

**HOUSE JOURNAL
60TH LEGISLATURE
FIFTY-SIXTH LEGISLATIVE DAY**

Helena, Montana
March 16, 2007

House Chambers
State Capitol

House convened at 11:00 a.m. Mr. Speaker in the Chair. Invocation by Representative Beck. Pledge of Allegiance to the Flag.

Roll Call. All members present except Representative Clark and Representative Ward who were excused. Quorum present.

COMMUNICATIONS AND PETITIONS

March 15, 2007
House of Representatives
Capitol Station
Helena, MT 59620

Dear Marilyn,

This letter is to inform you that I have re-appointed Representative Walter McNutt and Representative George Groesbeck to the Legislative Consumer Committee.

Sincerely,

Scott Sales
Speaker of the House

REPORTS OF STANDING COMMITTEES

BILLS (L. Jones, Chairman): 3/16/2007
Correctly engrossed: **SB 98, SB 116.**
Correctly enrolled: **HB 13, HB 62, HB 65, HB 111.**
Correctly enrolled: **HB 13, HB 62, HB 65, HB 111.**
Examined by the sponsor and found to be correct: **HB 13, HB 62, HB 65, HB 111.**

APPROPRIATIONS (Sinrud, Chairman): 3/16/2007
HB 818, do pass. Report adopted.
HB 819, do pass. Report adopted.
HB 820, do pass. Report adopted.

MESSAGES FROM THE SENATE

House bills concurred in and returned to the House: 3/15/2007
HB 51, introduced by Pomnichowski
HB 67, introduced by Heinert
HB 102, introduced by Jacobson
HB 128, introduced by Becker
HB 145, introduced by Sonju
HB 244, introduced by Wiseman
HB 286, introduced by Augare

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HB 31, introduced by Kottel

House bill concurred in as amended and returned to the House for concurrence in Senate amendments:

HB 149, introduced by Jopek

House joint resolution concurred in as amended and returned to the House for concurrence in Senate amendments:

HJR 20, introduced by Milburn

FIRST READING AND COMMITMENT OF BILLS

The following House bill was introduced, read first time, and referred to committee:

HB 825, introduced by Jore.

The following House joint resolution was introduced, read first time, and referred to committee:

HJR 47, introduced by French, Stoker, Cohenour, referred to Human Services.

The following bills were introduced, read first time, and referred to committees:

SB 403, introduced by Lind, referred to Taxation.

SB 404, introduced by Lind, referred to Judiciary.

SB 406, introduced by Bales, Steinbeisser, Lewis, Tash, Black, Curtiss, Story, Gebhardt, referred to Local Government.

SB 407, introduced by Bales, Black, Lambert, referred to Natural Resources.

SB 411, introduced by Laible, referred to Judiciary.

SB 412, introduced by Brueggeman, Callahan, Hollenbaugh, referred to Education.

SB 413, introduced by Moss, Musgrove, referred to Appropriations.

SB 414, introduced by Laslovich, Lewis, Mendenhall, Murphy, Parker, referred to Transportation.

SB 416, introduced by Kaufmann, Mendenhall, referred to Taxation.

SB 418, introduced by Weinberg, referred to Taxation.

SB 419, introduced by Lind, referred to Business and Labor.

SB 422, introduced by Gebhardt, Wanzenried, referred to Transportation.

SB 423, introduced by Kaufmann, referred to Natural Resources.

SB 424, introduced by Moss, referred to Judiciary.

SB 431, introduced by Lind, referred to Natural Resources.

SB 433, introduced by Laslovich, referred to Judiciary.

SB 434, introduced by Cocchiarella, Arntzen, Hawks, Tash, Bales, Bergren, Villa, Schmidt, Lake, McGillvray, Perry, referred to Business and Labor.

SB 437, introduced by Elliott, referred to Judiciary.

SB 439, introduced by Elliott, referred to Taxation.

SB 440, introduced by J. Tropila, referred to Business and Labor.

SB 442, introduced by Kaufmann, referred to Natural Resources.

SB 443, introduced by Squires, referred to State Administration.

**SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)**

Majority Leader Lange moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Bergren in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

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HB 808 - Representative Lange moved consideration of **HB 808** be passed for the day. Motion carried.

