

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

***One Hundred and Eleventh
Legislature***

OF THE

STATE OF MAINE

SECOND REGULAR SESSION

January 4, 1984 to April 25, 1984

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FOURTH CONFIRMATION SESSION

(FIRST CONFIRMATION SESSION – SECOND REGULAR SESSION)

May 31, 1984

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FIFTH CONFIRMATION SESSION

(SECOND CONFIRMATION SESSION – SECOND REGULAR SESSION)

July 11, 1984

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THIRD SPECIAL SESSION

September 4, 1984 to September 11, 1984

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House

Thursday, April 12, 1984

The House met according to adjournment and was called to order by the Speaker.

Prayer by Stephen Craft, Church of Christ, Unity.

The Journal of Wednesday, April 11, 1984, was read and approved.

**Papers from the Senate
Non-Concurrent Matter
Later Today Assigned**

Bill "An Act to Implement Certain Recommendations of the State Compensation Commission" (H. P. 1858) (L. D. 2459) which was referred to the Committee on Appropriations and Financial Affairs in the House on April 11, 1984.

Came from the Senate under suspension of the rules and without reference to a Committee, the Bill read twice and passed to be engrossed as amended by Senate Amendment "A" (S-412). in non-concurrence.

On motion of Mr. Diamond of Bangor, tabled pending further consideration and later today assigned.

Communications

The following Communication:

Joint Select Committee on Job Training
April 10, 1984

The Honorable John L. Martin
Speaker of the House
111th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Joint Select Committee on Job Training during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	1
Unanimous reports	1
Leave to Withdraw	0
Ought to Pass	0
Ought Not to Pass	0
Ought to Pass as Amended	0
Ought to Pass in New Draft	1
Divided reports	0

Respectfully submitted,
LARRY BROWN
Senate Chair
STEPHANIE LOCKE
House Chair

Was read and order placed on file.

The following Communication:

Joint Select Committee on Wood Measurement
April 10, 1984

The Honorable John L. Martin
Speaker of the House
111th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Joint Select Committee on Wood Measurement during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	1
Unanimous reports	0
Leave to Withdraw	0
Ought to Pass	0
Ought Not to Pass	0
Ought to Pass as Amended	0
Ought to Pass in New Draft	0
Divided reports	1

Respectfully submitted,
FRANK P. WOOD
Senate Chair
PAUL JACQUES
House Chair

Was read and ordered placed on file.

The following Communication:

Committee on Energy and Natural Resources
April 11, 1984

The Honorable John L. Martin
Speaker of the House

111th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Committee on Energy & Natural Resources during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	38
Unanimous reports	33
Leave to Withdraw	14
Ought to Pass	4
Ought Not to Pass	0
Ought to Pass as Amended	5
Ought to Pass in New Draft	10
Divided reports	5

Respectfully submitted,
JUDY KANY
Senate Chair
DON HALL
House Chair

Was read and ordered placed on file.

The following Communication:

Committee on Public Utilities
April 11, 1984

The Honorable John L. Martin
Speaker of the House
111th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Committee on Public Utilities during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	40
Unanimous reports	37
Leave to Withdraw	13
Ought to Pass	11
Ought Not to Pass	0
Ought to Pass as Amended	7
Ought to Pass in New Draft	6
Divided reports	3

Respectfully submitted,
JOHN E. BALDACC
Senate Chair
HARRY VOSE
House Chair

Was read and ordered placed on file.

The following Communication:

Committee on Education
April 11, 1984

The Honorable John L. Martin
Speaker of the House
111th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Committee on Education during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	30
Unanimous reports	28
Leave to Withdraw	9
Ought to Pass	7
Ought Not to Pass	0
Ought to Pass as Amended	5
Ought to Pass in New Draft	7
Divided reports	2

Respectfully submitted,
KENNETH P. HAYES
Senate Chair
STEPHANIE LOCKE
House Chair

Was read and ordered placed on file.

Orders

On motion of Representative Mitchell of Vassalboro, the following Joint Resolution: (H. P. 1860) (Cosponsors: Senators Charette of Androscoggin, Erwin of Oxford, and Representative Perry of Mexico) (Approved by a majority of the Legislative Council pursuant to Joint Rule 35).

JOINT RESOLUTION MEMORIALIZING
THE HONORABLE RONALD W. REAGAN,
PRESIDENT OF THE UNITED STATES,

**TO SUPPORT AND AFFIRM FAIR TRADE
IN THE BEST INTEREST OF AMERICAN
SHOE WORKERS AND MANUFACTURERS**

WE, your Memorialists, the Senate and House of Representatives of the State of Maine in the Second Regular Session of the One Hundred and Eleventh Legislature, now assembled, most respectfully present and petition President Ronald W. Reagan, as follows:

WHEREAS, imported shoes took 65% of the American market in 1983; and

WHEREAS, under the Orderly Marketing Agreement negotiated with Korea and Taiwan, in 1976, imports were held to 51% of the United States market; and

WHEREAS, this agreement was terminated by President Reagan in 1981, against the recommendations of the International Trade Commission; and

WHEREAS, since termination of the agreement, Korean imports have increased by 46% and Taiwanese imports have increased by 64%; and

WHEREAS, Maine, as the leading shoe-producing state in the nation, has been suffering from the damage of skyrocketing imports during these past 3 years; and

WHEREAS, hundreds of Maine workers have been displaced by the closings of G. H. Bass in North Jay, Farmington Shoe in Farmington, Melville Shoe in Brunswick, Nike of Saco and G. H. Bass in Rumford; and

WHEREAS, the Federal Government has failed to define import limitations, thereby permitting partially-assembled items to be imported as raw materials and reducing the number of direct manufacturing jobs; and

WHEREAS, the International Trade Commission has been petitioned by both shoe manufacturers and shoe workers to forward its recommendations for import relief to the President of the United States; now, therefore, be it

RESOLVED: That We, your Memorialists, respectfully urge and request that the Honorable Ronald W. Reagan, President of the United States, take affirmative action to support and affirm fair trade in the best interest of American shoe workers and manufacturers; and be it further

RESOLVED: That a suitable copy of this resolution, duly authenticated by the Secretary of State, be transmitted forthwith by the Secretary of State to the President of the United States, Ronald W. Reagan.

The Joint Resolution was read.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Webster.

Mr. WEBSTER: Mr. Speaker, Ladies and Gentlemen of the House: I rise today to speak in support of this Joint Resolution. I am somewhat concerned about this measure because I support the concept of reinstating the import restrictions but I am concerned about the message that this legislature is sending to the unemployed shoe workers in my district.

This shoe import quota issue is only one piece of a large picture and I am concerned that the workers, the unemployed workers from Farmington Shoe and Bass Shoe who live in my district, have been calling me for the last six months about the layoffs and the shoe shops should realize that this is only one part of the picture. This legislature assembled here today could do more to keep jobs in my district, we could do more about Workers' Compensation laws, we could do more about raising taxes such as the corporate tax which we raised last year, the unitary tax and all the other taxes this legislature, in its wisdom, is passing on to corporations in the state to force them out of business.

Let me tell you something about Cheeseborough Pond. Cheeseborough Pond is in business to make money. I can say this on the House floor, that Cheeseborough Pond probably isn't going to be too concerned whether my people work or not but I am concerned and I believe we should realize that the bottom line for Cheeseborough Pond and many of these corporations is whether they are making money for

their stockholders. If they can go to another state or another country and make money, they are going to go, and if we want to send a smoke screen and try to tell the shoeworkers in this state that we care—I am telling you right here and right now that this legislature hasn't shown me that you care for the workers in this state.

If we cared about the workers in this state, we would change the Workers' Comp laws. We would do something about the liberal benefits that are received under this law. Twenty years ago, you didn't hear about all the tendonitis and all these things that are happening in the shoeshops today. The reason you didn't hear about it is because people were better off working. Today you are better off not to work under the current laws under Workers' Compensation.

I am supporting this Resolution because I think something should be done; I think we all think something should be done. I hope that President Reagan, in his wisdom, will support this Resolution and will listen to this Resolution and will change and reinstate import quotas, but I think we shouldn't fool the workers in this state and I am tired when I hear workers calling me and saying, well, imports are forcing Bass Shoe out of business. Well, I am not convinced that that is a fact. I think the laws in this state are forcing Bass Shoe, are forcing Maine Dowel, are forcing Farmington Shoe out of business, and I feel very strongly that a job, although it may not be very high paying, Farmington Shoe, when they were in operation, worked at the minimum wage, and we could talk about that, and that company has now moved to New Hampshire because they can make more money in New Hampshire.

I think the people in this state should realize that any job, whether it is \$3.35 an hour or whether it is \$4.00 or whatever it is is better than no job. When these businesses continue to leave the state and people call me and they want to know why they are leaving the state, I say, sure, shoe imports, that is part of the picture but there is more to the picture than just shoe imports and we ought to be looking at these laws instead of passing Resolutions saying that we are concerned about Workers' Comp and we are concerned about the laws in this state. The people in Maine should look at this legislature sitting here in session and say—are you doing the best you can do to preserve jobs? I would say that we aren't.

