

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 22, 1985

The 44th meeting of the Business & Industry Committee met on Friday, March 22, 1985 in Room 413/415 of the Capitol Building. Chairman Mike Halligan called the meeting to order.

ROLL CALL: All committee members were present except for Senator Goodover who was excused.

CONSIDERATION OF HOUSE BILL 462: Representative Gene Donaldson, House District #43, of Helena is chief sponsor of this bill which is an act to limit the marketing of furniture made in Montana State Prison and providing an effective date. He stated the title as written is a bit misleading because this allows for the expansion of marketing of prison made furniture. He is on the prison ranch board and feels great progress has been made in recent years to give the prisoners something constructive to work on and rehabilitate themselves. There is a conflict between the private sector and prison industries. They have worked out an agreement between private sector and prison industries and he feels it is acceptable to both parties involved. Those products that are sold to agencies within state government would have to go through the state's purchasing process and have to be competitive. The provisions also say that within the Department of Institutions they would not have to go through the purchasing process. Another area provides for export of prison made products if possible. The most important part is in working with the private sector so they would expect to try to sell any excess furniture they might manufacture to a wholesaler to sell as they do not intend to get into the marketing field. He feels this is a good compromise to try and expand the prison industries and satisfy the private sector also.

PROPOSERS: George Allen, Montana Retail Association, appeared in support of HB 462. He felt it was important that this is an expansion of the prison industries program because now the retailers are willing to accept these products as a wholesale manufacturer and will retail them and try and sell them. They would have to go through the bidding process on all jobs except within their own department which he feels put them into the competitive market with the rest of industry. He stated if this bill passed that they have indications that many retailers would be interested in their products. He feels it is opening a door that will be good for the state and eliminate the problem of conflict that has existed in the past. (EXHIBIT 1)

Terry Harris, President of Capital Office Equipment in Helena, felt it was only fair that prison industries should have to go through the competitive process just as other industries have to. He felt an exhibit which showed that contract furniture is cheaper than prison furniture, yet agencies were still buying prison furniture because they did not have to go through the bid process. (EXHIBIT 2) He feels the prison industries program is a good program, however, and just feels they should have to deal on a competitive basis like others do.

Rich McLaughlin, with Don's Office Equipment in Butte, supports the measure proposed. They are not trying to stop prison industries but trying to promote them and stated they have worked with them in the past and received much cooperation from them. He feels a successful program could be worked out.

Tom Dimke, of Western Office Equipment in Great Falls, favors this bill because right now the state can buy directly from state industries without going through a bid process and it could have been purchased cheaper through the private sector. They would just like to see them have to go through the competitive bid process as the rest have to do.

OPPONENTS: Gary Boe, with Missoula City-County Health Department, submitted an amendment they would like to see proposed to amend section 3 to read furniture made in the prison may be purchased by the state or any of its political subdivisions in accordance with the procurement provisions under Title 18, Chapter 14. He feels local governments are in a crunch too and if it would mean saving money to them they need all the help they can get. He stated undercutting in the wholesale furniture market does not exist. He does not see the need to add a middleman in negotiations. He feels by excluding non-profit corporations from direct purchase the market is greatly restricted. He supports the prison industries program to expand and to add the process of going through a local wholesaler is just unnecessary. (EXHIBIT 3)

Questions were then asked from the committee members: Senator Fuller asked Rep. Donaldson if it was only the Department of Institutions that would be excluded from the bidding process and he stated, this was correct. Senator Christiaens asked why the prison furniture was more expensive than private market in some cases. Rep. Donaldson was unsure but he felt there may have been some problems with specifications and custom built furniture in some cases.

Senator Christiaens asked what the rationale was behind the prison industries program. He wondered if they were in the business to turn a profit or if it was for rehabilitation. Rep. Donaldson stated some of the statutes require that a profit be made but also to help out the prisoner's rehabilitation. He felt it was true in the prison industries program that they are not out to compete in the private sector necessarily but he also feels it is necessary to be competitive in order to expand the program so there is a market for the products made.

Senator Gage wondered who would be able to purchase the products through the state and was told anyone who deals with the institutions department. Senator Gage wondered who administers this division and was told the Department of Administration does this. It is a cumbersome process but they feel it is a necessary one. Senator Weeding stated they were involved in some bidding and there was a considerable difference of quality between products. Rep. Donaldson felt it was most likely a problem of specifications.

Senator Boylan felt there were some projects such as refinishing that he felt the prison industries could very well do. Rep. Donaldson stated the philosophy is to try and get them to do constructive projects for rehabilitative purposes.

Senator Fuller wondered if we were opening the door to say that any federal agency that gets a dollar from institutions is then qualified to be able to buy the prison industries products. Terry Harris felt this was a possibility. George Allen felt they had worked out a compromise with Carroll South. He explained if institutions themselves needed a desk or an end table they felt it was not necessary to have to go through the bid process for something within their own department so just the Department of Institutions can purchase this way.

Senator Christiaens would like to see some of the cost factors on the prices of the products. He supports the industries program but felt the legislature needs to look at the bid process. Senator Halligan asked Gary Boe about his objections, he stated that he understood that a local dealer would become the dealer for this office furniture and he felt this process was cumbersome and unnecessary. Senator Christiaens felt the bid process could be a very cost effective measure however. Rep. Donaldson stated he felt it was a good step forward, putting the industry in a competitive type of position, will make the products of a better quality, and would open up a new market tool for the products made. The hearing was closed on House Bill 462.

CONSIDERATION OF HOUSE JOINT RESOLUTION 38: Representative Bob Bachini, House District 14 is the sponsor of the resolution. It is a simple resolution because of the proposed budget cuts that are before the federal government. The ridership is very necessary to their area particularly since they have lost their bus services on the hi-line. He noted that ridership is up and they are meeting the criteria necessary to keep the Amtrak services available. He explained the advantages of having the train such as tourists traveling to Glacier and the business that is brought into the state because of the service.

PROPOSERS: Jim Murray, Executive Secretary of the Montana AFL-CIO, expressed support for the resolution. Transportation is so important to our state especially because of its rural nature. We do not want to lose jobs, limit our economic development potential and lose the revenues currently generated by

Amtrak being in the state. This addresses a very vital issue and they urged support.

Joe Brand, of Helena, representing the United Transportation Union, and the Brotherhood of Railroad Engineers, Railway and Airline Clerks left an article on Amtrak News stating there is a strong case to be made for continuing Amtrak's operations. (EXHIBIT 4) He didn't think this was a question of only one service but should be a co-mingling of services of bus, airlines also.

John Craig, representing the Transportation Division of the Chamber of Commerce, stated the importance of keeping Amtrak in Montana. He quoted statistics proving increasing ridership in areas at all stops along the hi-line. This is a crisis because the federal government shows zero funding for Amtrak currently. (EXHIBIT 5)

Don Ingels, speaking for the Montana Chamber of Commerce added they are in full support of this resolution.

Esther Ruud, of Malta, felt it was appalling to think of losing Amtrak especially in their area since they have recently lost their bus services and have come to rely even more on the train services. She supported continued support for the benefits of many many people. (EXHIBIT 6)

Senator Delwyn Gage, Senator District #5 from Cutbank, spoke on behalf of favoring the support of Amtrak. He stated it has been an ongoing battle to keep Amtrak stopping in Cutbank as it has been especially helpful for ranchers and farmers in their area getting parts supplies from Minneapolis. It would be a detriment to these people if Amtrak were to leave especially since there is no longer bus service available.

John Shontz, Lobbyist for Richland County, supports the efforts to keep Amtrak in the state and feels it is very important to get the services of the southern route also.

Representative Bachini stated that part of the equipment is made in foreign countries such as bearings from Germany and sometimes it is not possible to get all the parts here. He noted Amtrak carries 20 million passengers a year and losing this service would leave many people without adequate transportation he felt. He noted that Senator Dorothy Eck has a bill before them to allow the governor to look into working with other states into expansion of Amtrak. The hearing was closed on House Joint Resolution 38.

DISPOSITION OF HOUSE JOINT RESOLUTION 38: Senator Weeding made a motion that HOUSE JOINT RESOLUTION 38 BE CONCURRED IN. The motion carried. Senator Bob Brown will carry this on the floor.

