

1999 HOUSE TRANSPORTATION

HB 1229

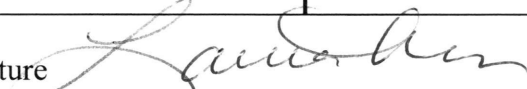
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1229

House Transportation Committee

Conference Committee

Hearing Date January 21, 1999

Tape Number	Side A	Side B	Meter #
1		x	27.0-50.0
Committee Clerk Signature 			

Minutes:

CHAIRMAN KEISER OPENED THE HEARING ON HB 1229; A BILL RELATING TO WEIGHT LIMITATIONS FOR VEHICLES ON HIGHWAYS THAT ARE NOT IN THE INTERSTATE SYSTEM.

REPRESENTATIVE BILL GORDER introduced HB 1229. He explained that this is a bill to help the beet farmers. He testified to give his support of the bill and noted that the Highway Patrol and the State had representation present also in favor.

SENATOR HARVEY TALLACKSON appeared to testify in support of HB 1229. He said that it is very important to allow for this 10% overload in the harvest months. July through December are crucial times where farmers run into troubles with overloading and they need to be allowed to continue their work without problems.

BILL HEJL, Red River Valley Sugarbeet Growers, testified in support of HB 1229. (See attached testimony).

CHAIRMAN KEISER asked Bill who the appropriate jurisdiction authorities are in this area of the law? Are the fees reasonable and appropriate?

BILL replied that he is not aware of how it is established at this time. They are appropriate. On state highways they are \$200.

ROD HOLTH, Red River Valley Potato Growers, testified in support of HB 1229. (See attached testimony).

BARRY KINGSBURY testified in support of HB 1229. (See attached testimony).

REP. SCHMIDT questioned the effective date of this bill? Would it go into effect for July of 1999?

CHAIRMAN KEISER intervened and said not until August 1st.

ED MOLEN, MIN-DAK Farmers Co-op testified in support of HB 1229. He stated that one out of ten times of not being fined is a savings. He noted that beets being raised on the Minnesota side cause problems as the laws are not equal. They are allowed the 10% that North Dakota is not. It makes them different and causes weight restriction problems when crossing the border.

RICHARD SCHLIZE, North Dakota Farmers Union, testified in support of HB 1229.

JIM HARMON, President, North Dakota Farm Bureau, testified in support of HB 1229. He said that they needed to protect the farmers from fines when they don't have the time to weigh their loads exactly. This bill does that so the Farm Bureau supports it.

REP. GIL HERBEL and DARRYL COLLETTI were present in support of HB 1229. BRION

HENDERSON was present in a neutral position of HB 1229.

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House Transportation Committee

Bill/Resolution Number 1229

Hearing Date January 21, 1999

CHAIRMAN KEISER CLOSED THE HEARING ON HB 1229.

REP. BELTER moved a DO PASS on HB 1229. REP. MAHONEY seconded the motion. The motion carried.

ROLL CALL - 14 YEA, 0 NAE, 1 ABSENT AND NOT VOTING.

FLOOR ASSIGNMENT - REP. MEYER.

FISCAL NOTE

(Return original and 10 copies)

/Resolution No.: HB 1229 Amendment to: _____

Requested by Legislative Council Date of Request: 1-13-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

Proposed legislation provides for Director to have discretion on issuing permit, therefore no fiscal note is considered.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	-0-	-0-	-0-	-0-	-0-	-0-
Expenditures	-0-	-0-	-0-	-0-	-0-	-0-

3. What, if any, is the effect of this measure on the budget for your agency or department:

a. For rest of 1997-99 biennium: None

For the 1999-2001 biennium: None

c. For the 2001-03 biennium: None

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed:

Typed Name: JEROME L. HORNER, MAINTENANCE ENGINEER

Department: DEPT. OF TRANSPORTATION, MAINTENANCE & ENG.

Phone Number: 701-328-4443

Date Prepared: 1-19-99

Date: 1/21
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1229

House Transportation Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Rep Belter Seconded By Rep Mahoney

Representatives	Yes	No	Representatives	Yes	No
Representative Keiser, Chair	✓		Representative Thorpe	✓	
Representative Mickelson, V. Ch.	✓				
Representative Belter	✓				
Representative Jensen	✓				
Representative Kelsch	✓				
Representative Kempenich	✓				
Representative Price	✓				
Representative Sveen	✓				
Representative Weisz					
Representative Grumbo	✓				
Representative Lemieux	✓				
Representative Mahoney	✓				
Representative Meyer	✓				
Representative Schmidt	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep Meyer

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 22, 1999 11:29 a.m.

