

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON FEDERAL RELATIONS, ENERGY, AND TELECOMMUNICATIONS**

Call to Order: By **CHAIRMAN DOUG MOOD**, on February 15, 2001 at 3:00 P.M., in Room 137 Capitol.

ROLL CALL

Members Present:

Rep. Tom Dell, Vice Chairman (D)
Rep. Douglas Mood, Vice Chairman (R)
Rep. Dee Brown (R)
Rep. Roy Brown (R)
Rep. Gary Forrester (D)
Rep. Carol C. Juneau (D)
Rep. Gary Matthews (D)
Rep. Joe McKenney (R)
Rep. Alan Olson (R)
Rep. Trudi Schmidt (D)
Rep. Bob Story (R)

Members Excused: Rep. Aubyn A. Curtiss, Chairman (R)

Members Absent: None.

Staff Present: Staci Leitgeb, Committee Secretary
Stephen Maly, Legislative Branch

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HJ 19, 2/12/2001; HJ 22,
2/12/2001; HJ 20, 2/12/2001;
HJ 26, 2/12/2001; SB 567,
2/12/2001

HEARING ON HJ 19 and HJ 22

Sponsor: REPRESENTATIVE AUBYN CURTISS, HD 81

Proponents: Al Kington, Montana Forest County Coalition
Ken Hoovestol, Montana Snow Mobile Association
Patrick Heffernan, Montana Logging Association
Don Allen, Western Environmental Trade Association
Cary Hegreberg, Montana Wood Products Association
Amy Sullivan, Montana Tourism Coalition
Mary Allen, Western Environmental Trade Association

Opponents: Bob Decker, Montana Wilderness Association
Joe Egan, Helena
Jack Severns, Great Falls
Tim Stevens, Livingston City Commission
Jeff Reider, City of Bozeman
Gohi Lauckner
Dyrck Van Hyning, Montana Wilderness Association
Lisa Bay, Wolf Creek
Matthew Leow, MT PIRG
Bill Orsello, Montana Wildlife Federation
Kathy Lloyd, Clancy
John Getchell, Montana Wilderness Association
Katheryn Hohmann
Sue Janssen, Yak Valley Forest Council
Paul Edwards, Helena
Rick Bass, Yak Valley
Mary Wiper, Billings
David Ellenberger, Bozeman
Will Bold, Helena

Opening Statement by Sponsor on HJ 19:

REPRESENTATIVE AUBYN CURTISS, HD 81, said that most people in her district view the Roadless Initiative as but another attempt by the Clinton administration to lock up public lands and put resources essential to community sustain-ability beyond reach of those whose heritage, customs and cultures depend on wise use of those resources. Science can't be claimed as justification for the proposal. Sound science is not biased. The assumption that multiple use must be replaced by ecosystem management permeates the data supporting the proposed course of action. Forest managers already have the ability to protect sensitive areas of forest land. To terminate access to public lands will only severely limit the ability of experienced resource managers to protect the resources in their care. **EXHIBIT (feh38a01)**

Proponents' Testimony on HJ 19:

Al Kington, Montana Forest County Coalition, said that this bill emphasizes that we are in a crisis situation in this state, in our counties, with relation to management of our federal lands. Anything that is out there that the government can do is at their benefit. The rural counties need the leadership of the legislature to make sure that they are not left while this topic is further debated.

Ken Hoovestol, Montana Snow Mobile Association, supports this bill for the same reasons previously stated.

Patrick Heffernan, Montana Logging Association, said that they spent considerable time on this issue in the last two years. They see this as a short circuit of process that is already in place through the forest planning mechanisms of the National Forest Management Act.

Don Allen, Western Environmental Trade Association, rises in support of this resolution. He referred to the last whereas in the resolution. Among their membership they have people in all of those areas and they all have participated in the process, but felt like they were betrayed in terms of the outcome that was forthcoming in terms of naming of the roadless areas.

Cary Hegreberg, Montana Wood Products Association, said that throughout the debate over the Roadless Initiative there has been a lot of information and a lot of public discourse about what Montanans want. They commissioned a statewide poll as to how they feel about some of these federal land management issues. The majority of people said that they should actively manage forests for multiple benefits, including timber harvest. Only 13 percent thought that the management policies should be made in Washington D.C. **EXHIBIT(feh38a05) EXHIBIT(feh38a06)**

Amy Sullivan, Montana Tourism Coalition, said that they support access to national forest and public lands for recreation.

