPY OF THE FEDERAL</u>
application and--complete-a-study-of <u>REGARDING</u> any facility
subject to subsection (1) as-provided-in--75-20-211--through
75-20-216. The state recommendation must be based on the <u>ITS</u>
study completed---under---this---chapter OF THE FEDERAL
<u>APPLICATION AND OTHER MATERIAL GAINED THROUGH INTERVENTION</u>
<u>IN THE FEDERAL PROCEEDING</u>.
(3) <u>A PERSON SUBJECT TO THE PROVISIONS OF SUBSECTION</u>
(2) SHALL PAY A FEE TO THE DEPARTMENT PURSUANT TO 85-2-124
<u>AT THE TIME AN APPLICATION IS FILED WITH THE FEDERAL ENERGY</u>
<u>REGULATORY COMMISSION. THE FEE SHALL BE USED BY THE</u>
DEPARTMENT TO CARRY OUT ITS RESPONSIBILITIES UNDER TITLE 85,

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HB 750 REFERENCE BILL

CHAPTER 2, AND TO DEVELOP A STATE RECOMMENDATION AND 1 2 PARTICIPATE AS A PARTY IN ANY NECESSARY FEDERAL PROCEEDING TO ASSERT THE STATE RECOMMENDATION. NO FEE PRESCRIBED BY 3 75-20-215 MAY BE ASSESSED AGAINST A PERSON PAYING A FEE 4 UNDER THIS SECTION. 5 (4) Any person who fails to file a timely NOTICE OF 6 7 AND A COPY OF THE FEDERAL application with the department so as to prevent the department from timely compliance with 8 this section and with the rules, statutes, or procedures 9 10 governing the proceedings before the federal energy

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11 regulatory commission is subject to the provisions of 12 75-20-408.

13 Section 3. Section 75-20-303, MCA, is amended to read:
14 "75-20-303. Opinion issued with decision -- contents.
15 (1) In rendering a decision on an application for a
16 certificate, the board shall issue an opinion stating its
17 reasons for the action taken.

18 (2) If the board has found that any regional or local
19 law or regulation which would be otherwise applicable is
20 unreasonably restrictive pursuant to 75-20-301(2)(f), it
21 shall state in its opinion the reasons therefor.

22 (3) Any certificate issued by the board shall include23 the following:

24 (a) an environmental evaluation statement related to25 the facility being certified. The statement shall include

1 but not be limited to analysis of the following information: 2 (i) the environmental impact of the proposed facility; 3 (ii) any adverse environmental effects which cannot be 4 avoided by issuance of the certificate; 5 (iii) problems and objections raised by other federal 6 and state agencies and interested groups; and 7 (iv) alternatives to the proposed facility; 8 (v) (b) a plan for monitoring environmental effects of 9 the proposed facility; and 10 (c) a plan for monitoring the certified facility site between the time of certification and completion of 11 12 construction; 13 (vi)(d) a time limit as provided in subsection (4), during which construction of the facility must be completed; 14 15 and (b)(e) a statement signed by the applicant showing 16 agreement to comply with the requirements of this chapter 17 18 and the conditions of the certificate. (4) The board shall issue as part of the certificate 19 the following time limits during which construction of a 20 21 facility must be completed: 22 (a) For a facility as defined in (b) or (c) of 75-20-104(10) that is more than 30 miles in length, the time 23 24 limit is 10 years.

25 (b) For a facility as defined in (b) or (c) of

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75-20-104(10) that is 30 miles or less in length, the time
 limit is 5 years.

(c) The time limit shall be extended for periods of 2 3 years each upon a showing by the applicant to the board that Δ a good faith effort is being undertaken to complete 5 construction. Under this subsection, a good faith effort to 6 complete construction includes the process of acquiring any 7 necessary state or federal permit or certificate for the 8 facility and the process of judicial review of any such 9 10 permit or certificate.