Module No: HR-14-1026
Carrier: Meyer
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1229: Transportation Committee (Rep. Keiser, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1229 was placed on the
Eleventh order on the calendar.

1999 SENATE TRANSPORTATION

HB 1229

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1229

Senate Transportation Committee

Conference Committee

Hearing Date March 4, 1999

Tape Number	Side A	Side B	Meter #
1		x	3,940-5706
March 11, 1999 - Tape 2		x	3,691-4010
March 19, 1999 - Tape 1	x		1505-3000
March 23, 1999			
Committee Clerk Signature <i>Ari D. Schaefferbauer</i>			

Minutes:

SENATOR B. STENEHJEM opened the hearing on HB 1229. Committee members present included: Sens. Bob Stenehjem, R. Schobinger, D. Mutch, D. Cook, D. O'Connell, V. Thompson, and Dennis Bercier.

REPRESENTATIVE BILL GORDER, DISTRICT 16 testified in support of HB 1229. It increases weight limits for sugar beets and potatoes.

SENATOR HARVEY TALLACKSON, DISTRICT 16 testified in support of HB 1229. It is something that should be in the statute. All of the new language is on the last page.

REPRESENTATIVE GIL HERBEL, DISTRICT 16 testified in support of HB 1229.

BILL HEJL testified in support of HB 1229 (see testimony).

ROD HOLTH testified in support of HB 1229 (see testimony).

BARRY KINGSBURY testified in support of HB 1229 (see testimony).

SENATOR O'CONNELL How does this affect Minnesota?

BARRY KINGSBURY Right now Minnesota does have a 10% so it does carry over. Most of the potato chips get hauled south of Minnesota so this really affects the piggybacks that are loaded at our farm and put on the rail system. A large majority go farther than Minnesota and many other states have a 10% and even more variance. They are benefiting by that.

RAY ZINK, DEPUTY DIRECTOR FOR ENGINEERING (DOT) testified in support of HB 1229. The present law allows the movement of ag products from the field to the point of storage or point of sale. They allow 10% over the existing weight. This bill lets those who haul potatoes and beets to haul 10% over at any time. What's driving this is Montana and Canada allows 10% more on their loads. I did propose an amendment to the House that does not allow 10% to be hauled over 105,000 lbs.

SENATOR B. STENEHJEM Would this allow them to go 10% over the load restrictions?

RAY ZINK No.

SENATOR BERCIER Have the county commissioners been talked with on the road conditions?

RAY ZINK That's their call not ours.

SENATOR BERCIER Have you talked with any of the local commissioners whether there is general support?

TESTIMONY This bill applies to state highways; commissioners can choose if they want to include county roads.

SENATOR MUTCH Who gets the money for the permit?

LEANNA WALD, ND HIGHWAY PATROL The money for the permit fees go back to DOT.

We don't have the authority for county roads.

SENATOR B. STENEHJEM We will close HB 1229.

March 11, 1999 - Tape 2

SENATOR B. STENEHJEM The county gets the permit money. The county permit fees couldn't be any higher than the state permit fees (he explained how Bismarck operates). I will get an amendment.

March 19, 1999 - Tape 2

TERRY TRAYNOR, ASSOCIATION OF COUNTIES proposed an amendment and explained it. In the bill, lines 6-10 allow counties to sign their roads up to the weight limit. We have a problem with that because of the signing costs and, also, there are a great many roads that can't handle the 105,500 because of bridges. Our concern and the construction industry's concern, we want to bring it to the attention of the counties that they have that authority and they really need to be proactive in assessing the roads and designating those who can handle the weight up to the maximum weight in the subsection.

SENATOR B. STENEHJEM Would this limit the state to not allowing 10% over 105,500?

TERRY TRAYNOR It is not our intention to limit that. Because the way we wrote it limits it to the subsection rather than the section, is that the problem?

SENATOR COOK I move the amendments.

SENATOR THOMPSON I second the amendments.

The amendments were adopted by a unanimous voice vote.

SENATOR THOMPSON Did we accept the amendments offered regarding Subsection 5?

