EXHIBIT 7
DATE 3-10-11
SB 236

Flow Control: SB 236

JOBS, TAXES AND PRIVATE ENTERPRISE

WHAT IS FLOW CONTROL?

Definition. The term "flow control" refers to governmental power to control the flow of waste and require waste to be disposed at designated transfer stations and landfills.

Why do local governments like flow control? It's about the money. Local governments favor flow control to ensure they collect revenues associated with the disposal of solid waste. The City of Helena considered flow control to increase funds for recycling.,

PROBLEM

The City of Helena recently considered flow control measures to require the private commercial hauler (City-County Sanitation) to divert the commercial waste collected by them from the private hauler's landfill to the city's transfer station and landfill. This would have added approximately $30 per ton to the private company's disposal costs. If the private hauler did not own their own landfill, it would be less expensive for them to haul the waste to the Great Falls landfill rather than to the City of Helena's facility. **The free market place is hindered because costs rise when government interferes.**

Adverse effects. Local waste generators and waste companies challenge flow control because these systems increase costs without any corresponding benefits. Flow control adversely affects solid waste haulers who are forced to use a government-designed disposal facility. Government should not restrict the free movement of solid waste because such restrictions lead to higher costs for everyone. Flow control is anti-competitive.

PURPOSE OF BILL

This bill allows private waste hauling businesses the freedom to choose the most efficient and cost effective sites for disposal.

PUBLIC vs. PRIVATE

Environment protections. Public and private landfills are equally as responsible for ensuring that all environmental protections are met.

Private investments. Landfills are extremely expensive and time-intensive businesses. The Helena private hauler has invested $6M in its landfill; such as land costs, permitting process costs, liners and equipment. Forcing this company to divert its city-collected waste would jeopardize its entire operation, its investment and its ability to meet loan obligations.

Private jobs would be lost. The private Helena hauler, City-County Sanitation, is a family-owned business that employs 19 full-time employees with good benefits and has been in business since 1956 in Helena and Lewis and Clark County. It was in place before the City of Helena's transfer station and its present landfill were in operation. Why should a private company that has invested 45 years in time, employees and equipment be at the mercy of a city council that can take it away by the mere passage of a city ordinance?

Foregone taxes. Considerable tax revenue is lost whenever government displaces a private business. In 2010, City-County Sanitation paid nearly $31,000 in local taxes. Flow control would reduce the local tax base and jeopardize the private business that has made substantial good faith investments in serving the needs of the community.

This bill is about keeping private sector jobs and tax revenues.

Private firms pay many taxes and fees not paid by the municipality that are lost when government takes their business:

Private Collector	Municipal Collector
Federal fuel tax	None
Federal income tax	None
Federal truck tax for over 33,000 lbs. (12% of cost)	None
Federal excise tax on tires	None
Federal road use tax	None
Tax assessed on truck size by # of axles	None
State income tax	None
State diesel/fuel tax	Tax on clean diesel
GVW fees	None
License fees	None
Real estate tax	None
Personal property tax	None
Consumer council tax	None
Public Service Commission regulation fee	None

Montana Solid Waste Contractors
Lobbyists:

Sue A. Weingartner
406-443-1160

Gary L. Spaeth
406-439-8898

Tom Rasmussen
406-465-9883