I hope that you all support this Joint Resolution. I wholeheartedly support this one picture, one piece of the puzzle. I just wish that if we really were concerned about the working people that we would do something about the other laws in this state.

The SPEAKER: The Chair recognizes the gentlewoman from Vassalboro, Mrs. Mitchell.

Mrs. MITCHELL: Mr. Speaker, Men and Women of the House: I would like to thank the Representative from Farmington, Representative Webster, for supporting so strongly this Joint Resolution memorializing President Reagan, I think it is important. No one says this is anything but a piece of the puzzle but at the same time it is a very important piece of the puzzle.

This Resolution asks the President to implement the findings of the International Trade Commission which has historically found in favor that damages have been done to the shoe industry of Maine.

It is important for you to note that up until 1981 there was an orderly marketing agreement between major exporting countries of shoes to this country. President Reagan did not implement the findings of the International Trade Commission at that time and it is very important to look at some of the figures that have happened when those orderly marketing agreements were allowed to lapse.

Since 1981, production dropped 12.6 percent. Import share of the U.S. market rose to 64.7 percent from 51 percent, and employment dropped to 132,700, the lowest level in the history of the United States footwear, so it may be a piece of the puzzle but, believe me, it is probably the

most important piece of the puzzle.

I think that it is important that you support this Resolution. We obviously can do nothing to control exports and imports from these seats except to send a strong message to the President of the United States, and if Representative Webster thinks that we can fool the shoeworkers of this state, I recommend that he come and listen to presentations made by the four women who have organized a statewide effort to explain the plight of the unemployed shoeworker. They are not fooled. They know that this is only part of the solution, but believe you me, it is a major part of the solution.

The SPEAKER: The Chair recognizes the gentleman from Wilton, Mr. Armstrong.

Mr. ARMSTRONG: Mr. Speaker, Ladies and Gentlemen of the House: Much like the start of an epidemic, a fast growing number of shoe workers are losing their jobs and are being laid off as this country is being inundated by a rising flood of foreign made shoes being imported into this country and by virtually every U.S. major shoe manufacturer moving their productions to places like Spain, Portugal, Brazil, Mexico, India, Korea and Taiwan to take advantage of lower labor costs and greater profit potential.

The one thousand or more shoe workers in the Wilton area are no different than shoe workers throughout Maine. Most were born here, they grew up here, their children are in our schools, their friends and families are here. They don't want to move, they don't want to lose their jobs and the shoe workers I know do not want to end up on unemployment and welfare.

Some of these people are in fact third and fourth generation skilled handsewers, cutters and stitchers. Their jobs are being lost right now and other jobs appear to be in jeopardy and in the Wilton, North Jay, Rumford area, there seems to be little hope in the immediate future of other new industries coming into this area or other existing industries expanding to offer job opportunities to these laid off shoe workers.

It is apparent to me that jobs are flying out of Maine and the U.S. at an alarming rate and that the economic and social consequences of this loss of jobs will have a staggering impact on all Americans.

This legislature here, you and I, must do whatever we can to protect these Maine jobs. We must pass this Resolution without delay. We must convince our U.S. Senators and Congressmen and the President of the United States of the urgency of the situation and our shoe industry here in Maine.

Finally, we must make a concentrated effort to enlist the support of Maine people from every walk of life in this effort because everybody loses when people lose their jobs and can't find work.

I urge a bipartisan support for the immediate passage of this Resolution.

The SPEAKER: The Chair recognizes the gentlewoman from Rumford, Mrs. Erwin.

Mrs. ERWIN: Mr. Speaker, Ladies and Gentlemen of the House: I urge you to support this Resolution. In the Rumford area we have Bass Shoe which will be closing on May 1st. It is the second largest employer of the area, second only to the Boise Cascade and it will have a serious effect upon the economy of our area. My constituents are very concerned and I urge your support.

The SPEAKER: The Chair recognizes the gentleman from Mexico, Mr. Perry.

Mr. PERRY: Mr. Speaker, Ladies and Gentlemen of the House: I am very proud to be a co-sponsor of this Resolution and I hope that it passes unanimously in this House.

Thereupon, the Joint Resolution was adopted and sent up for concurrence.

Amended Bills

Later Today Assigned

Bill "An Act to Fairly Apportion the Cost of Canceled Electric Generating Facilities" (H. P. 1826) (L. D. 2421) (C. "A" H-675).

Was reported by the Committee on Bills in the

Second Reading and read a second time.

On motion of Mr. Connolly of Portland, tabled pending passage to be engrossed as amended and later today assigned.

Later Today Assigned

Bill "An Act Making Appropriations and Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1984 and June 30, 1985" (Emergency) (S. P. 912) (L. D. 2451) (S. "A" S-396).

Was reported by the Committee on Bills in the Second Reading and read a second time.

Mr. Murphy of Kennebunk offered House Amendment "A" and moved its adoption.

House Amendment "A" (H-697) Was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. Murphy.

Mr. MURPHY: Mr. Speaker, Men and Women of the House: The Appropriations Committee in a workshop, not a public hearing, made a budget decision that will impact certain small businesses to the tune of \$1.2 million. The issue in this amendment and within this budget document is that now by law our restaurants and lounges must buy their liquor from the state liquor store in their area and for that they receive an eight percent discount off the store's retail price.

I must still be a little naive, but I had always been under the impression that an issue such as this would require a public hearing so that the pros and cons of a proposal like this could receive public comment. I would also assume that this would be an issue that should be properly before the Legal Affairs Committee. The committee members weren't even aware of this issue until they read about it in the newspapers as an accomplished fact.

This \$1.2 million additional cost to doing business here in Maine was discussed and passed in a workshop. The reasons or excuses given for the action, basically, if I could paraphrase it, was, we needed the money so we took it. Also, I heard or read in the paper, well, those businesses are making too much money already. Ladies and gentlemen, I think we ought to take a little closer look at those businesses. We are about ready to lay another cost to doing business upon them.

National studies have shown that on an average that the annual net profit for the food and beverage industry is only 7 percent and that four out of every five of those businesses fail during their first five years. Their very existence is subject to the weather and the price and availability of gas. It is an industry that runs part of the year on borrowed money, loaned at variable interest rates.

With the present 8 percent discount that is in the present law, there is very little problem with enforcement, enforcement of this current buying requirement. There is almost no cheating. If we allow the action of the Appropriations Committee to stand, will we be encouraging business stretched thin already to sneak off to the Kittery Store or maybe even to New Hampshire? Are we going to have to hire extra snoopers to ferret this out? Are we going to have to develop new, more expensive methods of marking the bottles more distinctly as to their origin? What impact will this eight percent discount loss have upon businesses in the border communities?

Let me tell you what the state of New Hampshire does. She gives her restaurants and lounges a 15 percent discount, not 8 percent. New Hampshire delivers the order to the business; you don't have to go and pick it up. And many of our businesses here in Maine have already set their prices and already printed their menus.

It is a cherished principle of this Maine state government that the public will have an opportunity to be heard. They trust us and they trust this process. They have not had their opportunity to be heard on this issue.

I would urge you today to adopt this amendment. If the Chairperson of the Appropriations

Committee feels that this issue has merit, then he should submit it as a bill and introduce it into the 112th Legislature.

I would hope that by adopting this amendment today we could end this backdoor raid.

On motion of Mr. Kelleher of Bangor, tabled pending adoption of House Amendment "A" and later today assigned.

Passed to Be Enacted Emergency Measure

An Act Relating to Periodic Justification of Departments and Agencies of State Government under the Maine Sunset Laws (S. P. 899) (L. D. 2417) (S. "A" S-377; S. "B" S-382).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 105 voted in favor of the same and 1 against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

Emergency Measure

An Act Making Authorizations and Allocations Relating to Federal Block Grants for the Expenditures of State Government for the Fiscal Year Ending June 30, 1984 (S. P. 914) (L. D. 2461).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 109 voted in favor of the same and none against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

Passed to Be Enacted

An Act to Encourage the Use of Wood and Solid Waste as a Source of Energy in State-owned Buildings (S. P. 879) (L. D. 2383) (S. "A" S-393 to S. "A" S-371).

An Act to Create Enabling Legislation for Payroll Deductions for Individual Retirement Accounts and Simplified Employee Pension Plans and to Make Necessary Technical Changes in the Provisions of Current Deferred Compensation Statutes (H. P. 1796) (L. D. 2371).

An Act to Establish the Maine Job-start Program (H. P. 1855) (L. D. 2456).

An Act Relating to Enforcement of Land Use Laws (S. P. 900) (L. D. 2418) (S. "A" S-394; H. "A" H-676).

An Act to Provide Operating Funds for the Spruce Budworm Management Program and to Assure an Accurate Accounting of its Costs (H. P. 1859) (L. D. 2460).

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

By unanimous consent, all matters having been acted upon requiring Senate concurrence, ordered sent forthwith to the Senate.