Opponents' Testimony on HJ 19:

Bob Decker, Montana Wilderness Association, said that, as he reads the resolution, the results are based on false or misleading premises. If we have a legitimate debate about roadless lands in Montana, why don't we have a legitimate debate about that issue? He read from the whereas section of the resolution. The Roadless Initiative does serve multiple use, the language is clear. The roadless rule doesn't differentiate

between what the resolution calls forty million acres of "roadless" areas and ten million additional acres of small parcels of roadless areas. It is true that wilderness areas are designated by the federal government; he doesn't understand why that is being used as an argument against the roadless rule. The Creative Act of 1891 refers to preserving watersheds, forests, along with allowing timber on public lands and nowhere does it have any language that says protection of roadless lands would violate those laws for which the national forests were created. The roadless rule doesn't effect recreation, it allows access for mining, it doesn't close roads, and it protects the status quo of recreation on roadless lands. It does limit timber harvesting.

Joe Egan, Helena, submitted written testimony. **EXHIBIT (feh38a02)**

Jack Severns, Great Falls, shared some personal history. Our history is that there have been many very destructive practices. How many more ruined creeks and ecosystems do we have to have before we say enough is enough and preserve what little we have of wild lands? He believes that we are called by nature and holy scripture to care for the garden that God gave us.

Tim Stevens, Livingston City Commission, is here representing himself. People come to Montana because it still has the wilderness. This is why Livingston is attracting small business.

Jeff Reider, City of Bozeman, submitted written testimony.
EXHIBIT (feh38a03)

Gohi Lauckner said that she has seen a lot of kids that would love to see our mountains the way they are. They are going to be deprived of this if these bills go through. You know, when you see this, that there is a God because no human could create anything as beautiful as this. We teach our young people that they are stewards of the land. It is against the law of nature to deface these lands.

Dyrck Van Hying, Montana Wilderness Association, said that the multiple use statements in this document seem to have nothing to do with the 1960 Multiple Use Sustainable Yield Act. This process went on for over two years; 1.6 million people commented on this. This deals with land that does not have roads on it.

Lisa Bay, Wolf Creek, said she has seen many people come here for the glory of our landscape. She also saw many people come out in the public hearings and speak in favor of the roadless protection.

Matthew Leow, MT PIRG, said that the federal government provided a public hearing process where many people had a chance to comment. This resolution is an attempt to raise a fuss over a decision which applies to public lands and underwent a very thorough public hearing process. Most people support the initiative. The idea that this initiative will increase the risk of fires is a scare tactic. It ignores the truth. Opponents claim that roads will lead to fire suppression. The fact is that fire suppression will lead to greater fires in the future. Fires burn hotter and more out of control in logging areas than they do in wilderness areas.

Bill Orsello, Montana Wildlife Federation, said that they have a very diverse membership across the entire state. On most occasions there are several opinions in the group that are expressed. On this issue there was no debate. All the board members came out unanimously and supported the Roadless Initiative. People in his organization have dealt with these issues for over twenty years and they know the reality. There is logging taking place in the roadless areas. There is a lot that can be done for wildlife habitat. We need to concentrate on the 70% of the forest that there isn't opposition to logging in.

Kathy Lloyd, Clancy, submitted written testimony.
EXHIBIT (feh38a04)

John Getchell, Montana Wilderness Association, pointed out that the Multiple Uses Sustainable Yield Act doesn't say what this resolution implies that it says. He read from the act.
EXHIBIT (feh38a07)

Katheryn Hohmann commented that it is not the doer, it is the deed. She is bothered that this resolution has three references to President Clinton. This is not the work of Bill Clinton, it is the work of the people. This is about the constitution of the state of Montana, which says that everyone living here has the right to a clean and healthy environment.

Sue Janssen, Yak Valley Forest Council, said that their purpose is not only to protect their roadless areas in the act, but also to support their community's livelihood obtained from the forest on already roaded acres. She thinks that it is irresponsible to not protect these last few roadless areas from our ever encroaching and consuming society. Wild places are vital to the health and the heart of future generations.

Paul Edwards, Helena, emphatically opposes this bill and is appalled that this was brought forward when there are more important issues to be dealt with.

