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ECONOMIC AFFAIRS INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
Nate McConnell
Frank Smith
Gordon Vance

HOUSE MEMBERS

Derek Harvey
Joshua Kassmier
Mark Noland
Vince Ricci
Sharon Stewart-Peregoy
Katie Sullivan

COMMITTEE STAFF

Fong Hom - Secretary
Patricia Murdo - Research
Analyst
Jameson Walker - Attorney

MINUTES LOG

January 15, 2020

Room 137, Capitol Building

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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ROLL CALL

Members Present:

Rep. Sharon Stewart-Peregoy, Chair
Rep. Vince Ricci, Vice Chair
Sen. Jason Ellsworth
Rep. Derek Harvey
Rep. Joshua Kassmier
Sen. Nate McConnell
Rep. Mark Noland
Rep. Katie Sullivan
Sen. Gordon Vance

Members Excused:

Sen. Frank Smith

Staff Present:

Patricia Murdo, Research Analyst
Jameson Walker, Attorney
Fong Hom, Secretary

VISITORS' LIST (Attachment 1)
AGENDA (Attachment 2)

COMMITTEE ACTION

The Economic Affairs Interim Committee at its Jan. 15, 2020, meeting took the following actions:

- Voted to request that the Department of Labor and Industry delay adoption of a proposed rule defining prosthetics covered under workers' compensation claims until the committee's next meeting, Feb. 12-13. The committee also asked that a department spokesperson be at the meeting to explain the reasons for the proposed rule and provide comments received within the comment period (prior to Feb. 1).
- Agreed to request the draft of a letter supportive of broadband expansion in Montana. The letter will be available for review and possible vote at the next meeting.
- Requested information on broadband incentives used in other states,
- Agreed to revise the April 2020 meeting date to April 30 and May 1.

CALL TO ORDER

- 13:15:00 Rep. Sharon Stewart Peregoy called the meeting to order at 1:15 p.m. The committee secretary called roll.
- 13:18:56 Rep. Stewart Peregoy gave opening remarks.
- 13:19:00 Pat Murdo, Research Analyst, discussed the reimbursement forms for Legislative Week.

MEMBER ISSUES - BROADBAND

Overview of broadband science

- 13:20:50 Mark Walker, Director of Technology Policy, CableLabs ([Exhibit 1](#)) (by WebEx)

Committee Questions

- 13:31:50 Sen. Ellsworth commented on the broad impact of fiber with different technologies essential to each other.
- 13:33:25 Rep. Sharon Stewart Peregoy asked about solutions for the cities and towns in rural Montana without access to fiber.
- 13:35:36 Sen. Nate McConnell asked about a plan that will give end users affordable and available broadband based on costs.
- 13:38:36 Sen. McConnell referred to Mr. Walker's discussion of satellite and other technologies. He asked if that technology is ready.
- 13:41:01 Sen. Ellsworth spoke about his visit to CableLabs in Colorado.

Overview of other states' actions on broadband

- 13:44:15 Heather Morton, National Conference of State Legislatures ([Exhibit 2](#))

Committee Questions

- 14:03:44 Sen. Ellsworth discussed how 5G correlates and connects to fiber.
- 14:08:01 Rep. Katie Sullivan asked about universal service funds on the state level being used for deployment.

14:09:20 Rep. Derek Harvey asked if other states are creating offices or commissions, such as a Public Utility Commission or a Public Service Commission, and who oversees these offices.

Status presentations by Montana providers

CenturyLink

14:12:19 Phil Grate, Government Affairs Director, CenturyLink ([Exhibit 3](#))

Committee Questions of Mr. Grate

14:24:40 Sen. Ellsworth asked Mr. Grate if he has looked at SB 239.

Spectrum/Charter

14:25:35 Mary Roehr, Spectrum/Charter ([Exhibit 4](#)). Ms. Roehr distributed the Broadband Speed Guide to the committee ([Exhibit 5](#)).

Committee Questions of Ms. Roehr

14:39:04 Sen. Ellsworth asked if Spectrum receives any federal dollars.

14:39:10 Sen. Ellsworth asked about the rate of return.

14:41:36 Rep. Sullivan asked for more information on incentive programs from other states.

14:42:44 Rep. Harvey asked about better mapping on infrastructure from Spectrum/Charter.

T-Mobile

14:43:51 Brian Tucci, T-Mobile ([Exhibit 6](#))

Committee Questions of Mr. Tucci

14:52:28 Sen. Ellsworth asked if T-Mobile owns any fiber in the state of Montana and if the technology in the microwave application would allow T-Mobile to serve some of the remote areas.

14:55:46 Rep. Sullivan asked Mr. Tucci to provide the committee with any incentives that T-Mobile is participating in with other states.

Blackfoot Communications

14:58:15 Jason Williams, Blackfoot Communications

3Rivers Communications

15:07:43 Dave Gibson, CEO, 3Rivers Communications

Treasure State Internet & Telegraph

15:19:15 Kevin Hamm, Treasure State Internet & Telegraph

Committee Questions

- 15:26:13 Sen. Ellsworth encouraged the providers to look into high speed co-axial cable.
- 15:27:25 Rep. Sullivan asked Mr. Hamm to send her his list of incentives.
- 15:29:14 Rep. Stewart Peregoy asked Mr. Hamm to talk about the rural homes and business grant opportunities.
- 15:31:12 Rep. Stewart Peregoy asked for clarification on the letter that Mr. Hamm requested that the committee write regarding the business grant opportunities.
- 15:32:21 Sen. Ellsworth and Mr. Hamm discussed having a statewide broadband plan in place.
- 15:34:33 Rep. Stewart Peregoy discussed sending a letter to USDA as a committee urging or clarifying a variety of things that Montana is looking at regarding broadband. She requested that staff prepare the letter for review at the February meeting.