The following paper was taken up out of order by unanimous consent:

House Reports of Committees Divided Report Later Today Assigned

Eleven Members of the Committee on Appropriations and Financial Affairs on Bill "An Act to Appropriate Funds to the University of Maine to Implement Collective Bargaining Agreements" (Emergency) (H. P. 1825) (L. D. 2420) report in Report "A" that the same "Ought to Pass" as amended by Committee Amendment "A" (H-708).

Signed:

Senators:

NAJARIAN of Cumberland
BROWN of Washington
PERKINS of Hancock

Representatives:

SMITH of Mars Hill
JALBERT of Lewiston

CHONKO of Topsham
MASTERTON of Cape Elizabeth
ARMSTRONG of Wilton
BELL of Paris
CONNOLLY of Portland
LISNIK of Presque Isle

One Member of the same Committee on same Bill reports in Report "B" that the same "Ought to Pass" as amended by Committee Amendment "B" (H-709).

Signed:

Representative:

CARTER of Winslow

One Member of the same Committee on same Bill reports in Report "C" that the same "Ought Not to Pass".

Signed:

Representative:

KELLEHER of Bangor

Reports were read.

On motion of Mr. Jalbert of Lewiston, tabled pending acceptance of any Report and later today assigned.

House at Ease

The House was called to order by the Speaker.

The Chair laid before the House the following matter:

HOUSE DIVIDED REPORT—Eleven members report in Report "A" that the same "Ought to Pass" as amended by Committee Amendment "A" (H-708); One member reports in Report B that the same "ought to Pass as amended by Committee Amendment "B" (H-709); One member reports in Report C that the same "Ought Not to Pass—Committee on Appropriations and Financial Affairs on Bill "An Act to Appropriate Funds to the University of Maine to Implement Collective Bargaining Agreements" (Emergency) (H. P. 1825) (L. D. 2420) which was tabled earlier and later today assigned pending acceptance of any Report.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Carter.

Mr. CARTER: Mr. Speaker, I am going to move, reluctantly, to accept the Majority "Ought to Pass" Report and I will speak briefly.

The SPEAKER: The gentleman from Winslow, Mr. Carter, moves the acceptance of the "Ought to Pass" Report A.

The gentleman may proceed.

Mr. CARTER: Mr. Speaker, Ladies and Gentlemen of the House: As you know, there are several other reports on this bill but I would like to clear the air so that nobody gets any false signals from what we do here in the legislature. There seems to be a misconception that we either have to accept or reject the entire contract negotiated by the University of Maine Trustees with the employees. This is not the case. The contract that they negotiated with the university employees is subject to monies appropriated by the legislature. They do not fall in the same category as other state employees under the collective bargaining laws.

Within the same title that grants university the right to collective bargaining, there is a subsection that deals with the VTI's. They alone have to be approved or disapproved by the legislature after it is accepted by the Governor. We have no choice in VTI money matters other than we either accept or reject.

Let me briefly tell you where we are as I see it. As of yesterday, according to my figures which I have obtained from the Legislative Finance Office, we have an amount of surplus consisting of \$7.3 million. Yesterday, we approved the Fisheries and Wildlife Bill which calls for \$358,000 from the General Fund. There is a VTI Administrative Collective Bargaining Bill flying through here that calls for \$75,000. You subtract both of these and that leaves you a net of \$6.8 million. As of yesterday, we have \$15 million on the Special Appropriations Table; we have a balance of \$6.8 million. Now we are going to send this bill to the Appropriations Table calling for a total of \$6.2. We are not dealing with revenue

sharing, we are not dealing with fire suppression tax, we are not dealing with tax conformity, all of those are yet to come.

I just wanted to make sure that everybody understands and does not receive false signals that if we approve the \$6.2 million and sent it to the Appropriations Table there is absolutely no guarantee that those monies will be there when the pie is cut up. The most I think that I feel we could afford would be \$2 million if we deappropriate monies that are not going to be used as I have indicated in my amendment.

I would hope that you would support the Majority "Ought to Pass" Report.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: After I tabled the bill, I found out that I was wrong, so consequently I would urge you to indefinitely postpone this amendment of the gentleman from Winslow, Mr. Carter, so I could make another motion to accept the Majority Report which is 11 to 1, at least that is what it says on the report so I so move.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: Those of you who have read the report, you can see that I voted "Ought Not to Pass." I voted that way for some of the very reasons that Representative Carter spoke to you about a few moments ago insofar as we haven't got the money to fund the University of Maine Bill at the present time. But that wasn't the only reason I voted against this particular bill, and that is, I am not personally satisfied with the processes that was used by the University of Maine Trustees in negotiating the contracts with the university employees themselves. I am afraid that they are circumventing the system which is somewhat different than what we have done in the past dealing with the University of Maine after we have given them collective bargaining, that the trustees generally had an idea what was available for money and then were able to negotiate in good faith, and I think if this legislature would accept the process that was used in the past few weeks, that we wouldn't be exercising good judgment as legislators.

I know the scenario or I think understand the reasoning for Mr. Carter asking us to support the Majority Report so it would go down to the Appropriations Table. I will vote for that myself simply because when we get back down there, whether we had \$50 million to spend, which we haven't, and knowing there is \$25 million or \$30 million down there to be funded, which we also do not have, the process in dealing with the university I hope will go back on the original track for which I understood the collective bargaining process to be in regards to that system.

So even though I voted for the "Ought Not to Pass" Report, unless we, with leadership and the support of the members of this body and the other body, put the system back on track, I wouldn't vote for any of it anyway. However, I think that is what is going to happen, we are going to consolidate our differences and try to find—try to find—the money to honor the contract which came to us the other day.

The SPEAKER: The Chair will order a vote. The pending question before the House is on the motion of the gentleman from Winslow, Mr. Carter, that the House accept the "Ought to Pass" Report A. Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken.

101 having voted in the affirmative and none in the negative, the motion did prevail.

The Bill was read once.

Committee Amendment "A" (H-708) was read by the Clerk and adopted.

Under suspension of the rules, the Bill was read a second time, passed to be engrossed as amended by Committee Amendment "A" and sent up for concurrence.

The Chair laid before the House the following

matter:

Bill "An Act Making Appropriations and Allocations for the Expenditures of State Government for the Fiscal Years Ending June 30, 1984 and June 30, 1985" (Emergency) (S. P. 912) (L. D. 2451) (S "A" S-396) which was tabled earlier and later today assigned pending adoption of House Amendment "A" (H-697).

Mr. Carter of Winslow moved indefinite postponement of House Amendment "A".

The SPEAKER: The gentleman from Winslow, Mr. Carter, moves that House Amendment "A" be indefinitely postponed.

The Chair recognizes the gentleman from Kennebunk, Mr. Murphy.

Mr. MURPHY: Mr. Speaker, Men and Women of the House: I would urge that we reject that motion to indefinitely postpone so that we may adopt House Amendment "A".

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: I, too, would urge you not to indefinitely postpone House Amendment "A". It said that no man's life, liberty or property is safe while the legislature is in session and that seems to be very true in this particular instance, in the action that the Appropriations Committee has taken without any public hearing or any public input in taking away the 8 percent discount that licensees now have.

The other day in a debate on another bill, on the Fetal Alcohol Syndrome Bill, many of you were quite eloquent as to the inconvenience to these kinds of businesses to putting up a single poster in their establishments. I happen to be on the other side of that issue but at the hearing that we had I did ask them all if this would affect their business and they all said that it would not affect it in any way, but the action that the Appropriations Committee has taken will affect their businesses very significantly particularly down in my area along the border where they would have to compete with businesses in New Hampshire where they get a 15 percent discount. All of this was done without a hearing, without any input whatsoever in a single work session. So I would ask you to go along with the gentleman from Kennebunk and accept this amendment.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Dillenback.

Mr. DILLENBACK: Mr. Speaker, Ladies and Gentlemen of the House: Being a member of the Legal Affairs Committee, I am not too happy with this suggestion either. It seems to me that the businesses that are involved with selling like hotels, restaurants and so forth should certainly have their day in court. They should have been able to appear before the Legal Affairs Committee.

We have a 75 percent markup on liquor, and in the 110th we added the 2 percent surcharge which brought it down to 8 percent.

The food and lodging tax is something that may come in. We seem to be taking a little blow at a certain industry in this state, not a little blow, a large blow. We created FAME this year and even FAME doesn't help this business at all. These businesses are here and basically most of them cater to our summer tourists.

We asked for a million dollars for the tourist business, we cut it down to \$500,000 and what do we do? We give it to them with one hand and we take it away with the other hand. These people are struggling to survive.

You know it is interesting, we promote blueberries, we promote potatoes, we promote all sorts of businesses, but when it comes to the business that does the most business during the summer months, they were all looking forward to the increase and this increase carries on through, we want to penalize those that need the help the most.

I hope that you do not vote to do away with this amendment.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Carter.