Rick Bass, Yak Valley, opposes this bill. Continuing this battle over less than 1% of our public timber will surely destroy the tenuous developing threads of collaboration between the timber industry and environmentalists.

Mary Wiper, Billings, supports the protections that keep Montana's forest wild. The large expanses of wild lands define us as state and a people. Let's not allow our forests to be destroyed; let's preserve them for future generations. We have to protect the places that define us as Montana.

Lucas Dupuis submitted written testimony. **EXHIBIT(feh38a08)**

Opening Statement by the Sponsor for HJ 22:

REP. CURTISS said that this resolution addresses urging the reduction of an over abundance of forest fuels.

Proponents' Testimony for HJ 22:

Cary Hegreberg, Montana Wood Products Association, said that this resolution came in large part from the Western Legislative Forestry Task Force, which consists of a number of legislators throughout the western states. The timber industry throughout the western states is asking legislatures to pass this resolution. They are attempting to develop a cohesive position among the western states to be able to take this resolution and forward it to the Western Governors' Association, which they hope will be able to approach the new Bush administration with a cohesive and united strategy for managing our forests in the western states. It deals with minimizing fire risks, managing for forest health.

Al Kington, Montana Forest County Coalition, is in favor of this bill for the reasons that he stated in earlier testimony.

Mary Allen, Western Environmental Trade Association, supports this resolution.

Opponents' Testimony to HJ 22:

Will Bold, Helena, feels that we are at a point of decision for Montana. We have to either look forward or we have to look backwards. Montana has a beautiful environment that people are

coming to in order to escape areas that have been degraded. An economy can be built on this. We need to look into cleaner economic ways to make this state work. It is time to look forward to new ways to make Montana both economically and environmentally friendly.

David Ellenberger, Bozeman, said that 78% of the people in Montana supported protecting roadless areas. After living for five years in the east, he now has a different appreciation for what lies out here in Montana. He feels that it is irresponsible to promote legislation like this that ignores the will of the people, both in this state and across the country. This would do a great disservice to our environment and the things that make the state special.

Dyrk Van Hying, Montana Wilderness Association, thinks this is a ridiculous resolution. The only way that you can totally stop fire is to have a parking lot. Timber is cyclical and we are in a down swing. The timber industry isn't the only industry in Montana that is having problems. There are other areas that we should be looking at to get us into the next hundred years.

Informational Testimony:

John Getchell, Montana Wilderness Association, commented that when drought comes to Montana, fires come with it. It is a direct correlation. The fires were not limited to public lands, this resolution is. The eight worst fires last summer occurred in areas with many, many miles of roads. Five of those occurred in areas that had been recently logged. Two occurred in rural subdivisions. One occurred out on the prairie. None of those fires began in roadless areas.

Questions from Committee Members and Responses:

REPRESENTATIVE DEE BROWN asked if **Mr. Ellenberger** had attended some of the public meetings. He said that he had. **REP. BROWN** asked if he would concur that there were 44 public hearing.

Mr. Ellenberger said that 15,887 actually commented on this. 4,929 people attended those meetings. 12,515 of the comments from Montana were responses favoring more restrictive combinations of options than the alternative provided in the draft EIS. He has never seen an environmental issue garnish so much attention, attendance and outrage as this plan has.

REP. BROWN asked if he would say that 78% of the 1.7% percent that testified is a large majority. **Mr. Ellenberger** had heard the proponents say that they represented 500,000 people in

Montana. If that is the case, then where were those people during the comment process.

REPRESENTATIVE TRUDI SCHMIDT asked Mr. Getchell for his impression about how complete the process was handled. **Mr. Getchell** replied that the hearings that he attended were in Helena, conducted by the Helena National Forest Service. They were very professional. There were three sets of hearing and all people that attended were given the opportunity to speak. There were several hundred witnesses. There was also a series of open houses. It was an exhaustive process. There were two different written comment periods. **REP. SCHMIDT** asked where the other hearings were held. **Mr. Getchell** said that there were hearings in Helena, Great Falls, Billings, Bozeman, Missoula, Dillon, Butte, White Sulphur Springs, Kalispell, Libby, Hamilton, Browning, Philipsburg, White Hall, Ennis, Divide, Plains. In addition to that there were open houses in Wisdom, Sheridan, Beaverhead, and others. **REP. SCHMIDT** asked if he could tell her the tone of the hearings. **Mr. Getchell** thought that the hearings were well conducted for a controversial issue. They listened to each other, no one was interrupted.