March 22, 1985

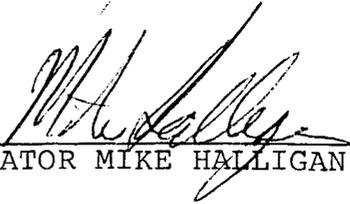
CONSIDERATION OF HOUSE BILL 460: Senator Gage felt that there is still some work that needs to be done on House Bill 460 and was going to make a motion this bill be brought back to the committee for further work on the amendments.

CONSIDERATION OF HOUSE BILL 707: There is some possible conflict with the amendments passed on this bill also and it may also be brought back to the committee for some discussion.

FURTHER CONSIDERATION OF HOUSE BILL 462: Senator Gage felt we did not address the possibility of selling products to the federal government and other agencies. Senator Fuller also felt we needed to have more discussion perhaps with the institutions people before this bill is voted on.

FURTHER CONSIDERATION OF HOUSE BILL 183: Senator Thayer felt the way the bill is written has some problems but that perhaps with some amendments it could possibly be more feasible. He did not see where the signs should be redone. Senator Christiaens felt the idea was good but mandating something of this nature is something he felt was just not necessary. Senator Neuman was confused by the testimony and just what the bill was going to do and it is designating a smoking area but making the building nonsmoking otherwise. This would make those who were creating the nuisance be the ones segregated. Amendments were distributed for consideration by the committee and it was decided to leave the bill as it is now in a TABLED situation. (EXHIBIT 7)

The meeting was adjourned at 11:30 a.m.



SENATOR MIKE HALLIGAN, CHAIRMAN

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ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3/22/85

SENATE
SEAT
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover			
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams			
Senator Weeding	X		

Each day attach to minutes.



Executive Office
P.O. Box 440
34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

EXHIBIT 1
BUSINESS & INDUSTRY
March 22, 1985

TESTIMONY
HB 462

Mr. Chairman and Members of the Committee:

For the record, my name is George Allen. I am a lobbyist for the Montana Retail Association, and I'm here today to support HB 462.

I would like to call your attention to the title of the bill. It states "an act to limit the marketing of furniture made in the Montana State Prison". It could read "an act to expand the marketing of furniture at the Montana State Prison".

What we are proposing does restrict the sale of prison made furniture to Montana State Agencies. However, it also opens another door much more important for marketing the prison made furniture through wholesale-retail furniture outlets.

After spending thirty some odd years in the merchandising business, I feel that I do have some knowledge on how to market a product. In order for the prison furniture manufacturing business to be a success their product must be marketed. The only intelligent way to market the furniture is through a furniture wholesaler and/or retailer, who has the contacts, expertise, and the knowledge of distributing and selling this furniture.

The legislature has given direction to the prison industries, to make the furniture manufacturing program a self-sustaining business. If we want it to be a business, we must treat it like a business. In doing this, it needs a marketing program - which is what we are recommending to the legislature.

You might wonder why this has not been marketed enthusiastically by a wholesaler-retailer before. You can't expect a wholesaler-retailer to market the product when it is also being sold by the prison at wholesale levels. That is one reason why the prison industry desperately needs the cooperation of the retailers in the state, so that this program can succeed.

By passing House Bill 462, you set in process the vehicle that is needed for a retailer to market the furniture that is manufactured in the state prison.

For these and many other reasons we request that you support HB 462.

Respectfully,

George Allen
Executive Vice President
Montana Retail Association



EXHIBIT 2
BUSINESS & INDUSTRY
March 22, 1985

CAPITAL OFFICE EQUIPMENT & DESIGN

p.o. box 522 • 323 north last chance gulch
helena, montana 59624
telephone (406) 442-3480

p.o. box 3511 • 605 west villard
bozeman, montana 59715
telephone (406) 586-7653

~~Feb. 1, 1985~~

Testimony HB-462

Mr. Chairman:
Members of the Committee

I would like for you to consider the following to see if the State of Montana is really saving money when they buy furniture from Prison Industries. The following is a cost comparison of a few items that the State has on Term Contract T. C. # 913-85-J and cost as listed from MSP Industries that I received from Mr. Carroll South

Item	Term Contract	MSP Industries
Bookcase	130.00	125.00
4Dr. Legal File	232.00	340.00
4Dr. Letter File	175.00	315.00
2Dr. Legal File	129.00	200.00
2Dr. Letter File	110.00	185.00
Exec. Desk 36X72	361.00	485.00
Sec. Desk	450.00	565.00
Exec. Chair	201.00	190.00
Sec. Chair	<u>116.00</u>	<u>124.00</u>
Total 9 Items	\$1904.00	\$2529.00
Cost Difference		<u>\$625.00</u>

All furniture that is on the Term Contract is shipped FOB destination meaning the freight is prepaid. I am not sure who pays for the freight cost to get the furniture from the prison to the agency.

You might also be interested to know that the filing cabinets on the term contract are 28" deep and the ones from the prison are only 22" deep. I know that doesn't sound like much of a difference but if you take a four drawer legal file file there is approximately 100 filing inches in the file on the term contract at a cost of \$2.32 per inch. In the MSP file there is approximately 72 filing inches at a cost of \$4.72 per inch. That is more than twice as expensive per filing inch.

I would like to say that in order for me to sell office furniture to the State on this term contract that my company had to present samples of my desks, chairs, and files at considerable expense before we could even bid on this term contract. Yet the MSP can sell to anyone without even having to be competitive.

~~Feb. 1, 1985~~

Testimony HB-462

It is hard enough for Montana Office Machine Dealers to compete with each other and to maintain the inventory, to have the payrolls we have an then to pay the taxes we do only to have the MPS compete with private enterprise without having to account for their true overhead, such as heat, lights, payroll, building and equipment cost.

If MSP is going to be in the manufacturing of Office Furniture then at least make them have to compete with the manufactures we already have in the State and make them have to go thru the State Purchasing Dept. in order to sell to State Agencies.

Thank you for giving me this oppertunity to speak to you at this time if their are any questions I will try to ansewer them at this time.

Sincerely,

Capital Office Equipment & Design, Inc.



Terry R. Harris
President

TRH/lvt

MISSOULA CITY-COUNTY HEALTH DEPARTMENT

301 West Alder · Missoula, Montana 59802 · Ph. (406) 721-5700

MEMORANDUM

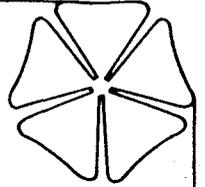


EXHIBIT 3
BUSINESS & INDUSTRY
March 22, 1985

TO: Montana State Senate, Business and Industry Committee
FROM: Gary L. Boe, Director *Gary Boe*
DATE: March 22, 1985
RE: HB 462 Limiting Marketing State Prison Furniture

Amendment Request

On behalf of Montana local governments I respectfully request subsection

(3) be amended to read as follows:

(3) "Furniture made in the prison may be purchased by the state OR ANY OF ITS POLITICAL SUBDIVISIONS in accordance with the procurement provisions under Title 18, Chapter 4. All other prison made furniture may be sold only through licensed wholesale furniture outlets."

Effect: HB 462 restricts the direct marketing of State Prison manufactured furniture to State agencies, excluding local governments and non-profit corporations. The above amendment allows local governments to purchase direct and excludes only non-profit corporations.

Reasons: (1) Local governments are in at least as desperate a financial crunch as State government. It is unfair to force local governments to buy furniture through a cumbersome "mark-up" process when state agencies are exempt.

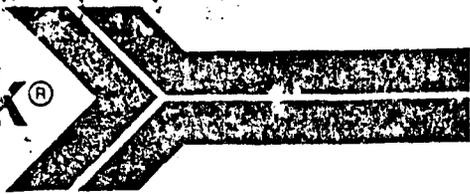
(2) The problem of undercutting the wholesale furniture market does not exist. Since the inception of prison industries furniture manufacturing in 1982 local governments have purchased less than \$15,000 aggregate over the 3 year period in the entire state. This equates to an average less than \$5,000 per year statewide.