HB 99 - Representative Olson moved **HB 99** do pass. Motion carried as follows:

Ayes: Ankney, Arntzen, Augare, Barrett, Beck, Becker, Bergren, Bixby, Blasdel, Boggio, Branae, Butcher, Caferro, Callahan, Campbell, Clark, Cohenour, Cordier, Dickenson, Driscoll, Dutton, Ebinger, Erickson, Everett, Franklin, French, Furey, Gallik, Glaser, Grinde, Groesbeck, Hamilton, Hands, Hawk, Heinert, Hendrick, Henry, Hilbert, Hiner, Hollenbaugh, Ingraham, Jacobson, L. Jones, W. Jones, Jopek, Keane, Klock, Kottel, Lambert, Lange, MacLaren, Malcolm, McAlpin, McChesney, McNutt, Milburn, Musgrove, Nooney, O'Hara, Olson, Parker, Peterson, Phillips, Pomnichowski, Raser, Reinhart, Ripley, Ross, Small-Eastman, Sonju, Stahl, Stoker, Taylor, Thomas, Van Dyk, Villa, Vincent, Ward, Wilmer, Wilson, Windy Boy, Wiseman.

Total 82

Noes: Jayne, Jore, Kasten, Kerns, Koopman, Lake, McGillvray, Mendenhall, Morgan, Noonan, Rice, Sesso, Wells, Witte, Mr. Speaker.

Total 15

Voted Absentee: Clark, Ward, Ayes.

Excused: None.

Total 0

Absent or not voting: Himmelberger, Sands, Sinrud.

Total 3

HB 195 - Representative Lange moved **HB 195** do pass. Motion carried as follows:

Ayes: Ankney, Arntzen, Augare, Barrett, Beck, Becker, Bergren, Bixby, Blasdel, Boggio, Branae, Butcher, Caferro, Clark, Cohenour, Cordier, Dickenson, Driscoll, Dutton, Ebinger, Erickson, French, Gallik, Glaser, Grinde, Groesbeck, Hamilton, Hands, Hawk, Heinert, Hendrick, Henry, Hilbert, Himmelberger, Hollenbaugh, Ingraham, Jacobson, Jayne, L. Jones, W. Jones, Jopek, Jore, Keane, Klock, Kottel, Lambert, Lange, MacLaren, Malcolm, McAlpin, McChesney, McGillvray, McNutt, Mendenhall, Milburn, Morgan, Musgrove, Nooney, O'Hara, Olson, Parker, Peterson, Phillips, Pomnichowski, Raser, Reinhart, Rice, Ripley, Ross, Sands, Small-Eastman, Stahl, Stoker, Taylor, Thomas, Van Dyk, Villa, Ward, Wells, Wilmer, Wilson, Windy Boy, Wiseman, Witte.

Total 84

Noes: Callahan, Campbell, Everett, Franklin, Furey, Hiner, Kasten, Kerns, Koopman, Lake, Noonan, Sesso, Sinrud, Sonju, Mr. Speaker.

Total 15

Voted Absentee: Clark, Ward, Ayes.

Excused: None.

Total 0

Absent or not voting: Vincent.

Total 1

HB 196 - Representative Lange moved **HB 196** do pass. Motion carried as follows:

Ayes: Ankney, Augare, Barrett, Beck, Bergren, Blasdel, Boggio, Butcher, Campbell, Clark, Dickenson, Dutton,

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Ebinger, Erickson, Everett, French, Glaser, Groesbeck, Hawk, Heinert, Hendrick, Hilbert, Himmelberger, Hiner, Ingraham, L. Jones, W. Jones, Jopek, Keane, Kerns, Klock, Kottel, Lake, Lambert, Lange, MacLaren, Malcolm, McChesney, McGillvray, McNutt, Mendenhall, Milburn, Morgan, Musgrove, Noonan, Nooney, O'Hara, Olson, Peterson, Phillips, Rice, Ripley, Ross, Sands, Sesso, Sinrud, Small-Eastman, Sonju, Stahl, Stoker, Taylor, Thomas, Villa, Ward, Wells, Wilson, Windy Boy, Wiseman, Mr. Speaker.

Total 69

Noes: Becker, Bixby, Branae, Caferro, Callahan, Cohenour, Cordier, Driscoll, Franklin, Furey, Gallik, Grinde, Hamilton, Hands, Henry, Hollenbaugh, Jacobson, Jayne, Jore, Kasten, Koopman, McAlpin, Parker, Pomnichowski, Raser, Reinhart, Van Dyk, Wilmer.