Mr. CARTER: Mr. Speaker, Ladies and Gentlemen of the House: The gentleman from Cumberland, Representative Dillenback, talks about percentages of profit and originally I wasn't in favor of this when it was proposed to the committee, but after looking into it, I discovered that the law itself is discriminatory and that it applies only to certain licensees. It does not apply to non-profit groups who operate service clubs. The agency stores don't benefit from the same type of percentage; they operate only on a certain percentage, which I understand is 10 percent.

Now speaking of profits, here we are talking about eight percent. If you would stop and take one bottle of liquor, 80 proof, the cost, I am told, amounts to twenty seven and a half cents a shot and they sell those things for over \$2.50 in licensed places of operation. We are not talking about 800 percent, a far cry from 8 percent. If we do remove this, the most that it could do would probably add two or three cents a shot.

You heard me earlier speak about the shortage of funds available. If this amendment is allowed to prevail, the budget that we are debating will call for another \$1.2 million from the \$6.8 that we have as a balance, making the pie even smaller. So I would urge you to support the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from Saco, Mr. Hobbins.

Mr. HOBBS: Mr. Speaker, Men and Women of the House: I rise in support of the amendment offered by the gentleman from Kennebunk, Mr. Murphy.

It seems to me that if we are going to make a substantive policy change that both sides of this matter should be aired at a public hearing in public debate.

It has been a legislative determination for many, many years that there be this percentage concession to those who have licenses. I believe that in order to change that particular policy, that the issue should be debated and we might find if in fact it was put into a debate that that particular break should be taken off but I don't believe that we should act in a situation as we have now. I believe that it is a matter of fairness and I hope you will go along with the good gentleman from Kennebunk, Mr. Murphy.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: I do hope that you support Representative Carter's motion. Some of us have been here long enough and can remember well enough when the Kittery Liquor Store was created and there was a number of accommodations made not for the whole state but for a certain segment of the state dealing with the liquor industry. This is a loophole that should never have been allowed to be created to begin with; however, we are asking you, this House here today, to close it for two reasons—one, it was a bad idea when it was conceived and, two, we need the money to fund what is left to state government here at the end of this session.

The tax consideration that was made in the Kittery Liquor Store 14 years ago had some merit but there were a lot of other issues that were created to supplement support of the creation of the Kittery Liquor Store. You talk about unfairness, you and I and our people who do not live near that store have our people buying liquor from the state at a different price than they are buying down in the southern part of the state, but the licensees have gotten a ride that they should never have gotten and this law should never have been on the books and I urge you to support the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: I would like to respond to the remarks of the gentleman from Bangor, Mr. Kelleher, because I think they are extremely misleading.

Let me tell you briefly about the Kittery Liquor Store. This discount that we are talking about

existed before the Kittery Liquor Store was ever in place. When the Kittery Liquor Store came into place, for a short time licensees were allowed to buy there; that gave them a higher discount. In the 107th Legislature, I believe, we stopped licensees from being able to buy at the Kittery Liquor Store and had them go back to their 8 percent discount. I wanted to make that very clear. This is not mixed up with the Kittery Liquor Store; it was in existence before that store was there. They are not allowed to buy there, they just have the same 8 percent discount that they had.

I would also like to respond to the remarks of the gentleman from Winslow, Mr. Carter, who said the reason for doing this is that there is a shortage of funds. There is always a shortage of funds here, so I would pose a question to him and I would ask, if we are allowed to do this now without a hearing, without input, without being able to listen to how this will affect those businesses, what business is next?

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Handy.

Mr. HANDY: Mr. Speaker, Ladies and Gentlemen of the House: I, too, as a member of the Legal Affairs Committee, the committee that has the legislative jurisdiction over liquor laws, am concerned about the fact that this bill did not have a public hearing.

The way this came about is, as I understand it, when the Executive was seeking to do away with state run liquor stores, this somehow became the alternative.

Let me explain exactly what we are talking about here. Currently, restaurants may avail themselves of an 8 percent volume discount when they buy their liquor. Another entity also may avail themselves of an 8 percent volume discount when they purchase liquor, that is the agency liquor store. They are not addressed in L. D. 2451, so there is an inconsistency there.

With regard to restaurants specifically, their profit margins are 7 to 10 percent on the average and whether a restaurant stays in business or goes under, for the most part, is dependent upon the profits made in their lounges and the sale of liquor on premise. That is primarily due to the fact that restaurants serve, as you know, perishable foods and perishable goods and goods have to have a continual turnover before they go bad so that the restaurant may retain that 7 to 10 percent profit margin. This will affect restaurants who—a lot of them are seasonal businesses and these seasonal businesses have already prepared their menus and their liquor lists with their prices on them. I think it would be accurate to say that it is unlikely that these restaurants who have published their menus for the coming tourist season will go back to the printer and incur that cost again of reprinting those menus, so there is an added cost there to the restaurant.

I think what we have today, if you can buy the argument of the lack of the legislative process working, fine, but I think if you want to go to the point of what is in this amendment and in the bill, that is a much more solid thing to sink your teeth into.

Another problem that hasn't been raised is the problem of liquor enforcement. Currently restaurants and agency liquor stores have a designated place from which they have to buy their liquor and that is designated by the Liquor Commission. So we have here a potential liquor enforcement problem as well as the fiscal problems that would prevail if this amendment is not adopted into L. D. 2451.

Members of the House, I would urge you to oppose the motion before you which is to indefinitely postpone so we may adopt Representative Murphy's amendment that would restore the 8 percent discount which would provide equity across the board and some security with regard to liquor enforcement.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: This is a 13 to 0 agreement

with the Appropriations Committee made up of both political parties and somewhere along the line it is the job of our committee to find money where they can, it is going to hurt somebody sometime, but somewhere along the line if we are to fund and enact some bills that are going on and are still going on the Appropriations Table, we must somehow, as much as we can, find the money that is needed. That is what my opposition is to the amendment.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Carter.

Mr. CARTER: Mr. Speaker, Ladies and Gentlemen of the House: The good gentleman from York, Representative Rolde, brings up the point that no one is safe when the legislature is in session. I can't dispute that point. However, I try to be consistent. I guess it depends on who is being gored by the bull and how we react sometimes in this legislature.

It seems to me that just a day or two ago I was up on my feet speaking against a recommendation by the Performance and Audit Committee that would allow direct competition with private enterprise. They were upfront about what we want to do. But I really do try to be consistent.

I would also like to speak to a point that was brought up by the good gentleman from Saco, Representative Hobbins. You know, I have been around here a few years, we speak of public hearings, and I have never seen a law where a public hearing is required. I have complained before when public hearings were not being held on certain issues and I was told that it is a convenience that the legislature allows the citizens to partake in when and if they so desire.

I would like to remind this body that to date we have had 17 bills that have flown through these halls without any public hearing, and there are more on the way. I would urge you to support the motion to indefinitely postpone.

Mr. Speaker, I request a roll call vote.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

ROLL CALL NO. 480

YEA—Baker, Beaulieu, Bell, Bost, Brannigan, Brodeur, Carter, Cashman, Chonko, Connolly, Cote, Crouse, Diamond, Hall, Hayden, Higgins, H.C.; Jacques, Jalbert, Joyce, Kelleher, Kelly, Ketover, Lehoux, Lisnik, Locke, MacBride, Maceachern, Mahany, McCollister, McGowan, McHenry, Mitchell, E.H.; Mitchell, J.; Moholland, Murray, Nadeau, Reeves, J.W.; Rotondi, Smith, C.B.; Smith, C.W.; Soule, Strout, Tammaro, Vose, The Speaker.

NAY—Ainsworth, Allen, Anderson, Armstrong, Bott, Brown, A.K.; Brown, D.N.; Cahill, Callahan, Carrier, Carroll, D.P.; Carroll, G.A.; Clark, Conary, Connors, Cooper, Cox, Crowley, Curtis, Daggett, Davis, Day, Dexter, Dillenback, Drinkwater, Dudley, Erwin, Foster, Gauvreau, Greenlaw, Gwadosky, Handy, Higgins, L.M.; Hobbins, Holloway, Ingraham, Jackson, Joseph, Kisman, LaPlante, LeBowitz, Livesay, Macomber, Manning, Martin, A.C.; Martin, H.C.; Masterman, Matthews, K.L.; Matthews, Z.E.; Maybury, Mayo, McPherson, McSweeney, Melendy, Michael, Michaud, Mills, Murphy, E.M.; Murphy, T.W.; Nelson, Norton, Paradis, E.J.; Paradis, P.E.; Parent, Perkins, Perry, Pines, Pouliot, Racine, Randall, Reeves, P.; Richard, Ridley, Roberts, Robinson, Roderick, Rolde, Salsbury, Scarpino, Seavey, Sherburne, Small, Soucy, Sproul, Stevens, Stevenson, Stover, Swazey, Theriault, Thompson, Tuttle, Walker, Webster, Wentworth, Weymouth, Willey, Zirkilton.

ABSENT—Andrews, Benoit, Bonney, Hickey, Kane, Kilcoyne, Masterton, Paul, Telow.