(3) Inefficiency: Prison Industries refurbishes old furniture, manufactures new furniture and probably most effectively custom builds furniture to fit particular needs. To add a furniture wholesaler as middleman to this process is like having another thumb.

(4) Compromise: By excluding non-profit corporations from direct purchase the market is significantly restricted (there are some fairly large non-profit corporations in Montana). If the time period between now and the next biennium shows a definite problem has developed it can be addressed then.

(5) The Montana State Prison furniture manufacturing program is an effective means of rehabilitation. With inmate costs of \$30,000 each annually the cost/benefit of effective rehabilitation shows up.

Amtrak®



NEWS

National Railroad Passenger Corporation
400 North Capitol St., N.W.
Washington, D.C. 20001

STATEMENT OF THE NATIONAL RAILROAD PASSENGER
CORPORATION ("AMTRAK") IN RESPONSE TO THE
ADMINISTRATION'S BUDGET PROPOSAL

EXHIBIT 4
BUSINESS & INDUSTRY
March 22, 1985

The Administration has proposed to eliminate all federal funding for Amtrak in Fiscal Year 1986. If this proposal is adopted, all intercity rail passenger service in the nation will cease on September 30 of this year.

There is a strong case to be made for continuing Amtrak's operations. Rail passenger service plays an important role in our intercity transportation network, and Amtrak's sustained progress in improving its service and reducing its dependence on federal funds shows that additional federal support will pay great dividends in the long run. In 1986 we expect to cover at least 60% of our costs through revenues, compared to 48% just four years ago. In constant dollars, our operating costs for the current year are 26.6% below the level of FY 1981. Our equipment is all new or thoroughly refurbished, and passenger satisfaction with our service has never been higher.

There are many reasons to question the wisdom of eliminating Amtrak entirely. Those who advocate elimination of all Amtrak service should carefully consider the following facts.

- o Amtrak carries twenty million passengers each year between approximately 500 stations across the country. The total elimination of rail passenger service will leave many communities, particularly those in the more sparsely settled areas of the country, without any common carrier passenger transportation. Amtrak is often the only mode moving in severe winter weather.
- o Amtrak's capital plant, assembled almost entirely with federal funds, is now worth some \$3.1 billion. Salvage value on these assets--rail line, stations, maintenance facilities, and the like--will be minimal if all intercity rail passenger service is eliminated.
- o In addition to the investment of the federal government, many states have made capital expenditures that total more than \$100 million in order to support and enhance passenger service within their borders. This investment will be lost if Amtrak is phased out.
- o Among the major cities between Washington and New York, Amtrak trains presently carry almost 18,000 people each day, or 60% of the total air/rail ridership. Elimination of Amtrak service in the Northeast Corridor will add enormously to air and highway congestion and will ultimately require

billions of dollars in additional federal investment for airport and highway construction.

- o Amtrak's Northeast Corridor is used by Conrail freight trains and commuter trains as well as Amtrak's inter-city passenger operations. If Amtrak is eliminated, Conrail and the commuter agencies will have to absorb \$116 million in additional costs to sustain their Northeast Corridor operations.

- o Amtrak operations presently employ over 25,000 people, living in forty-four states--21,000 Amtrak employees, and 4,200 employees of freight railroads who provide assistance to Amtrak. All of these jobs will be eliminated if Amtrak services cease.

- o The statute that created Amtrak in 1971 required Amtrak and other railroads to provide contractual guarantees that employees who are laid off when rail service is discontinued will receive "labor protection"--payments representing a portion of prior salary that can run for up to six years. Based on our previous experience, we estimate that Amtrak's labor protection costs associated with a total cessation of services will be at least \$2.1 billion. The amount owed in the first year is estimated to be \$600 million and could be as high as \$800 million, \$116 million

more than Amtrak's current appropriation. Neither the government nor the public derives any benefit in service or value from these payments.

- o For years Amtrak has worked closely on emergency plans with the Federal Emergency Management Agency ("FEMA") as well as with the Army's Logistics staff at the Pentagon to ensure that in the event of a national crisis, Amtrak can make available almost immediately equipment offering almost 70,000 seats and 6,000 sleeping car berths, as well as requisite food service cars. This capability will be totally lost if Amtrak is phased out.
- o Shutting down the nation's intercity rail passenger system would involve an enormous administrative cost. Substantial penalties would be due for the early termination of long-term leases for computer equipment, vehicles and Metroliners. Closing stations and other facilities would take considerable time. And administration of the residual estate, including the payment of labor protection for many years, would involve significant ongoing expense.
- o Amtrak's cost to the federal government is not out of line with that imposed by other modes. Amtrak's operating subsidy per passenger is about \$34. That

figure includes all operating support plus federal tax expenditures due to business travel deductions. By the same analysis, passengers on the nation's major airlines receive on the average a comparable level of federal support. For each airline passenger, federal tax expenditures due to business travel deductions alone average \$33. If all federal support for such services as air traffic control were included, the federal cost per airline passenger would be considerably higher than Amtrak's.

Amtrak differs in one very important respect from other programs for which zero budgets have been proposed. Many of the other programs can be restored at any time that the condition of the budget permits it, without critical structural damage. A zero Amtrak budget, however, will destroy a going concern that it has taken fourteen years to build and that, once dismantled, probably can never be replaced. There is a big difference between avoiding an expense and liquidating a going concern with over \$3 billion in capital investments and over 20,000 skilled employees.

Furthermore, much of Amtrak's federal support goes to maintain a critical part of the nation's rail infrastructure--a most valuable capital asset that will inevitably deteriorate if intercity rail passenger service is terminated. The Northeast Corridor, which was badly neglected in the 1950's and 1960's, has now been restored to its highest level ever, at a cost of

more than \$2 billion. Amtrak serves over 23,000 route-miles outside the Northeast Corridor, operating over the tracks of eighteen freight railroads, and the elimination of passenger service over those tracks would promptly lead to the abandonment of some and the downgrading of many other rail lines. If service on the Corridor stops, the cost of restoring it in the future will be prohibitive. Amtrak is an ongoing enterprise, not a financial assistance program that can be restored with the stroke of a pen. To adopt a zero budget for Amtrak would be an act not of fiscal responsibility but of enormous and irreversible fiscal waste.

When these costs and consequences are considered, we believe it is clear that the far better choice for the federal government is to continue providing support to Amtrak, albeit at steadily diminishing levels. Amtrak will soon submit its FY 1986 Budget to Congress and will request a funding level frozen at the current FY 1985 level of \$684 million. At this level, the lowest for Amtrak since FY 1977, Amtrak can maintain its current level of passenger service without any reductions in service. We trust that we will be given the opportunity to continue the progress in service and operating efficiency that have marked our last five years.

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February 4, 1985

ATK-85-13

Contact: John Jacobsen
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Sue Martin
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TOM
WICKER

THE NEW YORK TIMES, NEW YORK, N.Y., Thursday, February 21, 1985

Amtrak shouldn't die

N.Y. Times News Service

NEW YORK — Why should the Reagan administration, even with its self-created budget crisis, kill a 24,000-mile rail passenger system that carried 20 million travelers last year — including 60 percent of air-rail traffic in the New York-Washington corridor?

Rising costs? Not at all; Amtrak's federal subsidy, reflecting its improving performance, has declined by 26 percent since 1980, in dollars adjusted for inflation. Even in current dollars, the system is receiving less from the federal government than it did in 1978.

Still, administration spokesmen charge that taxpayers subsidize every Amtrak passenger by about \$35 per trip. They add a \$639 million federal subsidy to the \$46 million that business travelers could deduct from income taxes for rail travel in 1984, and divide by 20 million passengers.

The deceptive \$35 result leaves out of account such Amtrak outlays as \$116 million a year to maintain the Boston-Washington right-of-way, which it owns outright but which Conrail and numerous commuter lines use. By the same tricky arithmetic,

the 221 million passengers who flew the airlines in 1984 cost the Treasury \$33 each — the \$7.4 billion that air business travelers deducted, divided by 221 million. And that's not counting government spending for air traffic control and airports.