11 (5) The provisions of subsection (4) apply to any 12 facility for which a certificate has not been issued or for 13 which construction is yet to be commenced."

14 <u>NEW SECTION.</u> Section 4. Centerline location. (1) For 15 all facilities defined in 75-20-104(10)(b) and (10)(c) and 16 associated facilities certified under this chapter, the 17 board shall condition the certificate upon board approval of 18 a final centerline location.

19 (2) The final centerline location must be determined
20 in a noncontested case proceeding before the board after the
21 submission of a centerline location report by the
22 department.

(3) The department shall consult with the certificate
holder and the affected landowners prior to making its
report.

1 (4) The department's report must be prepared 2 considering the criteria set forth in 75-20-301 and 3 75-20-503 and the findings of fact and conclusions of law 4 set out in the board decision.

5 (5) The department report may be completed on segments 6 of a certified facility as is convenient to the certificate 7 holder.

8 (6) The certificate holder shall initiate the final 9 centerline location approval process by submitting a 10 proposed centerline location plan to the department. The 11 certificate holder shall pay to the department the actual 12 costs incurred in processing a final centerline location not 13 to exceed 25% of the filing fee paid under 75-20-215.

14 Section 5. Section 75-20-402, MCA, is amended to read: "75-20-402. Monitoring. The board, the department, the 15 department of health, and the board of health shall monitor 16 17 the operations of all certificated facilities for assuring 18 continuing compliance with this chapter and certificates issued hereunder and for discovering and preventing 19 20 noncompliance with this chapter and the certificates. The 21 applicant shall pay all expenses related to the monitoring plan established in subsection (3)(a)(b) or (3)(c) of 22 75-20-303 to the extent federal funds available for the 23 facility, as determined by the department of health, have 24 25 not been provided for such purposes."

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Section 6. Section 75-20-501, MCA, is amended to read: "75-20-501. Annual long-range plan submitted -contents -- available to public. (1) Each utility and each person contemplating the construction of a facility within this state in the ensuing 10 years shall furnish annually to the department for its review a long-range plan for the construction and operation of facilities.

8 (2) The plan shall be submitted by April 1 of each9 year and must include the following:

10 (a) the general location, size, and type of all 11 facilities to be owned and operated by the utility or person 12 whose construction is projected to commence during the 13 ensuing 10 years, as well as those facilities to be removed. 14 from service during the planning period;

15 (b) in the case of utility facilities, a description 16 of efforts by the utility or person to coordinate the plan 17 with other utilities or persons so as to provide a 18 coordinated regional plan for meeting the energy needs of 19 the region;

(c) a description of the efforts to involve
environmental protection and land use planning agencies in
the planning process, as well as other efforts to identify
and minimize environmental problems at the earliest possible
stage in the planning process;

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25 (d) projections of the demand for the service rendered

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by the utility or person and explanation of the basis for
 those projections and a description of the manner and extent
 to which the proposed facilities will meet the projected
 demand: and

5 (e) additional information that the board by rule or 6 the department on its own initiative or upon the advice of 7 interested state agencies might request in order to carry 8 out the purposes of this chapter.

(3) The plan shall be furnished to the governing body 9 of each county in which any facility included in the plan 10 11 under (2)(a) of this section is proposed to be located and made available to the public by the department. The utility 12 or person shall give public notice throughout the state of 13 14 its plan by filing the plan with the environmental quality council, the department of health and environmental 15 sciences, the department of highways, the department of 16 public service regulation, the department of state lands, 17 the department of fish, wildlife, and parks, and the 18 department of commerce. Citizen environmental protection and 19 20 resource planning groups and other interested persons may obtain a plan by written request and payment therefor to the 21 22 department.

23 (4) A rural electric cooperative may furnish the
24 department with a copy of the long-range plan and 2-year
25 work plan required to be completed under federal rural

-8-

electrification requirements in lieu of the long-range plan
 required in subsection (1).

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-End-
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