Total 28

Voted Absentee: Clark, Ward, Ayes.

Excused: None.

Total 0

Absent or not voting: Arntzen, Vincent, Witte.

Total 3

HB 665 - Representative Lange moved consideration of **HB 665** be passed for the day. Motion carried.

Majority Leader Lange moved the committee rise and report. Motion carried. Committee arose. House resumed. Mr. Speaker in the chair. Chairman Bergren moved the Committee of the Whole report be adopted. Report adopted as follows:

Ayes: Ankney, Augare, Barrett, Beck, Becker, Bixby, Blasdel, Boggio, Branae, Butcher, Caferro, Campbell, Cohenour, Cordier, Dickenson, Dutton, Ebinger, Erickson, Everett, French, Furey, Glaser, Grinde, Groesbeck, Hamilton, Hands, Hawk, Heinert, Hendrick, Henry, Hilbert, Himmelberger, Hiner, Hollenbaugh, Ingraham, Jacobson, Jayne, L. Jones, W. Jones, Jopek, Kasten, Keane, Kerns, Klock, Kottel, Lake, Lambert, Lange, MacLaren, Malcolm, McAlpin, McChesney, McGillvray, McNutt, Milburn, Morgan, Musgrove, Noonan, Nooney, O'Hara, Olson, Parker, Peterson, Phillips, Pomnichowski, Raser, Reinhart, Rice, Ripley, Ross, Sands, Sesso, Sinrud, Small-Eastman, Sonju, Stahl, Stoker, Taylor, Thomas, Van Dyk, Villa, Vincent, Wells, Wilmer, Wilson, Windy Boy, Wiseman, Witte, Mr. Speaker.

Total 89

Noes: Driscoll, Franklin, Gallik, Jore, Koopman, Mendenhall.

Total 6

Excused: Clark, Ward.

Total 2

Absent or not voting: Arntzen, Bergren, Callahan.

Total 3

The House reconvened at 2:00 p.m. Mr. Speaker in the Chair.

SPECIAL ORDERS OF THE DAY

Sergeant-at-Arms Clark escorted the Senate into the House Chambers.

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Speaker Sales introduced President Cooney and yielded the chair to him.

Senator Williams moved that the body resolve itself into a joint session for the purpose of receiving the address from Montana's Congressman, the Honorable Denny Rehberg.

Senator Williams moved that President Cooney be authorized to appoint a committee of four to notify Congressman Denny Rehberg that the House was in joint session and ready to receive his address. Motion carried.

President Cooney appointed Senators Gillan and Essmann and Representatives Pomnichowski and Nooney and discharged them to escort the Honorable Congressman into the House Chamber.

The committee escorted Congressman Rehberg into the House.

Father Lowney, Senate Chaplain, gave the invocation.

President Cooney led the assembly in the Pledge of Allegiance to the Flag.

After being presented to the members of both houses by President Cooney, Montana's Congressman Denny Rehberg gave this speech to the House Chamber:

Address to 2007 Montana Legislature
Montana Congressman Denny Rehberg
March 16, 2007

Distinguished members of the Legislature, honored guests, my fellow Montanans...

Thank you for allowing me to be here today. It's good to be back at the State Capitol. It's truly a privilege to stand before you once again as Montana's Congressman and discuss what we can do together for Montana.

I'm going to talk today about the future, but before I get into the substance of my remarks I want to show you the future. In the audience today is young man by the name of Toby Marx. Toby is the son of Glenn and Terri Marx. Some of you may remember Glenn's name because of his service to Montana working for Congressman Ron Marlenee and Governors Stan Stephens and Marc Racicot. Toby is a 2006 graduate of Whitehall High School where he was Valedictorian and an accomplished athlete. Last year I appointed Toby to West Point where he just finished his first semester, is an Engineering major, and is on the Dean's List. When he graduates Toby will be commissioned as a 2nd Lieutenant and will have a five year obligation in the U.S. Army. Young men like Toby make me feel pretty good about Montana's future and America's future and I want to thank him for his service.

I would also like to take a minute and pay tribute to all of the brave young men and women serving to protect America, at home, and abroad. Their deeds and service will remain forever engraved in the archives of a grateful nation and in the hearts of their family and friends.

When I last spoke to you two years ago, circumstances were very different in the U.S. House. While the changes certainly bring new challenges, the priority remains the same: making sure Montana has a seat at the table in Washington DC.