Actually, an Amtrak passenger's \$12 fare is matched by an \$8 federal contribution, and other fares are matched in that proportion, because ticket revenues now account for 60 percent of Amtrak's operating costs. That's an improvement from 48 percent in 1980, reflecting tighter management, improved scheduling and hard bargaining for more favorable labor contracts. Even better performance can be expected in the future — if Amtrak has one.

The administration also claims that the subsidy gives Amtrak unfair advantage over "unsubsidized" transportation modes. But from 1972 to 1983, Federal Aviation Administration programs — primarily air traffic control — cost taxpayers \$33 billion; and user fees for buses don't cover the federal, state and local costs of building and maintaining the streets and highways they travel. These are vital

transportation services, carrying far more passengers than Amtrak; but they are "unsubsidized" only in the sense that they do not receive direct federal payments.

But isn't Amtrak, as the administration charges, a "subsidy for the middle class"? Well, passenger surveys and travel industry data show that more than 10 percent of travelers with incomes below \$10,000 take the train, as do more than 20 percent of those earning \$10,000 to \$20,000. Nearly 50 percent of Amtrak passengers earn above \$30,000, but so do more than 60 percent of air travelers.

Most higher-income rail passengers take short-haul trains like the New York-Washington Metroliners. But travelers with less than \$20,000 annual family income account for half of all Amtrak passenger-miles — mostly on long-haul trains. They can't afford the airlines, and consider a long-distance trip more comfortable on a train than a bus.

Never mind, says the administration; if Amtrak dies, the states or private rail companies will pick up the service. That's a joke. Amtrak came into being because the railroads wanted out of the unprofitable

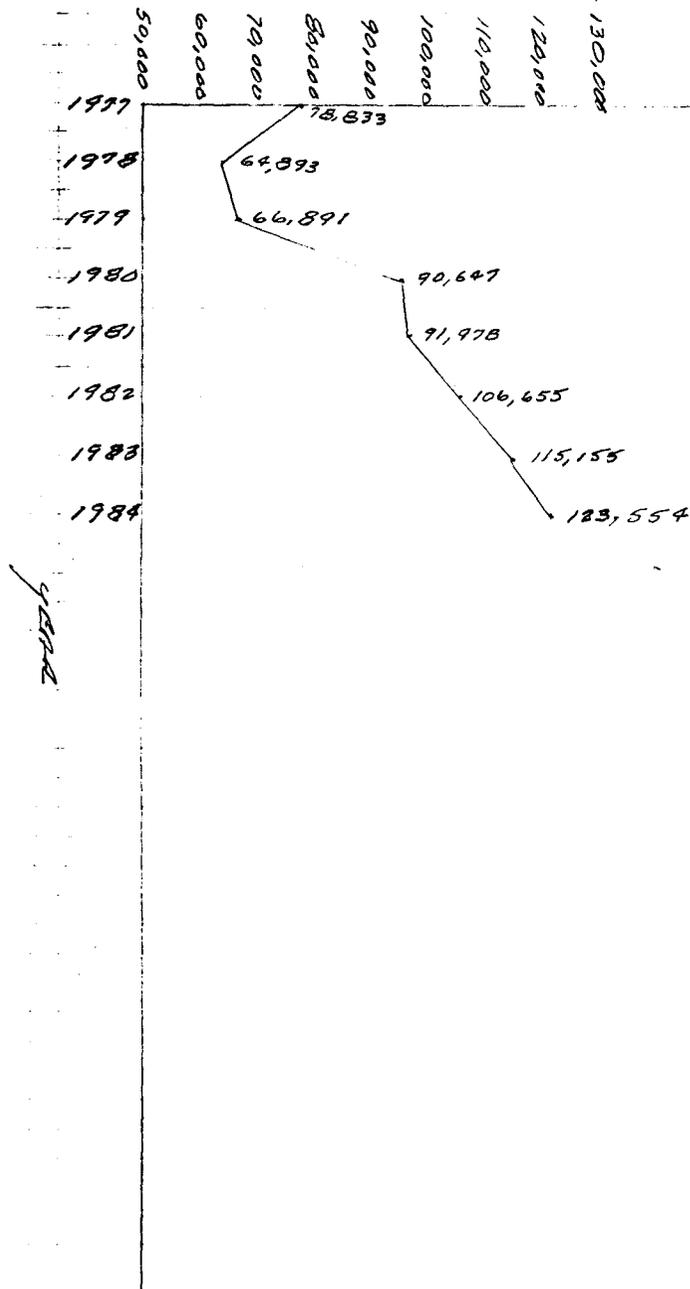
passenger business; they wouldn't dream of getting back into it.

Forget the states, too. The Metroliners, for instance, traverse the District of Columbia, Maryland, Delaware, Pennsylvania, New Jersey and New York; imagine them trying to work out the management, labor and financing arrangements to keep the trains running and the stations and right-of-way in shape. Since the Reagan administration also wants to kill federal aid to mass transit, it's even questionable that, say, New York state would be able on its own to maintain even a heavily traveled intrastate route like that between New York City and Albany.

In fact, if Ronald Reagan persuades Congress to kill Amtrak, for no better reason than to cut only \$684 million from a prospective deficit of more than \$200 billion, intercity train travel will come to an effective end in the United States; the lost trains will never come back; and the wealthiest people in history, once boasting the most extensive transportation network anywhere, will become the only nation in the developed world without a national rail passenger system.