45 having voted in the affirmative and 97 in the negative, with 9 being absent, the motion did not prevail.

Thereupon, House Amendment "A" was adopted.

The Bill was passed to be engrossed as amended by Senate Amendment "A" and House Amendment "A" in non-concurrence and sent up

for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

The following papers were taken up out of order by unanimous consent:

Committee of Conference

Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature on: "An Act Concerning Menhaden Fishing in Casco Bay" (H. P. 928) (L. D. 1207) have had the same under consideration and ask leave to report that they are unable to agree.

Signed:

Representatives:

CROWLEY of Stockton Springs

VOSE of Eastport

LIVESAY of Brunswick

Senators:

DUTREMBLE of York

NAJARIAN of Cumberland

COLLINS of Knox

The Committee of Conference Report was read.

The SPEAKER: The Chair recognizes the gentleman from Stockton Springs, Mr. Crowley.

Mr. CROWLEY: Mr. Speaker, I move that we accept the Committee of Conference Report.

The SPEAKER: The gentleman from Stockton Springs, Mr. Crowley, moves that the Committee of Conference Report be accepted.

The gentleman may proceed.

Mr. CROWLEY: Mr. Speaker, Ladies and Gentlemen of the House: The Committee of Conference on the Marine Resources bill, L. D. 1207, An Act Concerning Menhaden Fishing in Casco Bay, agreed to write a report to the Commissioner of the Department of Marine Resources expressing our interest and concerns over the possible ecological effects of the purse seining and the habitats of the marine organisms in shallow waters in the New Meadows River and other shallow portions of the rivers and bays north of Casco Bay. Hopefully, the Department of Maine Resources will address the concerns of the 778 petitioners and other concerned citizens in the Harpswell—Phippsburg area who feel there is an environmental impact from the large fishing vessels and the large fishing net seines that rake the ocean bottom in an area rich in natural marine resources.

Thereupon, the Committee of Conference Report was accepted and sent up for concurrence.

Ought to Pass in New Draft

Representative Locke from the Committee on Education on Bill "An Act to Clarify Certain Laws Relating to Education" (H. P. 1544) (L. D. 2034) reporting "Ought to Pass" in New Draft (H. P. 1862) (L. D. 2467).

Report was read and accepted and the New Draft read once. Under suspension of the rules, the New Draft was passed to be engrossed and sent up for concurrence.

Passed to Be Enacted

An Act to Establish Standards and a Policy for the Compensation of Members of Boards, Commissions and Similar Organizations (H. P. 1807) (L. D. 2389) (S. "C" S-385).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Webster.

Mr. WEBSTER: Mr. Speaker, I would like to pose a question through the Chair. Is this the pay increase bill?

The SPEAKER: The gentleman from Farmington, Mr. Webster, has posed a question through the Chair to anyone who may care to answer.

The Chair recognizes the gentleman from Fairfield, Mr. Gwadosky.

Mr. GWADOSKY: Mr. Speaker, Ladies and Gentlemen of the House: The answer to the question is no.

Thereupon, the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

Ought to Pass in New Draft

Report of the Committee on Judiciary on Bill "An Act to Make Corrections of Errors and Inconsistencies in the Laws of Maine" (Emergency) (S. P. 877) (L. D. 2382) reporting "Ought to Pass" in New Draft (Emergency) (S. P. 911) (L. D. 2462).

Came from the Senate, with the report read and accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given its first reading and assigned for its second reading later today.

Divided Report

Later Today Assigned

Nine Members of the Committee on Energy and Natural Resources on Bill "An Act to Reduce Minimum Fees and Provide for Implementation of the Chemical Substance Identification Law" (Emergency) (S. P. 719) (L. D. 1977) report in Report "A" that the same "Ought to Pass" in New Draft (Emergency) (S. P. 915) (L. D. 2463).

Signed:

Senators:

PEARSON of Penobscot

KANY of Kennebec

Representatives:

MICHAEL of Auburn

HALL of Sangerville

MICHAUD of East Millinocket

MITCHELL of Freeport

McGowan of Pittsfield

JACQUES of Waterville

RIDLEY of Shapleigh

Three Members of the the same Committee on same Bill report in Report "B" That the same "Ought to Pass" in New Draft under New Title Bill "An Act to Remove Fees and Provide for Implementation of the Chemical Substance Identification Law" (Emergency) (S. P. 916) (L. D. 2464).

Signed:

Senator:

McBREAIRTY of Aroostook

Representatives:

BROWN of Livermore Falls

DEXTER of Kingfield

One Member of the same Committee on same Bill reports in Report "C" that the same "Ought to Pass" in New Draft under New Title Bill "An Act to Remove Fees and Provide for Implementation of the Chemical Substance Identification Law" (S. P. 917) (L. D. 2465).

Signed:

Representative:

KIESMAN of Fryeburg

Came from the Senate with Report "A" read and accepted and the New Draft (S.P. 915) (L. D. 2463) Passed to be Engrossed.

Reports were read.

On motion of Representative Hall of Sangerville, tabled pending acceptance of any Report and later today assigned.

Non-Concurrent Matter

RESOLVE, to Establish a Select Committee Concerning Forest Practices in the State (Emergency) (H. P. 1776) (L. D. 2354) which Failed of Final Passage in the House on April 11, 1984.

Came from the Senate Passed to be Engrossed as amended by Senate Amendment "C" (S-415) in non-concurrence.

The SPEAKER: The Chair recognizes the gentleman from Woolwich, Mrs. Cahill.

Mrs. CAHILL: Mr. Speaker, Ladies and Gentlemen of the House: My question is a brief explanation of Senate Amendment 415, please?

The SPEAKER: The gentleman from Woolwich, Mrs. Cahill, has posed a question through the Chair to anyone who may care to answer.

The Chair recognizes the gentleman from Lincoln, Mr. MacEachern.

Mr. MACEachern: Mr. Speaker, all the amendment does is remove the emergency

clause and it adds one public member to the board.

Thereupon, the House voted to recede and concur.

Orders

On motion of Representative MacEachern of Lincoln, the following Order:

ORDERED, that the Clerk of the House be authorized to furnish 100 2¢ stamps for each member of the House.

Under suspension of the rules, was read and passed.

Unanimous Leave to Withdraw

Representative Higgins from the Committee on Taxation on Bill "An Act Temporarily Reducing the Excise Tax on Internal Combustion Engine Fuel Enhanced with Ethanol" (H. P. 360) (L. D. 418) reporting "Leave to Withdraw".

Was placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

Orders of the Day

The following matters, in the consideration of which the House was engaged at the time of adjournment yesterday, have preference in the Orders of the Day and continue with such preference until disposed of as provided by Rule 24.

The Chair laid before the House the first item of Unfinished Business:

SENATE DIVIDED REPORT—Majority (8) "Ought to Pass" as amended by Committee Amendment "A" (S-345)—Minority (3) Ought Not to Pass"

—Committee on Energy and Natural Resources on Bill "An Act Encouraging an Alternative to Landfill Disposal of Solid Waste" (Emergency) (S. P. 833) (L. D. 2234).

—In Senate, Majority "Ought to Pass" as amended Report read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A" (S-345).

Tabled—April 11, 1984 (Till Later Today) by Representative Hall of Sangerville.

Pending—Acceptance of either report.

Mr. Hall of Sangerville moved that the Majority "Ought to Pass" Report be accepted in concurrence.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Brown.

Mr. BROWN: Mr. Speaker, Ladies and Gentlemen of the House: I hope you will oppose the motion before you. I would like to explain just a little bit about what this bill does and perhaps a little bit about what it doesn't do.

First of all, I should point out to you that I do feel a little down in the dumps talking about this issue today. It's a trashy issue and it's one that doesn't excite me a great deal. However, the bill before us, frankly, I believe is not needed. It is not needed because we passed a bill yesterday, if you recall, which is enabling legislation, which provides the municipalities who want to form energy recover districts the opportunity to do so.

The thing that bothers me about the bill before us today, in all frankness, is a section of the amended bill that provides the Public Utilities Commission the opportunity to give preference to municipal systems over other private cogeneration systems. Now, let's not make any mistake about the fact that there is a lot of money to be made in garbage, there is no question about that.

Forgetting about garbage for a minute, thinking back in 1979, the legislature passed a small power production facilities act. Basically, this was in response to fuel shortages around the world and provided an opportunity for cogenerators, whether they be incineration systems or whether they be small hydro systems, to put those systems together to go on line and to sell power to the major power companies in the state. We did that in 1979, and as a result of that action and I think it was good action, a lot of individuals, a lot of firms, put together a number of cogeneration facilities in the state, got together with their finance people and made

presentations to be included in the various increments provided by the major power companies of the state.

I think the bill before us is good in its nature in that it does provide a mechanism for communities to get together and to form energy recovery systems which I believe is the way to go to get the waste out of the ground and and get it to making money for us and for the communities, but I see it as an opportunity for these municipal systems to have an unfair advantage, a possible unfair advantage, over some of the private people and concerns that are putting together either similar waste energy recovery systems or other cogenerators whether they be incinerators or whether they be hydro-projects.