REPRESENTATIVE GARY MATTHEWS asked Mr. Kington, of the 29 counties he represents, how many of those had legislators that oppose these resolutions. **Mr. Kington** didn't have an exact number, but he would say that it would be a large majority of them.

REPRESENTATIVE ROY BROWN asked Mr. Hegreberg what the degree of accuracy on the poll that he reference was. **Mr. Hegreberg** said that the margin of error was plus or minus 5%.

REPRESENTATIVE BOB STORY asked Mr. Kington if he had attended any of the hearings in Helena. **Mr. Kington** said that he had. **REP. STORY** asked what the split of the people was, as far as supporting or opposing the alternatives. **Mr. Kington** said that it was pretty even, 50 - 50.

REP. STORY asked Mr. Getchell if a person was to attend more than one meeting, are they counted more than once. **Mr. Getchell** didn't know. The Forest Service put together a team and did a detailed content analysis of the written comments.

REP. SCHMIDT said that HJ 19 sounded to be fairly accurate, the big concern is timber harvest. **Mr. Getchell** responded that it is not accurate. Access for recreation will not be affected by the roadless rule. The roadless areas contain 40% of the trails for horseback riding, hiking, et cetera. It does curtail timber

harvest. **REP SCHMIDT** asked for him to comment on where he sees the flaws in the whereas section. **Mr. Getchell** said that the first whereas is a general statement that doesn't constitute any reason to oppose. The second whereas is false. The inventories and the fact that they are roadless is well established in Montana going all the way back to 1972. The third whereas is correct, but the roadless rule doesn't designate wilderness. The fourth whereas is completely false. It doesn't violate the purposes at all. The fifth whereas is also completely false. It is false of mining, it will limit timber harvest.

REPRESENTATIVE DOUG MOOD asked Mr. Getchell if there is language in the Organic Administration Act having to do with the purpose of federal lands that were created in terms of providing commodities to people of other countries. **Mr. Getchell** read from the act. "The president is hereby authorized to create national forest by executive order and proclamation..." **REP. MOOD** asked where in the wilderness law do they define buffer zones. **Mr. Getchell** replied that the wilderness law doesn't allow buffer zones. **REP. MOOD** asked what he thought the probability is that any timber harvesting will take place on these roadless areas if they are left to stand. **Mr. Getchell** thinks that timber harvesting will be limited to the purposes established under the rule.

REP. MOOD asked Mr. Hegreberg to respond to the suggestion that there will not be timber harvesting in these roadless areas if they are left as in the Roadless Initiative. **Mr. Hegreberg** said that there will be virtually no commercial timber harvesting activity in this roadless area because it is not economical. You can't bring people and equipment in without roads. **REP. MOOD** asked how long the maps of these areas had been available. **Mr. Hegreberg** said that they were not available until very late in the process.

REP. MOOD asked Mr. Heffernan what he did for a living. **Mr. Heffernan** replied that he is the staff forester for the Montana Logging Association. **REP. MOOD** asked if he had a forestry degree. **Mr. Heffernan** said that he did. **REP. MOOD** asked him to comment on the theory of the fires in managed areas versus non-managed areas. **Mr. Heffernan** said that there are so many variables in the way a forest fire burns. One of the variables is the fuel, the arrangement of that fuel, et cetera.

Closing by Sponsor:

REP. CURTISS would be reeling from shock if she hadn't heard it all before. The quarrel that the opponents have with the language in HJ 19 they have with the AFL-CIO because the language that she has used in this resolution comes from their resolution passed this summer. She read from a newspaper article.

EXHIBIT (feh38a09) There is a great fire danger because of the fuel build up. Montanans love our clean air and water, but when you have fires like we endured last summer there is massive degradation of all of our resources, as well as the air.

HEARING ON HJ 20

Sponsor: REPRESENTATIVE AUBYN CURTISS, HD 81

Proponents: Jim Mockler, Montana Coal Council
Gail Abercrombie, Montana Petroleum Association
Al Kington, Forest County Coalition
Don Allen, Western Environmental Trade Association
William Duffield, Fallon County Commissioner

Opponents: None

Opening Statement by Sponsor:

REPRESENTATIVE AUBYN CURTISS, HD 81, stated that she just wished to facilitate the construction of needed, new energy generation facilities.