Page 4
Senate Transportation Committee
Bill/Resolution Number Hb 1229
Hearing Date March 4, 1999

There were no previous adopted amendments.

SENATOR THOMPSON I would adopt those amendments regarding Subsection 5.

Amendment was unanimously adopted by a voice vote.

March 23, 1999

SENATOR COOK I move to approve amendment 90382.0103.

SENATOR THOMPSON I second.

SENATOR COOK I move for a Do Pass as Amended.

SENATOR THOMPSON I second.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1229

Page 2, line 10, after the period insert “Local authorities are encouraged to assess all roads under their jurisdiction and designate them for the appropriate weight limits allowed under this subsection.”

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1229

Page 2, line 10, after ^{the period} "1" insert "Local authorities are encouraged to assess all roads under their jurisdiction and designate ~~them~~ for the appropriate weight limits allowed under this subsection."

Page 2, line 31, after ^{the underscrod period} "2" insert "The permits may not provide for a gross weight in excess of one hundred five thousand five hundred pounds (47854.00 kilograms)."

Renumber accordingly

Date: March 23, 1999

Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1229

Senate Transportation Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass as Amended

Motion Made By Sen. Cook Seconded By Sen. Thompson

Senators	Yes	No	Senators	Yes	No
Sen. B. Stenehjem-Chairman	✓				
Sen. R. Schobinger-V. Chair	✓				
Sen. Duane Mutch	✓				
Sen. Dwight Cook	✓				
Sen. David O'Connell	✓				
Sen. Vern Thompson	✓				
Sen. Dennis Bercier					

Total (Yes) 6 No 0

Absent 1

Floor Assignment Senator Thompson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1229: Transportation Committee (Sen. B. Stenehjem, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1229 was placed on the Sixth order on the calendar.

Page 2, line 10, after the period insert "Local authorities are encouraged to assess all roads under their jurisdiction and designate the roads for the appropriate weight limits allowed under this subsection."

Page 2, line 31, after the underscored period insert "The permits may not provide for a gross weight in excess of one hundred five thousand five hundred pounds [47854.00 kilograms]."

Renumber accordingly

1999 TESTIMONY

HB 1229

**NORTH DAKOTA
HOUSE OF REPRESENTATIVES
TRANSPORTATION COMMITTEE
REMARKS ON HB 1229
"WEIGHT LIMITATIONS"**

1/20/99

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS BILL HEJL. I AM A FARMER FROM AMENIA NORTH DAKOTA. I AM IN FAVOR OF THIS BILL BECAUSE IT IS A VITAL REQUIREMENT FOR THE FARMER OWNED COOPERATIVE THAT I AM A SHAREHOLDER IN, THE AMERICAN CRYSTAL SUGAR COMPANY. TO PROCESS THE LARGE CROP WE HARVEST IN THE FALL BEFORE IT SPOILS IN THE SPRING OUR COOPERATIVE MUST MOVE AN AVERAGE OF NEARLY THREE MILLION TONS OF BEETS ON NORTH DAKOTA HIGHWAYS BEFORE SPRING ROAD RESTRICTIONS TAKE PLACE. IF CURRENT LOAD REQUIREMENTS LIMIT OUR TRUCK DRIVERS' ABILITY TO DELIVER BEETS TO OUR FACTORIES WE WILL LOSE UP TO \$2,600,000.00 FOR EACH DAY OF SLICE THAT SPOILS. OUR FARMERS HAVE ALREADY SUFFERED A 27 MILLION DOLLAR LOSS DUE TO THE WARM WEATHER IN NOVEMBER AND DECEMBER. WE SINCERELY HOPE THAT YOU CAN HELP PROVIDE SOME RELIEF IN THE TRANSPORTATION OF OUR CROP.

*WILLIAM A HEJL
LEGISLATIVE LIAISON
RED RIVER VALLEY SUGARBEET GROWERS ASSOCIATION*

Barry Kingsbury
7647 145th Ave. NE
Grafton, ND 58237

Testimony in SUPPORT of H.B.1229, heard January 21, 1999 in the ND House Transportation Committee.

North Dakota farmers annually produce about 5.5 million CWT of potatoes for potato chips. These potatoes, classified as round whites, are in addition to those produced for processing.

Because all of this production leaves the state in raw form, freight is a major factor in determining the cost of production for potato chip companies.