A case in point, very simple example, if someone is putting together a small hydro-power project as a cogenerating facility, if this bill passes in its present posture, that individual or that concern or that firm could find itself, I believe, at an unfair advantage to a municipal system, and that is really my only objection to the bill other than the fact that based on the bill that was passed yesterday, I really don't think it is needed. I think that just about every member on the committee felt that it was needed as well because we covered the whole issue in legislation that was passed yesterday.

So for that reason, I would urge you to vote against the motion before you and accept the "ought not to pass" report.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Carter.

Mr. CARTER: Mr. Speaker, Ladies and Gentlemen of the House: The good gentleman from Livermore Falls speaks about unfair advantages between municipalities and private entrepreneurs. He tells us that the bill is good but really it is not needed. You know, we in the insurance business have a special term for that technique, we call it the yes-but technique. It can be used very effectively. I see some of my colleagues in the House are smiling.

What we have before us, ladies and gentlemen, is nothing more and nothing less than permissive legislation. It gives nobody any advantage. All this legislation will do is send a message to the proper authorities that the municipalities in this state are faced with very serious problems when it comes to disposal of solid waste.

I don't have to remind you that the soil that lies beneath us is not conducive for sanitary landfill operations for a very long period of time. In my community and surrounding communities we have seen this coming and we have joined together—we don't need any legislation to join—we have joined together to try and find a solution to our problem. We have been working on it for five years. The reason I am involved is because I am on the council in the community and am well aware of what is happening.

What we have to do is establish state policy that we are concerned about the problems faced by all the municipalities of Maine, not just a few. This is in no way going to affect anybody who currently has any plans, because if you look at Committee Amendment "A", Line 27, it says, "The Commission 'may' give preference." I don't see any unfair advantage in the word 'may.' If it said 'shall' give preference, then I would agree with the good gentleman from Livermore Falls, but it does not. It is only permissive and all it does is establish the fact that we as a legislature are concerned about the problems faced by the municipalities in disposal of their waste, and if we can find a solution, we will thank them.

I would hope that you would support the motion of "ought to pass."

The SPEAKER: The Chair will order a vote. The pending question is on the motion of the gentleman from Sangerville, Mr. Hall, that the Majority "Ought to Pass" Report be accepted in concurrence. All those in favor will vote yes; those opposed will vote no.

A vote of the House was taken.

63 having voted in the affirmative and 35 having voted in the negative, the motion did prevail.

Thereupon, the Bill was read once. Committee Amendment "A" (S-345) was read by the Clerk and adopted.

Under suspension of the rules, the Bill was read the second time and passed to be engrossed as amended in concurrence.

The Chair laid before the House the second item of Unfinished Business:

Bill "An Act to Amend the Forest Fire Control Laws and Change the Method of Funding Forest Fire Control Services" (Emergency) (H. P. 1581) (L. D. 2093).

—In Senate, Majority "Ought to Pass" in New Draft Report of the Committee on Taxation read and accepted and the New Draft (H. P. 1782) (L. D. 2347) Passed to be Engrossed in non-concurrence.

—In House, House Reconsidered Insisting on recommitting Bill and Accompanying Papers to the Committee on Taxation on April 9, 1984.

Tabled—April 11, 1984 (Till Later Today) by Representative Higgins of Portland.

Pending—Motion of Representative Jackson of Harrison to Recede and Concur.

On motion of Representative Mitchell of Vassalboro, tabled pending the motion of Representative Jackson of Harrison to recede and concur and later today assigned.

The Chair laid before the House the third item of Unfinished Business:

Bill "An Act to Limit the Authority of the Public Utilities Commission to Award Compensation to Intervenor" (S. P. 763) (L. D. 2071).

—In Senate, Majority "Ought to Pass" Report of the Committee on Public Utilities read and accepted and the New Draft (S. P. 904) (L. D. 2424) was Passed to be Engrossed.

—In House, Minority "Ought to Pass" as Amended Report of the Committee on Public Utilities read and accepted and the Bill Passed to be Engrossed as amended by Committee Amendment "A" (S-370) and House Amendment "A" (H-683) in non-concurrence.

Tabled—April 11, 1984 (Till Later Today) by Representative Diamond of Bangor.

Pending—Motion of Representative Connolly of Portland to Reconsider Passage to be Engrossed.

On motion of Representative Diamond of Bangor, retabled pending the motion of Representative Connolly of Portland to reconsider and later today assigned.

The Chair laid before the House the fourth item of Unfinished Business:

An Act Regarding Franchising and Regulation of Cable Television Systems (S. P. 903) (L. D. 2423).

Tabled—April 11, 1984 (Till Later Today) by Representative Vose of Eastport.

Pending—Passage to be Enacted.

Thereupon, the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

The Chair laid before the House the first tabled and today assigned matter:

Bill "An Act to Amend Certain Motor Vehicle Laws" (Emergency) (H. P. 1820) (L. D. 2412)

—In House, Passed to be Engrossed as amended by House Amendment "C" (H-685) on April 10, 1984.

—In Senate, Passed to be Engrossed as amended by House Amendment "C" (H-685) and Senate Amendment "C" (S-411) in non-concurrence.

Tabled—April 11, 1984 by Representative Mitchell of Vassalboro.

Pending—Further Consideration.

On motion of Representative Carroll of Limerick, retabled pending further consideration and later today assigned.

Matter Pending Ruling

The Chair laid before the house the following matter: Bill "An Act to Establish Guidelines Pertaining to Bond Questions Presented to Maine

Voters" (H. P. 1670)

Tabled—March 9, 1984 by Speaker Martin of Eagle Lake.

Pending—Ruling of the Chair.

The SPEAKER: The Chair will rule that it is in violation of the rules.

On motion of Representative Mitchell of Vassalboro, the following matter was removed from the Unassigned Table:

Bill "An Act to Clarify and Make Consistent the Rules of Construction Regarding Gender used in the Maine Revised Statutes Annotated" (Emergency) (S. P. 808) (L. D. 2159)

—In Senate, passed to be engrossed without reference to any Committee.

Tabled—March 2, 1984 by Representative Mitchell of Vassalboro.

Pending—Reference.

The SPEAKER: The Chair recognizes the gentlewoman from Vassalboro, Mrs. Mitchell.

Mrs. MITCHELL: Mr. Speaker, I now move that this matter be indefinitely postponed.

The SPEAKER: The Chair recognizes the gentlewoman from Vassalboro, Mrs. Mitchell, moves that this Bill and all its accompanying papers be indefinitely postponed in non-concurrence.

The gentlewoman may proceed.

Mrs. MITCHELL: Mr. Speaker, Ladies and Gentlemen of the House: I make this motion because this particular piece of legislation was described to me originally when I put it in as a matter of technical change. It certainly came to my attention it was far more than that, and if you ever want to understand a gender gap, try passing this bill, and I do encourage you to support me in the indefinite postponement motion.

The SPEAKER: The Chair recognizes the gentleman from Scarborough, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: Just to let the rest of the House members know that this is a non-partisan, non-gender but cosponsorship agreement, I would urge the House to go along with the motion.

Thereupon, the Bill was indefinitely postponed in non-concurrence and sent up for concurrence.

On motion of Representative Mitchell of Vassalboro, the following item was removed from the Unassigned Table:

RESOLVED, Authorizing the Exchange of Certain Public Reserved Lands (S. P. 810) (L. D. 2168)

—In House, Passed to be Engrossed as amended by House Amendment "A" (H-619) on March 29, 1984.

—In Senate, that Body Adhered to Passage to be Engrossed in non-concurrence.

Tabled—April 9, 1984 by Representative Mitchell of Vassalboro.

Pending—Further Consideration.

Representative Mitchell of Vassalboro moved that the House recede and concur.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Jacques.

Mr. JACQUES: Mr. Speaker, Ladies and Gentlemen of the House: I would like to thank my floor leader for tabling this unassigned so we could this out.

What this is is a land swap for some land on Gero Island in Chesuncook Lake. What we had was, the Bureau of Public Lands was considering building a causeway or a dirt and rock constructed bridge to that island to cut timber off from it. Well, I felt that if the whole land swap depended on building what I consider a real abortion when it comes to environmental issues, a rock causeway across to the island, then it really wasn't that good a deal for the State of Maine. It was because of that that I requested our floor leader to do what she did.

Now, if you have never been to Gero Island on Chesuncook Lake, it is really a beautiful place. What really bothered me was if a private enterprise or even a paper company had applied to do this, our environmental people would have been all over them like bees on honey, but because the State of Maine wanted to do it, I guess

it was going to be okay. That really bothers me because I have spent so much time working for constituents who needed permits to do something along the lakes' shores and the state was right there to make sure they didn't put one shovel full of dirt more in there than belonged there, so I really thought we were being kind of two-faced about the whole thing.

The whole committee objected to the construction of the causeway, but I guess we didn't object strong enough and the message has gotten through now. Before I read the letter we got assuring us of what we requested, I would urge you to go along with the motion to recede and concur and let the state continue with this land swap.