Proponents' Testimony:

Jim Mockler, Montana Coal Council, said that it seems sad that we sit here out of energy when we have more coal than all but three other countries in the world.

Gail Abercrombie, Montana Petroleum Association, said that in southeast Montana they have the possibility to be developing the coal bed natural gas. They are ready and willing to offer solutions and bring fuels for the short term and for the long term.

Al Kington, Forest County Coalition, said that a lot of the discussions in the timber industry have been about supply, but they are also talking about energy and the energy crisis. Generation is necessary and we have the ability to get plants on line and use the resources of coal and gas that are out there.

Don Allen, Western Environmental Trade Association, said we need to send some positive signals to other people out there, as well as our own people, that we are willing to look at ways to resolve the energy problems in environmentally acceptable ways. This is a needed message, it gives a signal and is something that will help Montana as it discusses where it wants to go in its future economic development.

William Duffield, Fallon County Commissioner, supports this resolution.

Closing by Sponsor:

REP. CURTISS urged for a do pass on this resolution.

HEARING ON HJ 26

Sponsor: REPRESENTATIVE BOB DAVIES, HD 27

Proponents: None

Opponents: None

Opening Statement by Sponsor:

{Tape : 3; Side : A; Approx. Time Counter : 4}

REPRESENTATIVE BOB DAVIES, HD 27, said that, in his opinion, no entity has ever received so much favorable press as the United Nations. That is one of the problems. He submitted and read from supplemental information. **EXHIBIT(feh38a10)**
EXHIBIT(feh38a11) **EXHIBIT(feh38a12)**

Questions from Committee Members and Responses:

REPRESENTATIVE BOB STORY asked a question of the sponsor.
REP. DAVIES replied that the gist of it is in the last three lines of the resolution, the discontinuation of the 1945 UN Participation Act.

REPRESENTATIVE GARY FORRESTER commented that Jesse Helms said that it was okay to spend \$500 million dollars in continued support of the UN. **REP. DAVIES** said that was a mistake.

Closing by Sponsor:

REP. DAVIES urged the committee to read the handout that he had given them.

HEARING ON HB 567

Sponsor: REPRESENTATIVE MONICA LINDEEN, HD 7

Proponents: Joan Mandeville, Blackfoot Telephone Cooperative
Geoff Feiss, Montana Telecommunications Association
Mike Strand, Montana Independent Telecommunications
Systems
Chuck Evilsizer, Ronan Telephone Company

Opponents: John Fitzpatrick, Touch America
Mark Baker, AT&T
Russ Cravens, Qwest

Opening Statement by Sponsor:

REPRESENTATIVE MONICA LINDEEN, HD 7, said that in 1996 Congress passed the first major revisions to the Federal Communication Act in over 60 years. This federal legislation opened competition in local telecommunications markets, established new regulatory structures to usher in this new competitive market. In 1997 the Montana legislature reviewed the new legislation and revised our own regulatory structure to meet the new environment created by the federal act. This bill deals with long distance phone service. As competition in the local and long distance markets have increased, problems have arisen for which Montana laws do not have any workable provisions. This bill addresses the two largest problems so far and gives the PSC jurisdiction to address new disputes between long distance carriers, just as they can for local carriers.

Proponents' Testimony:

{Tape : 3; Side : B; Approx. Time Counter : 1.5}

Joan Mandeville, Blackfoot Telephone Cooperative, submitted written testimony. **EXHIBIT (feh38a13)**

Geoff Feiss, Montana Telecommunications Association, submitted written testimony. **EXHIBIT (feh38a14)** He also offered some amendments. **EXHIBIT (feh38a15)**

Mike Strand, Montana Independent Telecommunications Systems, supports this bill for three reasons: (1) Local exchange carriers and competitive local exchange carriers should be fairly compensated by the long distance companies for the facilities that they provide. (2) They think that jurisdictions for disputes are appropriately before the PSC. They have the expertise to deal with these issues. (3) The only way that you can be properly compensated for providing these facilities is to know what kind of traffic is being terminated and who originated that traffic. That issue is found in section 2 of the bill.

Chuck Evilsizer, Ronan Telephone Company, supports the bill. They feel that the amendments are important to clarify and ensure that what is intended by this bill is accomplished.