As many of you know, I visit each of Montana's 56 counties every congressional term – which means I get a lot of frequent driver miles. It also means I spend a lot of time talking to Montanans and filling up at gas stations – and those conversations and fill-ups ensure that energy issues, and their solutions, are never far from my mind.

Those of us in elective office should never tire of talking about energy problems, and finding energy solutions, because

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it's not a matter of time – we are already facing energy shortages across the country.

It's not a matter of money, as federal and state governments continue to combine to spend billions through LIHEAP and other such programs to try and make sure folks don't have to choose between paying their energy bill and putting food on the table.

And it certainly shouldn't be a matter of politics. The need for a National energy policy and the time for Montana to be part of the comprehensive national energy policy is NOW. It's time for all of us to quit blaming each other for what's not being done and start the task of creating a long-term plan that will prevent price shocks, prevent energy shortages, and establish a level of energy consistency and price stability Montanans have the right to expect.

The status quo is unacceptable. When it comes to energy; we need to do more. MUCH MORE. If Americans nationwide and Democrats and Republicans especially in Washington D.C. are willing to work together and put aside regional and partisan differences, we can accomplish a lot in a short period. And frankly, we don't have a choice.

Let's talk about the principles of an effective, comprehensive energy policy that would address our needs today, AND tomorrow.

One – America will be stronger if it develops 21st Century technology and market-oriented solutions to environmental conservation, and energy consumption.

Protecting the environment and producing energy are not mutually exclusive.

Two – The lengthy process of environmental planning must be made more efficient and cost effective. We don't need more bureaucracy and burdensome regulations. We need the kind of common sense environmental regulations that are balanced and reasonable.

Three – America should focus its energy policy in four areas: basic research for a new energy system, incentives for conservation, more renewable resources, and environmentally sound development of fossil fuels.

You, like me, read the headlines every day. Venezuela this – Saudi Arabia that – OPEC this – Iran that. A threat to America's energy security is a threat to national security. Our "dependence" on OPEC and foreign oil entangles us in the Middle East and makes us dependent on countries that are hostile to America and American interests. The greater America's dependence on foreign energy, the greater the threat to American national security.

What does that have to do with the 60th Montana Legislative Session?

With full confidence I can say that what you are going to discuss over the final days of this session has vastly more to do with our long-term national security than anything Congress will do about the Middle East in the next few months. And what you need is a sense of the strategic importance of energy independence, and why it is urgent at a national security level.

If you were to take all of Latin America and look at the amount we have spent there since 1979 in terms of national defense, military activities, etc. and then you were to take all of sub-Saharan Africa and look at the amount we have spent there since 1979 – and then you were to look at the Persian Gulf and add up the cumulative investment of trying to add stability to the region – that's the underlying cost of the current energy economy in America. So it's important to think about what the current energy economy costs us and what would a dramatically different future energy economy cost us.

Think of the exciting possibilities....more wind projects, solar projects, coal to liquids, biomass, biofuels (cellulosic ethanol), and things we haven't even thought of yet.

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These are just some of the major building blocks of creating a national security environment where our balance of payments is dramatically better because the energy money is staying here at home, and the ability of any foreign government, whether it's a dictator in Venezuela or a dictator in Iran, to, in any way, threaten the U.S. and the world economy in energy terms is substantially reduced. So I want to start by saying, in my mind, there are decisions you in Helena and us in Washington are going to have to make soon because these decisions will bring together national security, the environment, the future economic health of the U.S., the quality of life in rural America and incomes for our farmers and ranchers.

Today, I want to address one of those building blocks – Clean Coal.

Last June, I asked the Department of Energy to assign an expert to my office to figure out why Montana has the largest recoverable coal reserves in America, and only ranks 6th in production...

Why Wyoming has 10 times the production we do....

Why 7 states competed to be the site for FutureGen, the world's first coal-fueled zero emissions electricity and hydrogen power plant. Through the use of advanced coal gasification technologies and carbon sequestration, FutureGen offers the opportunity to use our plentiful American coal resources to meet our growing energy needs, while protecting the health of our people and our environment – and Montana didn't even submit a proposal.

The person lent to my office turned out to be an exceptionally qualified gentleman by the name of Bob Wright, an engineer and PhD with over 40 years of experience in energy technologies and electrical power generation, both fossil fuels and nuclear. In prior assignments, he was responsible for providing support to decision makers for programs and policy addressing global climate change, hydrogen production and geologic carbon sequestration.