The letter is addressed to The Honorable John L. Martin, Speaker of the House of Representatives, State House Station 2, Augusta, Maine. Dear John: This letter will inform you of our decision to withdraw our application for a causeway bridge to Gero Island. The Land Use Regulation Commission and the Department of Environmental Protection have been notified of this decision. During the next year, we will reevaluate our options for wood transport from the island. Should we decide to pursue the causeway bridge option, we will notify the legislature prior to filing any application. Sincerely, Richard B. Anderson, Commissioner, Department of Conservation.

Thereupon, the House voted to recede and concur.

By unanimous consent, unless previous notice was given to the Clerk of the House be some member of his or her intention to move reconsideration, the Clerk was authorized today to send to the Senate, 30 minutes after the House recessed for lunch and also thirty minutes after the House adjourned for the day, all matters passed to be engrossed in concurrence and all matters that required Senate concurrence; and that after such matters had been so sent to the Senate by the Clerk, no motion to reconsider would be allowed.

On motion of Representative Clark of Millinocket, Recessed until three o'clock in the afternoon.

After Recess 3:00 p.m.

The House was called to order by the Speaker.

The following papers were taken up out of order by unanimous consent:

Divided Report

Majority Report of the Committee on Taxation on Bill "An Act to Promote the Distillation of Ethanol for Use as an Internal Combustion Engine Fuel" (H. P. 1704) (L. D. 2231) reporting "Ought to Pass" in New Draft (H. P. 1864) (L. D. 2468)

Signed:

Senator:

TEAGUE of Somerset

Representatives:

DAY of Westbrook

INGRAHAM of Houlton

HIGGINS of Portland

KANE of South Portland

KILCOYNE of Gardiner

MASTERMAN of Milo

MCCOLLISTER of Canton

Minority Report of the same Committee reporting "Ought Not to Pass" on same Bill.

Signed:

Senators:

WOOD of York

TWITCHELL of Oxford

Representatives:

ANDREWS of Portland

CASHMAN of Old Town

JACKSON of Harrison

Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, I move acceptance of the Majority "Ought to Pass" Report.

The SPEAKER: The gentleman from Portland, Mr. Higgins, moves acceptance of the Majority "Ought to Pass" Report.

The gentleman may proceed.

Mr. HIGGINS: Mr. Speaker, Men and Women of the House: In case some of you haven't heard of the ethanol bill yet, I think we will probably have a chance to discuss it for a little while this afternoon.

Over the course of the last two years, each of us clearly has heard a lot about ethanol. Each of us has learned a great deal about the project and the making of ethanol and the reasons why this bill is before us. Each of us has heard reasons to vote for the bill which relate to the merits of the bill. Each of us has heard reasons to vote against the bill which has nothing to do with the bill at all.

Several of us have been asked to vote for the bill because it might hurt someone that someone wants to hurt. We have been asked to vote against the bill because it might help the economy in a particular part of the state. We have been urged to vote for certain bills so that this one might fail. We have been urged to vote against this bill in the event that some other bills may fail. We have been urged to vote for or against the bill because of the support or opposition of certain groups in regard to the bill and then have found that those groups have nothing to do with the bill at all.

We may have been for or against the bill because some people believe that the New England Ethanol Plant symbolizes something they either support or oppose. Upon investigation, we have found that the symbolism is in the mind of that particular person and not in the facts of the case at all.

We have been asked to vote for or against the bill because it is late in the session and some of us are very tired and some of us may be slightly angry. It is late and we are tired and there are a lot of emotions which for good or bad have become wrapped up in this particular piece of legislation.

The question before us is whether the process that this body began more than a year ago of study and evaluation of the issue will conclude with a decision based upon the results of that study and analysis, or whether all of the work done by legislators, members of the public, private citizens and public officials who have nothing to do with this plant will be lost because of the hour and because of all the other events which have taken place in the recent weeks.

I would like to reacquaint you with the facts in regards to how this bill got this far at this point in time. During the last session of the legislature, the Taxation Committee considered and supported legislation to create an ethanol tax exception through our gas tax. Late in the session, this legislation was opposed by certain oil dealers and the result was the creation of the ethanol study committee.

That committee, working with the Office of Energy Resources and other agencies of state government, was given the chance to investigate four specific questions. Those questions were: Will the New England Ethanol Plant be economically feasible without the enactment of an ethanol tax exemption? If not, what would be the optimum level of such an exemption? Will there be a competitive disadvantage to entities in the gasoline business created by the exemption or by the fact that one of the general partners in the project is engaged in distribution and sale of gasoline in this state? Lastly, what are the costs and the benefits of the project to the State of Maine?

The members of the Ethanol Study Committee, including four legislators, two from this body and two from the other body, as well as individuals from private business and from academia, the private members included Mr. Bill Gleason, President of Bates Fabrics; Mr. Jay Lake, an economist, knowledgeable in energy projects

and venture capital projects, who is associated with the New Enterprise Institute of the University of Maine; Mr. Ronald Norton, an economist with the University of Maine in Augusta, and others.

I think it is fair to say that the Ethanol Study Committee, particularly the private members, approached its work with a fair amount of skepticism. How could it make sense for corn to be transported from the mid west to Maine and to be made into ethanol? Why did the developers tell the MGA more than a year ago that an exemption would not be necessary and then come back to tell us that it would, indeed, be necessary.

How much private cash is really at stake in this project? Where are the markets for this ethanol?

In the pursuit of answers to these questions, the study committee had received testimony from a variety of state departments and individuals, including supporters and opponents of the legislation.

The Pine Tree Gasoline Retailers opposed the project; the Maine Oil Dealers Association told us they were neutral on the project. This is before the Ethanol Study Committee.

In addition, the Office of Energy Resources retained Mr. Frederick Potter, the nation's leading expert on ethanol fuels and ethanol projects to answer certain questions regarding ethanol and its sale. Mr. Potter had previously been retained by the Maine Guarantee Authority for this same expressed purpose. Mr. Potter was not and is not, contrary to what you may have been told, a consultant to New England Ethanol.

New England Ethanol, like any other entity in the ethanol business, subscribes to Mr. Potter's newsletters. If this makes Mr. Potter a consultant to New England Ethanol, then I must be a consultant to Time Magazine.

You have all been given reports of this study committee. Because you have been so busy, you may not have had time to read it, review it, analyze it and talk with a lot of other people about it. But if you did have the time to read it, or if you have it with you here today, I would ask you to refer to it during this debate.

After considerable discussion in many meetings, the Ethanol Study Committee made the following finding: The Ethanol Plant would not be economically feasible without the tax exemption. The ethanol tax exemption would not apply to the plant but to ethanol enhanced gasoline sold in Maine whether produced at the plant or elsewhere. The exemption was found necessary to help create a market for this product and, more importantly, to make it possible to sell the equity in the plant.

Our second finding was, the optimum level of the exemption was found to be the average level of the 33 states across the country that have such gas tax exemptions. Maine is not alone, 33 other states have endorsed this concept. The average exemption in these 33 other states is four and a half cents per gallon. The committee adopted a four cent level and recommended that it decline one cent in each year so that it would conclude at the end of four years. This level was found to be sufficient to achieve both the market penetration and the sale of the equity. This committee found that there would be no competitive disadvantage to D. W. Small and Sons because of its participation in the project. This is because the terms of the Department of Energy's guarantee, as well as the anti-trust law of the United States, prohibits any preferential treatment by D. W. Small, so that any price given to this general partner is automatically available to anybody else.

Finally, the committee found that there would be very significant economic and environmental benefits to the State of Maine flowing from this project. I am sure that you will hear many of these from the other speakers today.

Significantly, there is only one dissenting vote to the entire report, and that was on the first question of whether the exemption was necessary. Every other provision of this report was

enthusiastically unanimous.

The one person who wrote a minority report on this single question of whether the exemption was needed said that he did not disagree that it was needed, but he merely said that he could not say, based on the information that we had, whether or not the plant would go forward.

Importantly, he also said that denial of this exemption was not worth the risk of the loss of this very significant benefit to the State of Maine.

The legislation before you embodies the findings of the Ethanol Study Committee. This bill provides for a four cent exemption on ethanol enhanced gasoline starting in 1986 and declining to one cent in 1990. There is a maximum cap each year of \$1.25 million, so in case we do get in, the project does sell and get into the markets, that it would not be a financial drain on the state. The complete total cap is \$5 million on the lifetime of the exemption, which is four years.

This money would be reimbursed to the Highway Fund from the General Fund because, clearly, it is the General Fund that will derive the most significant benefit through the additional sales tax and income tax not only from the company but the employees as well.

If the federal gas tax exemption for ethanol enhanced gasoline increases during this four-year period, the state exemption will decrease by the same amount so that there can be no additional bonanzas.

In addition, we added to the bill the substantive portions of the federal Clayton Anti-trust provisions. This is to protect the small dealers so that they can have access to the product without retribution from their major suppliers or distributors.