Previously a large percentage of these potatoes were shipped by rail from farmer owned warehouses. However, the railroad companies have decided they do not want to provide this service to each individual shipping point.

As a result, farmers were faced with a competitive freight disadvantage compared to other chip potato producing areas. Because of these higher costs, many chip companies significantly reduced their purchases of North Dakota chipping potatoes.

One company, Frito-Lay, has been developing a system that involves contracting with a trucking firm to go to the individual warehouses to load specialized containers and then haul them to a shipping point to be loaded on flatbed rail cars. These specialized containers are called combies - a combination of truck and rail transportation.

Because of the railroad delivery schedules, the combies are being delivered to the Canadian National Railroad at their Winnipeg area yard. North Dakota farmers are working with the Soo Line, a CN subsidiary, and Frito-Lay to develop a loading point in North Dakota.

Even if we can develop that shipping point in North Dakota, we are faced with the fact that Manitoba allows a 10% overweight variance. Frito Lay has already increased their contracting with Manitoba potato growers, and they have told us that if we can not become competitive with our freight we will lose contract volume. In addition, several U.S. states allow the 10% variance and Frito Lay has contracts in each of those states.

Frito Lay is by far the largest potato chip company. Their contract is worth \$20 million dollars to North Dakota farmers, in addition to the freight revenue to ND trucking firms hauling these raw potatoes, and if we can not stay competitive in our delivered price we are going to lose those sales. Because they are so dominant, purchasing more than 50% of North Dakota's chip production, Frito Lay sets the industry standards, and if North Dakota farmers lose the Frito Lay contract, they probably will lose at least a large share of contracts to other potato chip companies. In today's farm economy we need to do everything possible to insure North Dakota farmers are competitive in any crop, especially high value crops.

In addition to the farmers, anything that helps us to increase or maintain market share is good for the state of North Dakota. It is good economically because these

high value crops require more locally purchased goods and services, and that means more employment and more tax revenues.

Besides the increase in economic activity, the public also gains from a general safety standpoint. If this variance is allowed there will be about 15% fewer loads of semi-trailers hauling these combies.

TESTIMONY OF ROD HOLTH OF KIP FARMS OF KARLSRUHE BEFORE THE HOUSE OF REPRESENTATIVES TRANSPORTATION COMMITTEE ON HB 1229, JANUARY 21, 1999:

North Dakota growers annually produce 12 million hundredweight (CWT) of processing potatoes for french fries. With planned expansions at both of our in-state processing plants, this number will likely increase by about 40% over the next two years.

Only about 4.5 million CWT are delivered directly from the fields to the plants located in Jamestown and Grand Forks. The remaining 7.5 million CWT are stored in warehouses from Beulah in the west to Grand Forks in the east, and from Oakes in the south to Cavalier in the north.

This means there are currently about 15,000 semiloads of potatoes each year which are loaded at storage warehouses and then delivered to the french fry plants in these two cities.

It is estimated that the average transportation cost for delivering these 7.5 million CWT is \$4,875,000, about 65 cents per CWT.

If this bill becomes law, there will be a decrease of 2,400 loads a year hauled on North Dakota highways. This will result in an increase in farmer or plant profitability and efficiency, an opportunity for western North Dakota to become more competitive in high value crops and, with less traffic an improvement in road safety to the general public.

Currently, Michigan, Wisconsin, Indiana, Idaho, and Manitoba allow trucks to haul with a 10% overload permit. All of these areas are major competitors with North Dakota potato producers. This bill would eliminate the competitive disadvantage North Dakota growers now experience.

Farmer profitability will increase because fewer loads will allow the truckers to become more efficient with the use of their equipment and labor. Due to the competitive nature of trucking, at least part of these cost savings will be passed on to the farmer. In addition, the farmer will see a cost savings simply by having fewer units to load, even with the same total CWT. At the same time the receiving costs at the plant decrease as they handle fewer loads.

This increase in efficiency will allow North Dakota farmers to at least partially offset the added cost we incur because of our distance from major markets. This becomes even more important as we move west across the state, and it is for that reason that western North Dakota can become competitive growing high value crops.

The general public gains from this bill for two reasons. First, any increase in economic activity will have a multiplying effect on the economy of North Dakota. Local businesses will gain, and the tax base will increase.

The second advantage to the general public is an improvement in road safety. A decrease in traffic means there will be fewer possibilities for two-vehicle accidents.