In his final report to me, Bob did not mince words. – Prior initiatives to provide incentives for the production and use of coal in Montana have failed. The establishment of state incentives, both financial and non-financial, is absolutely critical because incentives by the federal government are applicable in all states – for Montana to move beyond rhetoric and actually do something, it must compete with other states for the one or two commercial plants that we know will be built somewhere in America in the next 10 years.

What other states offer incentives for coal gasification? – Illinois, Indiana, Minnesota, Ohio, Pennsylvania, Texas, and Wyoming.

So I asked Bob to study these states – and come up with ideas for me in Congress, and you in Montana. Big ideas....

I sometimes jokingly say – creativity is great, but plagiarism is a whole lot faster. Let's take their ideas.... And do it bigger and better.

In these 7 states...grants are used to conduct studies, perform research and provide educational opportunities in specific disciplines.

Why not award merit-based competitive grants for specific studies and research projects addressing the production and use of coal within Montana. Limit these awards to a maximum of \$2.5 million with a performance period not to exceed (3) years.

Or -- award grants to schools of secondary education up to \$25,000 per school per year, for either a curriculum or program in energy that must include a balance among conservation, renewable energy, coal, natural gas, petroleum and, yes, even nuclear energy.

How about establishing, at the university level, programs that lead to a bachelor's degree in the production and use

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of coal and clean coal technologies?

Another approach to financial incentives for some states is to offer tax credits. These credits are available for all new coal technology and coal-to-liquids facilities and would be offered per ton of coal used. They would expire after a specific number of total tons have been consumed or after a set number of years have passed.

The highest level of commitment to coal would be for Montana to establish a coal and economic development office. Several states have done so. For example, in the state of Ohio, the Ohio Development Office co-funds development and implementation of technologies that can use their state's high-sulfur coal in an economical, environmentally sound manner. Illinois and Wyoming have done the same.

These are just some of the many, many recommendations Dr. Wright spent 8 months researching for me. I have brought along with me today a copy of his report for each of you.

What, you might ask, am I doing to help?

As you know, I am a member of the House Appropriations Committee.

Last month, the Congress passed, and the President signed, a \$1.2 billion appropriation for the Department of Energy's Energy Efficiency and Renewable Energy Programs. These programs fund weatherization, efficiency deployment, industrial technologies, equipment standards and analysis, and distributed energy – which all play a key role in the research, development, and deployment of new energy efficiency technologies.

I'm a cosponsor of 25 x 25 which means that by the year 2025, America's agricultural, forestry, and working lands will provide 25% of the total energy consumed in the U.S. from renewable sources. Nearly 400 agricultural, environmental and industry groups have endorsed the legislation.

Along with Nick Rahall, Democrat Chairman of the Natural Resources Committee, I have introduced the Coal-to-Liquid Fuel Promotion Act of 2007. This legislation addresses DOE loan guarantees for the first 10 large-scale plants, and expands federal tax incentives for investment and production (including the infrastructure needed to sequester carbon) capped at \$200 million a plant.

And next week, I am introducing legislation to streamline the permitting process for new coal-to-liquids facilities. My bill is intended to create a cooperative approach between federal, state, and tribal government in order to develop and approve permits in a timely manner, and create deadlines for permit approval.

The President laid down the challenge in last year's State of the Union Address: Make America more energy independent....

He said, "To change how we power our homes and offices, we will invest more in zero-emission coal-fired plants, revolutionary solar winds and technologies, and clean, safe nuclear energy."

Let's make this our Montana mission; our vision for the future:

To modernize our infrastructure so that we can deliver energy more efficiently and inexpensively, and open the door to new sources of fuel...

Pursue hydrogen and other alternative sources that offer breakthrough advances in energy production....

And explore all new possibilities right here at home so that we, Montana, can become the energy laboratory of the future.

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For in the end, it will be the 300 million Americans who will benefit the most. If we can put a man on the moon and return him safely, we can address and solve the energy challenges facing America today. It is a challenge worthy of our best minds and most determined efforts. And it's a challenge I'm confident we will meet... and beat.

Thank you all for your kind attention. Good day, and God bless you all.

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Lange moved that the House adjourn until 9:00 a.m., Saturday, March 17, 2007. Motion carried.

House adjourned at 2:33 p.m.

MARILYN MILLER
Chief Clerk of the House

SCOTT SALES
Speaker of the House