

EXHIBIT 7
DATE 3.22.05
HB 776

 SUSTAINABLE SYSTEMS, LLC

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March 22, 2005

To: House Taxation Committee

Re: Testimony on HB 776

Dear Honorable Members of the House Taxation Committee,

I will keep my testimonial brief in consideration of everyone's time. I will focus on the economic benefits of the bill with respect to the burden on the general fund.

Sustainable Systems, LLC supports HB 776. HB 776 will help offset the initial costs associated with the distribution and retailing of biodiesel fuel. We support this bill as it provides financial incentives as a means to expand the Montana biodiesel industry. In addition, it will encourage market expansion which will stimulate private investment dollars in rural Montana.

A fiscal burden of \$300,000 is expected on the general fund. We feel this is a small price to pay for an expected \$24,000,000 in farm gate revenue as a result of the purchase of oilseeds to meet the minimum anticipated demand of 8,000,000 gallons of biodiesel fuel which will be consumed in the Montana as a result of this legislation. Non-farm economic activity is anticipated at \$35,000,000 dollars which consists of the sale of the fuel and co-products from the biofuel manufacturing process. Combined total annual economic activity for a \$300,000 investment from the general funds is over \$50,000,000.

There exists a growing demand for biodiesel in Montana. Consumers want access to this product. This bill will ease the financial burden of petroleum distributors and retailers interested in providing biodiesel to their customers. In addition, this legislation will enhance both the national and state energy security.

For the benefit of both rural and urban Montana, I encourage to you vote yes on this legislation.

Sincerely,



Paul T. Miller
Managing Member