EXHIBIT 5
BUSINESS & INDUSTRY
March 22, 1985

PASSENGER =

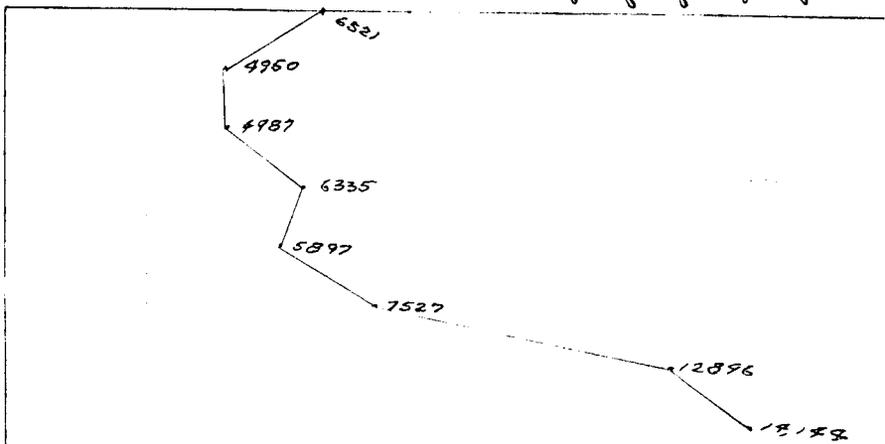


ALL EMPLOYEE BUILDER STATIONS
1980 TARB
TOTAL COMINGS AND DEPARTURES

PASSENGERS

15,000
14,000
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000

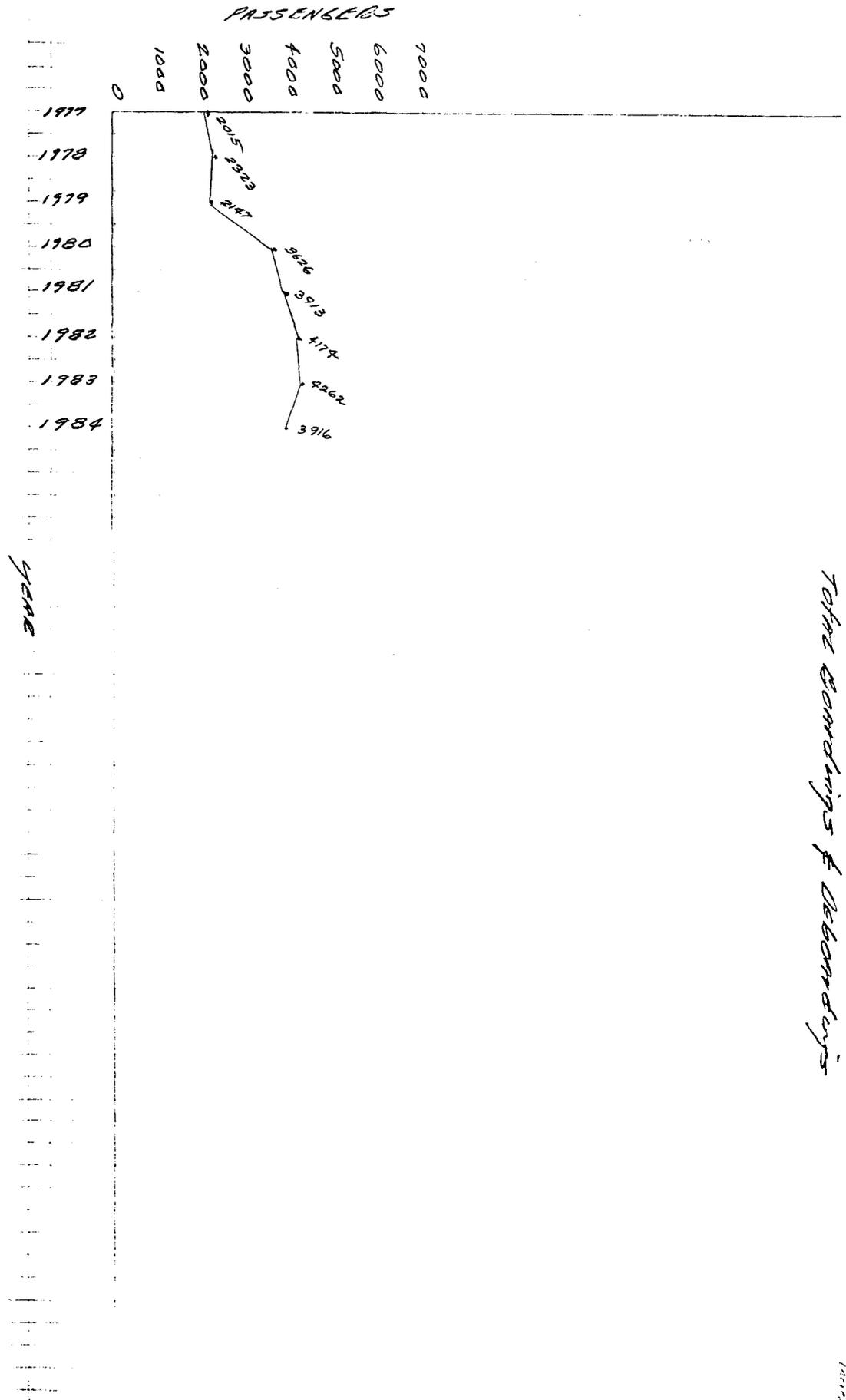
1977
1978
1979
1980
1981
1982
1983
1984