For these reasons, I would ask that you recommend "DO PASS" on HB 1229.

Rod Holth

Barry Kingsbury
7647 145th Ave. NE
Grafton, ND 58237
Testimony in SUPPORT of H.B.1229.

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Because all of this production leaves the state in raw form, freight is a major factor in determining the cost of production for potato chip companies.

Previously a large percentage of these potatoes were shipped by rail from farmer owned warehouses. However, the railroad companies have decided they do not want to provide this service to each individual shipping point.

As a result, farmers were faced with a competitive freight disadvantage compared to other chip potato producing areas. Because of these higher costs, many chip companies significantly reduced their purchases of North Dakota chipping potatoes.

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Besides the increase in economic activity, the public also gains from a general safety standpoint. If this variance is allowed there will be about 15% fewer loads of semi-trailers hauling these combies.

<u>Day</u>	<u>Maximum Hours</u>	<u>Cumulative 7-Day Hours</u>
1	12	12
2	12	24
3	12	36
4	12	48
5	0	48
6	0	48
7	12	60
8	12	60
9	12	60
10	12	60
11	12	60
12	0	60
13	12	72
14	12	72
15	12	72
16	12	72
17	0	60
18	0	48
19	12	60
20	12	60
21	12	60
22	12	60
23	12	60
24	0	60
<hr/>		
25	12	72
26	12	72
27	12	72
28	12	72
29	0	60
30	0	48

Exhibit assumes maximum of 12 hour days.
Actual shifts are from 9.5-12 hours.

For 4 days of 24 we are 12 hours over for the total prior 7 days.

Average work days are 22 of 30, or 5.13 per week.

Over total of 12 hours for prior 7 day period.
Over total of 12 hours for prior 7 day period.
Over total of 12 hours for prior 7 day period.
Over total of 12 hours for prior 7 day period.

The following two pages are the transcript of testimony given by Rod Holth of KIP Farms of Karlsruhe before the House of Representatives Transportation Committee on January 21, 1999 concerning HB 1229.

This transcript is again offered as testimony before the Senate Transportation Committee today, March 4, 1999.

NORTH DAKOTA
SENATE
TRANSPORTATION COMMITTEE
REMARKS ON HB 1229
“WEIGHT LIMITATIONS”

3/3/99

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS BILL HEJL. I AM A FARMER FROM AMENIA NORTH DAKOTA. I AM IN FAVOR OF THIS BILL BECAUSE IT IS A VITAL REQUIREMENT FOR THE FARMER OWNED COOPERATIVE THAT I AM A SHAREHOLDER IN, THE AMERICAN CRYSTAL SUGAR COMPANY. TO PROCESS THE LARGE CROP WE HARVEST IN THE FALL BEFORE IT SPOILS IN THE SPRING OUR COOPERATIVE MUST MOVE AN AVERAGE OF NEARLY THREE MILLION TONS OF BEETS ON NORTH DAKOTA HIGHWAYS BEFORE SPRING ROAD RESTRICTIONS TAKE PLACE. IF CURRENT LOAD REQUIREMENTS LIMIT OUR TRUCK DRIVERS' ABILITY TO DELIVER BEETS TO OUR FACTORIES WE WILL LOSE UP TO \$2,600,000.00 FOR EACH DAY OF SLICE THAT SPOILS. OUR FARMERS HAVE ALREADY SUFFERED A 27 MILLION DOLLAR LOSS DUE TO THE WARM WEATHER IN NOVEMBER AND DECEMBER. WE SINCERELY HOPE THAT YOU CAN HELP PROVIDE SOME RELIEF IN THE TRANSPORTATION OF OUR CROP.

*WILLIAM A HEJL
LEGISLATIVE LIAISON
RED RIVER VALLEY SUGARBEET GROWERS ASSOCIATION*

HB 1229

5. The director, and local authorities, as to highways under their respective jurisdictions, may issue permits authorizing all vehicles carrying potatoes or sugar beets to exceed weight limitations stated in subsections 1 and 2 by ten percent during the period from July fifteenth to December first. The permits may not provide for a gross weight in excess of one hundred five thousand five hundred pounds (47854.00 kilograms). The appropriate jurisdictional authority shall establish an appropriate fee for the permits and direct how they shall be issued. The Highway Patrol shall issue the permits authorized by the director.