Public Comment

- 15:36:33 Pat Murdo provided Triangle Communications' written comments. ([Exhibit 7](#))

Discussion of Fiscal Impacts and Economic Development Impacts of SB 239

- 15:37:52 Gene Walborn, Director of Department of Revenue ([Exhibit 8](#))
- 16:06:05 Eric Bryson, Montana Association of Counties

Committee Questions

- 16:11:11 Sen. Ellsworth commented on Senate Bill 239.
- 16:15:40 Rep. Harvey asked Director Walborn about having checks and balances regarding whether new cable is actually being put in the ground.
- 16:18:25 Sen. Ellsworth asked Director Walborn about the costs of the Main Street Montana project to the state. He requested that the department provide him with the costs.

Public Comment

- 16:20:42 Rose Bender, Montana Budget and Policy Center, commented on SB 239.

ASSIGNED DUTIES - RULE REVIEW AND RULE UPDATES

Update on New Rule II and Proposed Alcohol Penalty Rule

- 16:21:55 Jameson Walker, Staff Attorney, gave an update on New Rule II regarding denturists' practices. He referred the committee to the Department of Labor & Industry's letter regarding the proposed New Rule II ([Exhibit 9](#)).

Public Comment on New Rule II

- 16:25:09 Nathan Bilyeu, Attorney, Denturists Association of Montana
- 16:25:54 Aaron Hansemann, dentist

Update on Proposed Alcohol Penalty Rule

16:27:03 Mr. Walker discussed the Proposed Alcohol Penalty Rule, to which the committee objected, and the Department of Revenue's withdrawal of the rule.

Overall Rule Review

16:29:15 Mr. Walker ([Exhibit 10](#))

Public Comment on Rule Review

16:33:27 Kevin Braun, Montana State Fund, expressed opposition to the rule that amends Administrative Rule 24.29.1407.

16:37:47 Bridger Mahlum, Montana Chamber of Commerce, objected to the rule amending ARM 24.29.1407.

16:39:26 Brian Thompson, Montana Municipal Interlocal Authority, objected to the rule amending ARM 24.29.1407.

16:40:36 Kevin Bartsch, Montana School Group Interlocal Authority, stands in opposition to the rule change in ARM 24.29.1407.

16:41:50 Ms. Murdo submitted a letter from Industrial Injury Claims opposing the rule amending ARM 24-29-1407 ([Exhibit 11](#)) and a letter from the Montana Contractor Compensation Fund opposing the rule amending ARM 24.29.1407 ([Exhibit 12](#)).

Committee Questions

16:43:22 Sen. Ellsworth made an informal objection under 2-4-305(9), MCA, on the rule amending ARM 24.29.1407, and asked for a vote.

16:44:15 Rep. Stewart Peregoy and Sen. Ellsworth discussed when the objection period on the rule amending ARM 24.29.1407 starts. It was noted that the time certain for the objection would be the February meeting.

Rep. Harvey asked Mr. Walker about the committee moving forward with the motion and how that would affect the Department of Labor and Industry holding the public hearing on January 24.

16:46:42 Sen. McConnell asked for clarity on the timeline. He opposed Sen. Ellsworth's informal objection.

16:51:52 Rep. Sullivan asked about the meeting date in February.

16:52:18 Rep. Ricci asked Mr. Walker about worker's compensation coverage for a prosthetic if there was an objection.

16:54:10 Rep. Ricci commented on why he supports the informal objection to the rule amending ARM 24.29.1407.

16:55:02 Rep. Stewart Peregoy asked Mr. Braun for clarification on what impact an informal objection would have on individuals getting the prosthetic that they might need.

16:56:59 Sen. Ellsworth commented on the reason for his informal objection.

16:58:54 Rep. Sullivan asked Mr. Walker about the implementation date after the rule hearing.

Amended Motion

16:59:50 Rep. Stewart Peregoy said that the motion on the table is stating that, through a written informal objection to the Department of Labor and Industry, the Economic Affairs Interim Committee will not interfere with the public comment portion but will ask the Department of Labor and Industry to delay the implementation of the rule.

17:00:24 Sen. McConnell said that the deadline for written comment is January 31. He said that the delay of a month won't matter. His objection would go away based on that.

17:01:17 Rep. Stewart Peregoy asked for a vote to send an informal objection to the Department of Labor and Industry on the proposed rule change to ARM 24-29-1407, and for the Department of Labor and Industry to come to the Economic Affairs Interim Committee's February meeting to report on the public comment received about the proposed rule.

Vote

17:02:00 The motion passed unanimously by voice vote, with Sen. Vance and Rep. Kassmier voting aye by proxy. Sen. Smith was not present to vote and had not supplied a proxy.

OTHER DUTIES

Agency Activity

17:04:36 Ms. Murdo referenced the Agency Monitoring document that is in the member's packet.

Briefing Papers on Selected Advisory Councils

17:05:12 Ms. Murdo referred the committee to the briefing papers that were included in the meeting packet but were not discussed. She asked the committee members to let her know if any of those councils are at the level where they would like more information on them.

17:07:26 Ms. Murdo discussed the April meeting dates: April 9 and 10 or April 30 and May 1. The general consensus was to have the April meeting set for April 30 and May 1.

Public Comment on any item not on agenda

None.

17:10:01 Ms. Murdo reminded the committee of the alcohol stakeholders' meeting on January 16.

ADJOURNMENT

17:11:45 Rep. Stewart Peregoy adjourned the meeting at 5:11 p.m.