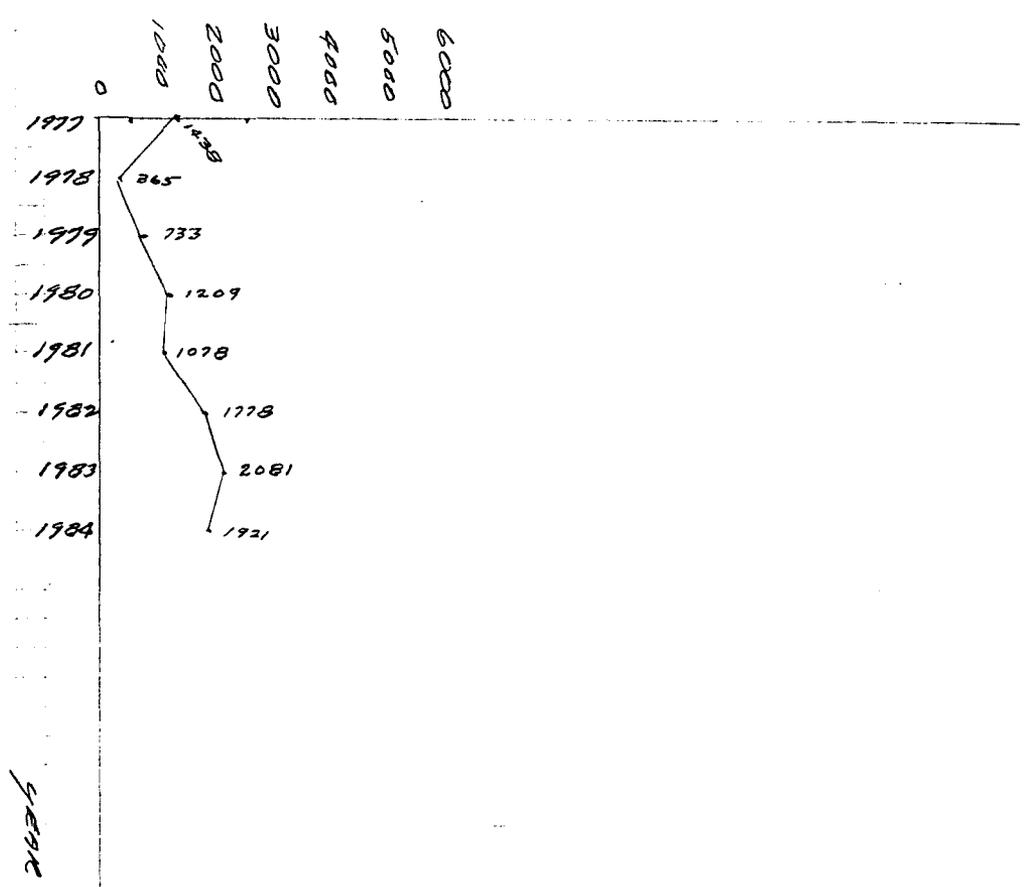
year

Total Boardings and Deboardings

BELTON Station
Total Boardings & Alboardings

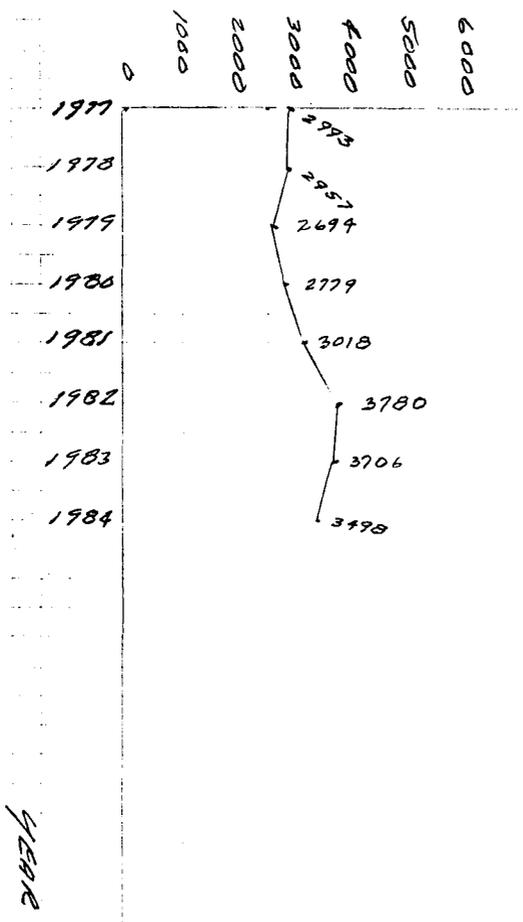


PASSENGERS



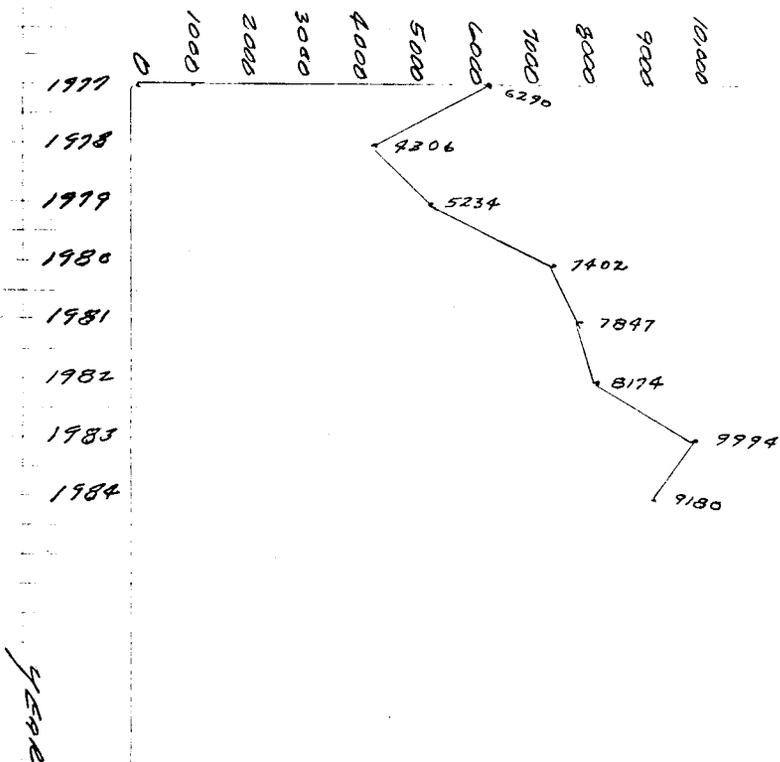
TOTAL EARNING & DEGRADINGS

PASSENGERS



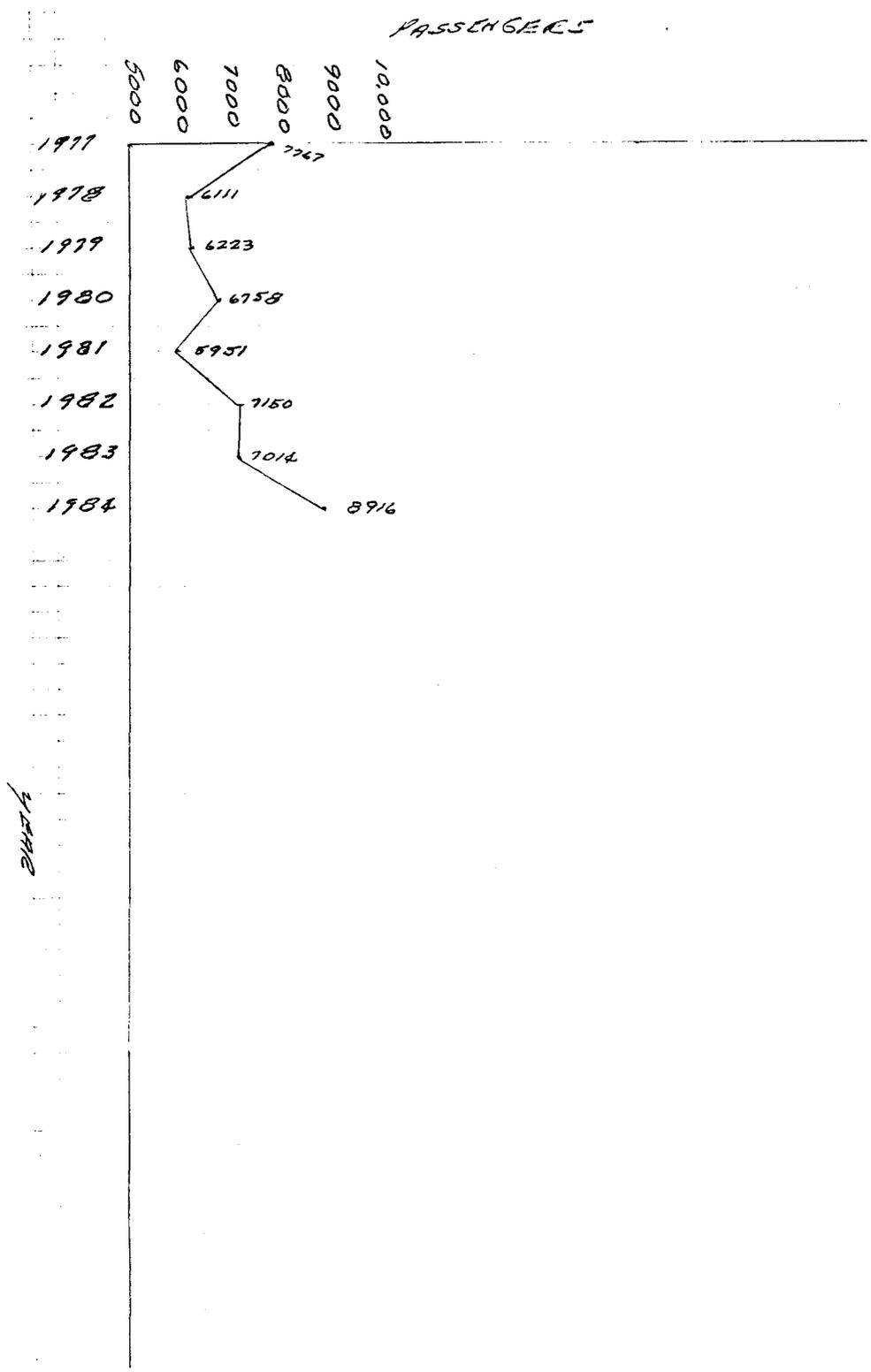
CUTLINE Station
Total Boarding & Alightments