Opponents' Testimony:

John Fitzpatrick, Touch America, said that the principle point of disagreement that they have is found in section three of the bill where the rates are set for inter-carrier compensation. He submitted and explained supplemental information, including two charts. **EXHIBIT (feh38a16)**

Mark Baker, AT&T, concurs with previous testimony. He wanted to add that this is a private relief bill for contractual negotiations between various companies. The contractual arrangements that are made between AT&T and others around the country are a point of discussion with the FCC, as well as a federal court action. This is yet a third attempt to bring relief to what is a contractual arrangement between two companies. Their concern is with section two of the bill. The better solution is to allow the companies to work out their contractual disagreements and avoid a legislative mandate.

Russ Cravens, Qwest, submitted written testimony.
EXHIBIT (feh38a17)

A copy of a court case was submitted for information.
EXHIBIT (feh38a18)

Questions from Committee Members and Responses:

REPRESENTATIVE DEE BROWN said that it seems that the parties can't come together and make this agreement. What solution do you see in the near future without legislation? **Mr. Baker** said that there are other remedies. There is mediation, arbitration, as well as legal action. What they are faced with here is

whether AT&T, as a company, can continue to provide service at the prices that we are being charged to access that network.

REPRESENTATIVE TRUDI SCHMIDT asked how this is being handled in other states. **Mr. Baker** said that this is a problem all across the country for AT&T. They are in negotiations with several high priced CLECs in terms of their access charges. **REP. SCHMIDT** asked about the wireless phones. **Mr. Baker** deferred to **Mr. Cravens**. He responded that the issue with wireless phones is that under federal law, they can't charge access charges to wireless carriers. One of the challenges is that increasingly CLECs use both wire line and wireless types of services to be able to provide local telecommunications services. **REP. SCHMIDT** asked if there is any possibility of working this out. **Mr. Cravens** said that they haven't taken a position on interim review. He believes that the issues have generally been that they have not been able to work it out. In situations where they have been adjudicated, the issues have been resolved in their favor.

REPRESENTATIVE BOB STORY clarified that it seems that one of the issues causing a problem is the inability of the local exchanges to determine where the calls came from. **Mr. Cravens** said that there is a disagreement on how the traffic from Qwest to a local provider is delivered to them. **REP. STORY** continued that part of the problem is with missing revenue related to cellular calls and the part of the problem is that they can't tell where the land-line calls come from. **Mr. Cravens** said that any call that would originate with a national carrier, they would be told exactly where those come from. The two areas that are of real contention are wireless companies and the independents calling one another.

REP. STORY asked if local exchanges that deal with Touch America have this problem with identifying calls and where they come from. **Mr. Fitzpatrick** said that they don't have those issues.

REPRESENTATIVE GARY FORRESTER said that he had heard from Blackfoot Telephone Co-op that they had been in contact with several of the big guys and they refuse to negotiate. Would Touch America be willing to go to the 1500 line threshold? **Mr. Cravens** said that their concerns go beyond that in the requirements that are in the bill about having to serve a CLEC's customer and the requirements of the feature group D. **REP. FORRESTER** asked how the smaller carriers can stay in business if they aren't allowed some relief. **Mr. Cravens** thinks that the issue is that this could be a cost of doing service that would have to be covered by the customers. Everyone is making those adjustments with the changes in the competitive

telecommunications arena. The issue gets to be, do we want them to raise the bill in local communities. That may be the solution.

REP. SCHMIDT asked Ms. Mandeville to comment. **Ms. Mandevill** said that negotiation is really the way to go. That is the first step. In the local markets that won't always work. That is why the PSC has jurisdiction over that if disputes can't be resolved.

REP. DEE BROWN asked how much the Feature Group D costs. **Ms. Mandeville** said that is what exists in the network today. This is what the vast majority are using. Since US West is equal access, they should already have this capability. **REP. BROWN** asked, if they did have Feature Group D, this problem would be resolved. **Ms. Mandeville** said that it would be a big step in the right direction.

Closing by Sponsor:

REP. LINDEEN really wants to see something worked out. Unfortunately, they haven't been able to come to some kind of a conclusion. It is important that it does happen. There are a lot of small businesses in Montana who really would depend on this.

ADJOURNMENT

Adjournment: 5:00 P.M.

REP. DOUG MOOD, Chairman

ROBYN LUND, Secretary

DM/RL

EXHIBIT (feh38aad)