PASSENGERS

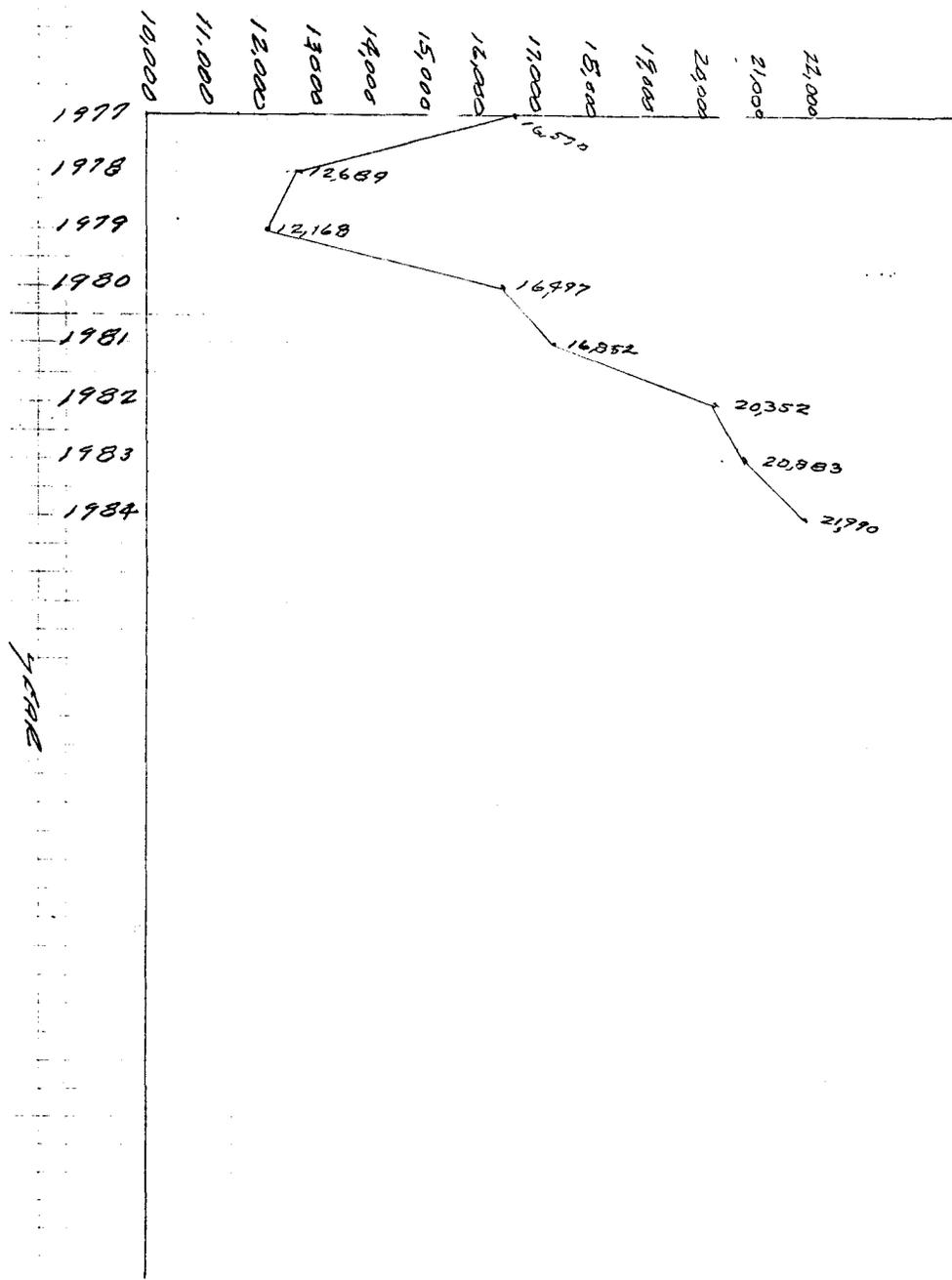


Class
Total Standings and Recordings

GLASGOW Station
Total Boardings and Departures

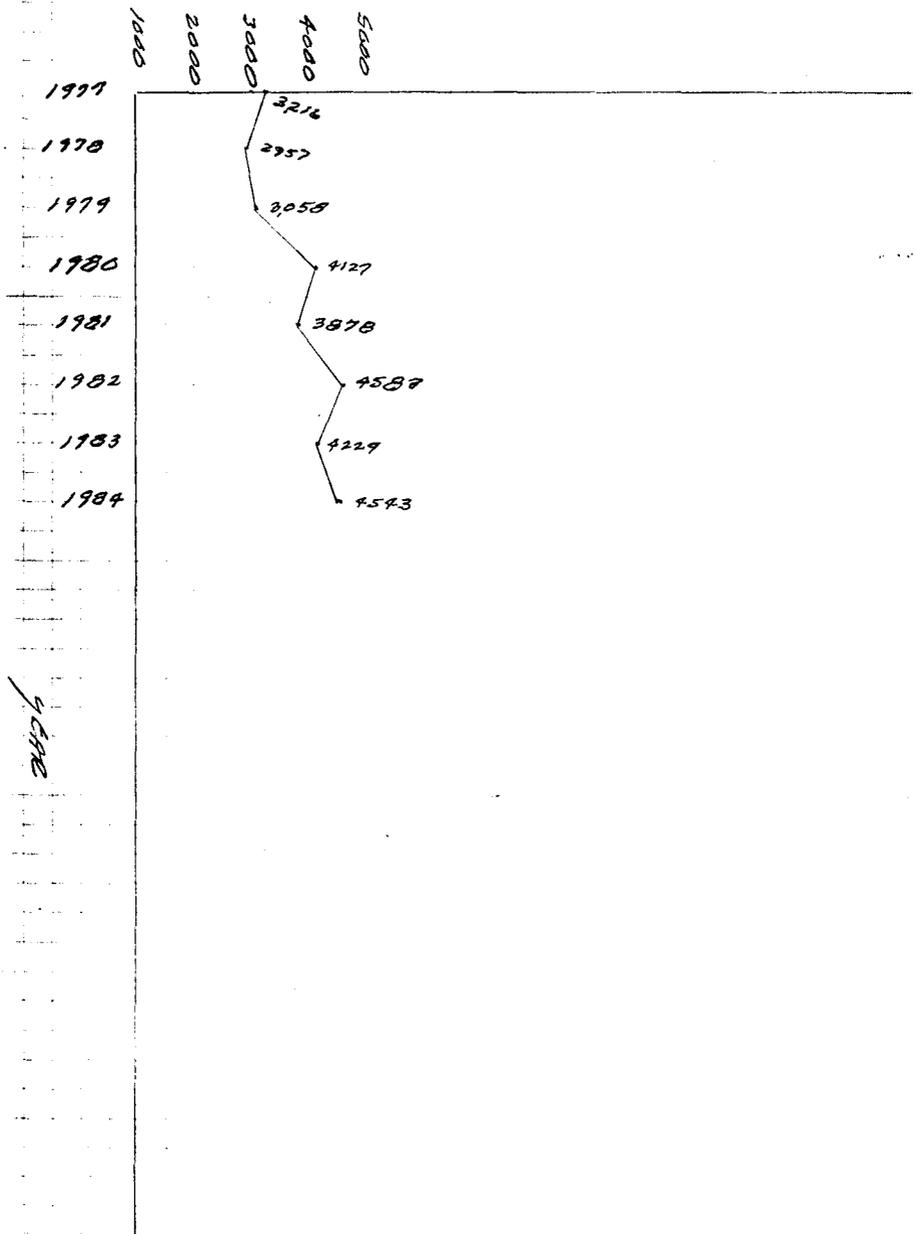


PASSENGERS



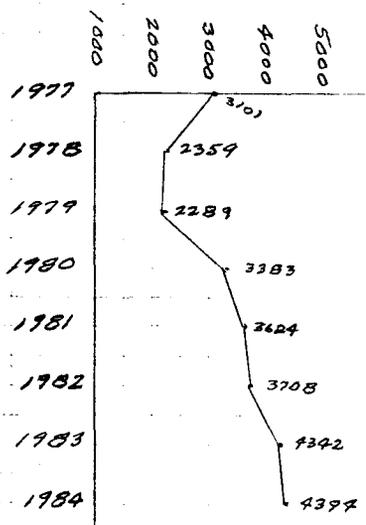
Total Boardings and Alboardings

PASSENGERS



Libby Station
Total Boardings and Al Boardings

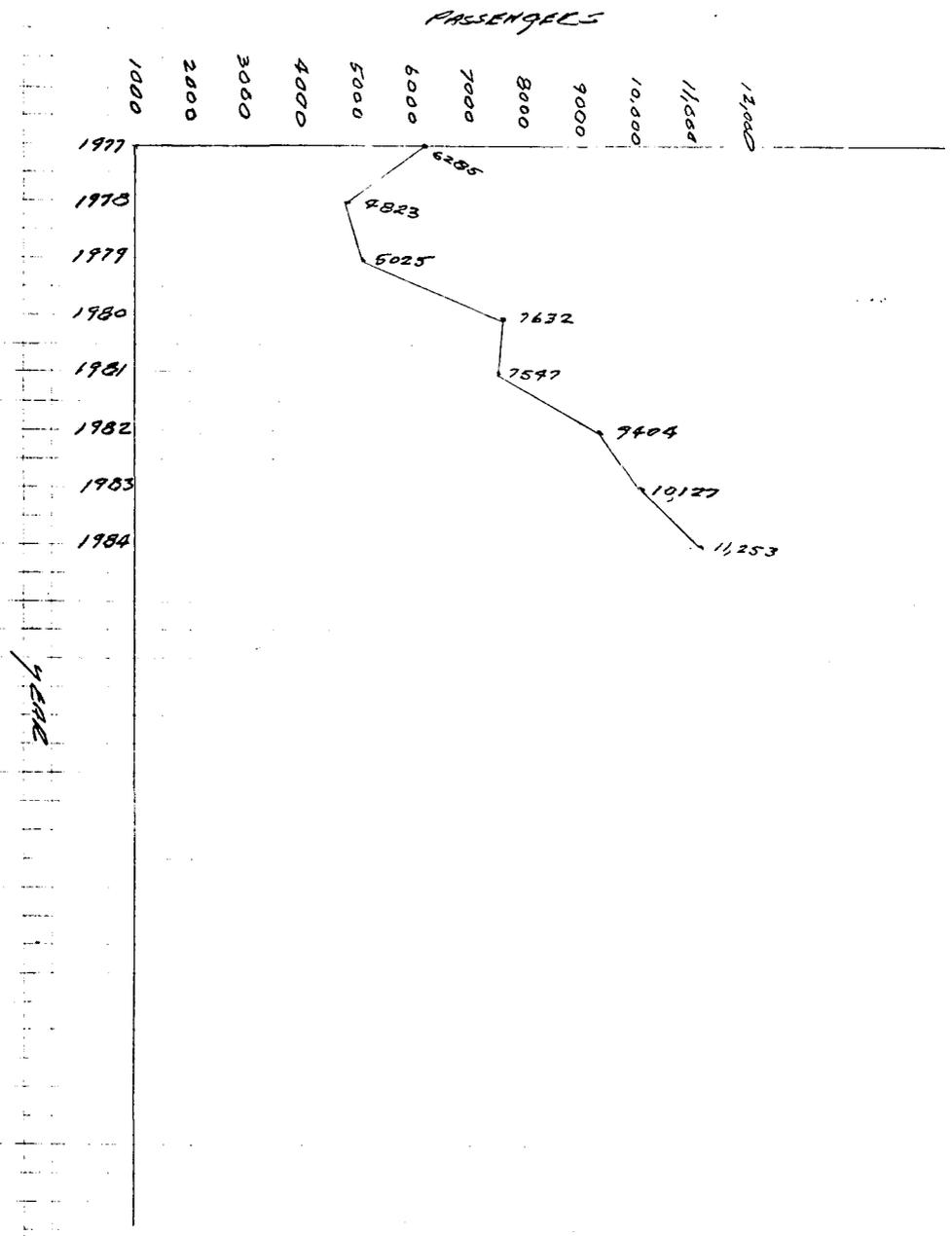
PASSENGERS



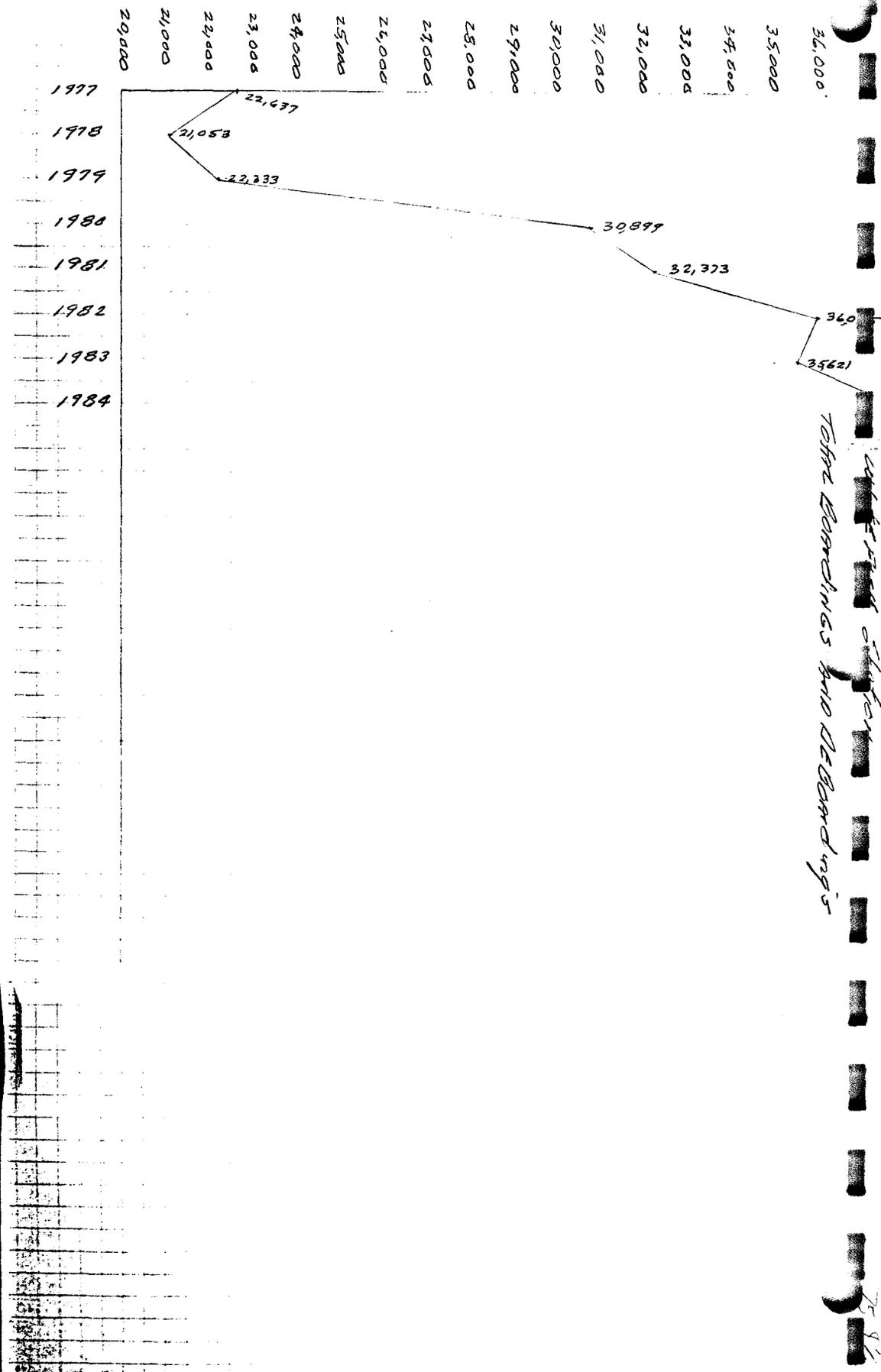
YENHE

Small
Total Boarding and Deboardings

Shelby Station
Total Boardings and Deboardings



PASSENGERS



John Bonchings and DeBoarding's

NAME Eather Reed BILL NO. H.R.
ADDRESS Box 487, Malta, Mt. 59538 DATE 3/22/85
WHOM DO YOU REPRESENT myself
SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: I am appalled at the
Until recently we had bus service
from Billings to Malta } these buses
Great Falls to Malta }
Thilliston, N.D. to Malta }
all met in Malta and therefore people
were able to travel from Billings to Hoff
Point in a day or from Billings to Haure
in one day. The amount of freight these
bus drivers handled daily was unbelievable.
We have recently lost that bus service
because apparently the owner of that
bus line could no longer continue
to operate it, due to financial problems.

If we were to lose Amtrak not only
would it deprive many people of any
mode of transportation from our area,
but it would certainly be harmful
to the economy of our entire state.
In the 50's - a town^(in Wisconsin) of approximately
10,000 lost their train service (for passengers)
at that time it made me aware of
how fortunate we were in a small
town of approximately 2,500 people
to have passenger train service through our

Small town - we can leave Mallett at about 1:30 pm. & be in Minneapolis, ~~Minnesota~~ by 8 am. The next morning. Or we can be in Chicago, Illinois within one day of travel. Or we can go to Spokane, etc.

In order to reach a major airline we have to drive approximately 212 miles to Billings or 200 miles to Great Falls. There is a Big Sky airline in Glasgow but I have never used it myself so I do not know how well it works. Glasgow is 70 miles from where I live.

Let's not be so short sighted that we get in the position South Dakota is in, the no longer even had a "jack rabbit" ^{bus} line - which was used for nothing but at least it was a mode of transportation.

I strongly support continued funding of Amtrak.

I do feel that Amtrak could however purchase their cars in America. I understand it took several years to build a portion of some of or all of the passenger cars. ^{in another country} I would urge that this may be one means for Amtrak to save money.

PROPOSED AMENDMENTS TO HOUSE BILL 183:

1. Title, line 8.
Following: "50-40-104"
Insert: ",50-40-107"
2. Page 1, line 14.
Following: "areas"
Strike: "--notice"
3. Page 1, line 18.
Following: "area"
Strike: "with easily readable signs"
4. Page 1, line 19.
Following: "nonsmokers"
Insert: "."
5. Page 1, lines 20 and 21.
Strike: lines 20 and 21 in their entirety
6. Page 2.
Following: line 11
Insert: "Section 2. Section 50-40-107, MCA, is amended to read:
50-40-107. Exemptions. The following shall be exempt from this
part: (1) restrooms; (2) taverns or bars where meals are not served;
(3) vehicles seating six or fewer members of the public; (4) rooms
seating 50 or fewer members of the public.
Renumber: subsequent section

STANDING COMMITTEE REPORT

MARCH 22

19 85

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration..... **HOUSE JOINT RESOLUTION** No. **38**

third reading copy (blue)
color

**RESOLUTION REQUESTING CONTINUED FUNDING OF AMTRAK
(Brown)**

Respectfully report as follows: That..... **HOUSE JOINT RESOLUTION** No. **38**

BE CONCURRED IN

~~XXXXXXXX~~

~~XXXXXXXXXX~~

.....
Sen. Mike Halligan

Chairman.