This bill would make it possible for virtually every gasoline retailer in Maine to sell ethanol enhanced gasoline. This is nothing new; it is already the law of the land. We are encompassing this in this state bill to show how important it is to give the added incentive to the Attorney General to strictly enforce this provision.

Men and women of the House, in closing I would only ask you to listen carefully and attentively to the debate and weigh the facts, but I hope you would not be swayed by emotional testimony. Look at the facts, I ask.

The SPEAKER: The Chair recognizes the gentleman from Harrison, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, a parliamentary inquiry. Is this L. D. properly before the body according to Joint Rule 21, the redraft?

The SPEAKER: The Chair would advise the gentleman that the Legislative Finance Office has made no provisions and the Chair has no report and therefore can only assume that no fiscal note is required.

The Chair recognizes the gentleman from Old Town, Mr. Cashman.

Mr. CASHMAN: Mr. Speaker, Men and Women of the House: To be very honest with you, I am not going to make any attempt to be brief. This is a very complex and interesting subject that the Taxation Committee has dealt with for a year and a half, and I want to make very certain, as my friend from Portland does, that everybody in the House understands this issue very clearly before they vote on it.

I oppose this, as you can tell from the report, and I didn't take that opposition lightly. I hope you will bear with me for a few minutes while I explain that opposition.

We have in the past helped large industries in this state, and rightly so, I believe. I wasn't in this House when the decision was made on Bath Iron Works, but I did support it at the polls and I think that the state made a wise choice in supporting Pratt and Whitney and Spencer Press and several other projects that have been endorsed by this state.

I do think, however, that there are two very big distinctions in this proposal that is in front of you and I will try to outline those two distinctions because they represent my objections to this project.

First of all is the whole structure of the invest-

ment itself in this project. I think you have to look at what comprises the \$94 million or \$95 million that goes into this investment. These figures are all approximate and if I am off a half a million dollars, what's a half a million dollars amongst friends? Approximately \$66 million in federal loan guarantees, \$5.5 million in state loan guarantees, on top of that, there is a \$4.8 million commitment by the general partners—the general partners now as opposed to the limited partners—the general partners would be the three, Ciambro Corporation, D.W. Small and E. C. Jordan—a \$4.8 million commitment in a combination of cash and credit pledges.

The information that was given to me by a lobbyist who is lobbying in favor of this proposal indicated that of the three general partners, only two are participating in that \$4.8 million commitment, Ciambro Corporation and E.C. Jordan. I think there is a very good reason for this. Depending upon who you listen to, the pros or the cons, those who are in favor or those who are against this project, those two entities stand to share anywhere from \$9 million to \$18 million in the construction of this plant.

The construction and design of this plant don't go out to bid, there is no competitive bid process.

I think with those types of profits involved, it is certainly the very least we can do to ask them to put up \$4.8 million.

On top of that, there is the syndicated sale of limited partnership shares totalling \$19 million, an additional investment in the plant. Those shares are going to be marketed in quarter of a million dollar increments, and I think it is interesting to note that investment in energy-related projects carries a 20 percent investment tax credit; 20 percent of this project is roughly \$19 million, which is what they are marketing in limited partnerships. It seems to me that the \$19 million comes more from the federal treasury than it does from any investor.

On top of all that, there is a 5 cent per gallon federal tax subsidy. On top of that, they are requesting here an additional tax subsidy on the price of a gallon of ethanol-treated gasoline.

I don't bring all these arguments up to muddy the waters or to detract from the merits of this project. I bring them up for this reason—I think that combination of circumstances raises very interesting questions, at least in my mind. It seems to me that this project is leaving only the taxpayers at risk, only the taxpayer is making an investment. It seems to me that this being the case, the state should probably own this project.

I believe government should work hand in hand with industry for the sake of economic development and I always have, but it seems to me that in this case, we are the only ones extending a hand. We must ask ourselves how much subsidy any one project deserves. If this project requires this much subsidization to live, then I question its right to life.

Finally I would say this, the people who are proposing this project have assured the Taxation Committee that they won't be back here next year or the year after to ask that this favorable treatment be increased or extended. I ask you to look at the history of this project and tell me if you believe that.

They have got a \$66 million federal loan guarantee that wasn't enough; they asked for \$5 million more from the state. They got a 5 cent a gallon favorable tax treatment from the federal government; they want 4 more cents from the state. It seems to me that with that record of asking for additional subsidies, I think their assurance that they won't be back here in a few years asking for additional subsidies for this is suspect. It also seems to me that when they do come back, they can say to us as legislators, if this project goes belly-up, you're out \$5.5 million of taxpayer money because you have guaranteed a loan for us. I think we are painting ourselves into a corner.

My other objection to this project is, I feel that by granting this 4 cents a gallon, we are not making ethanol price competitive. What we are

doing is providing an unfair competitive advantage for the third general partner.

The study that Mr. Higgins referred to does say that the project is not economically feasible without the 4 cents. It goes on to say that the biggest problem without having the 4 cents is in selling the \$19 million in our limited partnership shares. My argument against this is, if \$19 million in tax credits isn't enough to help them sell their shares, then I am sorry, but I am not prepared to put up anymore taxpayer money to help them.

D.W. Small is better equipped right now to go with an ethanol product than any other distributor in the state. They have experimented extensively with ethanol products in the past. Many of their 160 locations are equipped to go with ethanol right now. Other distributors are less equipped and some will not be able to handle it at all.

The gentleman from Portland points out that there is a provision in this bill that merely echos federal law that prohibits New England Ethanol from limiting the sale of this, and that is true. I think there was a good-faith effort on his part, but I think there are other considerations here.

Many of these distributors have contracts with suppliers that call for minimum gallonage requirements. If they put in another product, a third product that they sell and thus dip under those minimum gallonage requirements, they lose their supply. No only that, many of the smaller stations in this state don't have room for a third tank and pump to handle ethanol. Some are restricted by zoning laws in the community so that they couldn't put them in. Others just don't have the ten or fifteen thousand dollars necessary to put in a new tank and pump.

In pricing this product, let me just run a few figures by you to emphasize my point on the competitive advantage of the general partners of this project. If you pay 90 cents a gallon for regular gasoline and 95 cents for unleaded—these are the distributors now and not us—the blending of this would go as follows: You would blend nine gallons of regular gas at 90 cents a gallon or \$8.10 with one gallon of ethanol. The plant manager for this proposed plant has told us that they feel they can produce their product at under a \$1.60 a gallon. Let's assume they make 10 cents on a gallon, add that into the \$8.10 and it is \$9.80 for 10 gallons, that is 98 cents a gallon. Take from that the 5 cent federal exemption and they are already 2 cents below the price of unleaded gasoline as they pay for it. Take an additional 4 cents and they are 6 cents below. Add to this the fact that D.W. Small will have the ability to make profit as the partner of New England Ethanol and also make a profit at the pumps in his 160 locations. Should we use General Fund money to give on business entity in this state an unfair market advantage over other entities in this state who operate in the same general business? Is this the business we are in? Did we do this with Bath Iron Works? No, we didn't.

Furthermore, four cents per gallon with a General Fund cap of a million and a quarter dollars a year means that approximately 31 million gallons of gasohol or gasoline will be subsidized. After that the subsidy ends. You have to understand that there is a cap on this. When the cap is reached, the subsidy ends. It seems to me that with 160 locations, the third general partner will be very able to handle that entire 31 million gallons.

I am totally convinced that there will be very little incidence of anyone selling ethanol in this state other than D.W. Small. To further illustrate that, they tell us in Taxation that they will sell 20 percent of their product in Maine, 80 percent elsewhere. I asked them where the elsewhere would be and they said on the east coast.

It is interesting to note that the closest state to us that gives tax advantage to ethanol is Connecticut, they give one cent, no other New England state gives anything. New York gives nothing, New Jersey, Pennsylvania, you have to go

way to Maryland to find somebody who gives you favorable tax treatment for ethanol other than Connecticut's one cent.

It seems to me if they are going to sell this product in New Hampshire and Massachusetts as they told me they can, without the 4 cents, then why can't they sell it here? They can but they want to be a little cheaper.

Lastly, I want to point out one fact. This proposal has had little or no support as recently as six weeks ago. What has changed? Has the evidence changed? No, this is the same stuff we hashed over last year. What has changed is, this House has been subjected to a very intense lobbying effort. They tell us that this is good for economic development. If you take the \$5 million divided by 120 jobs, that is \$40,000 a job; that is pretty expensive economic development.

They tell us that it will create energy independence—you are talking about six-tenths of one percent of the gasoline sold in this state that will be replaced with this product. Six-tenths of one percent, that is going to get us off the pipeline from the Arabs? Give me \$5 million into weatherization of homes in this state, that will replace more energy than this will.

Lastly, the expense to the state—\$5 million out of the General Fund. We hear from people on Appropriations in this House day in and day out that the state coffers are dry. We have \$5 million for this? The ultimate irony, I am lobbied by the new Commissioner of Transportation who tells me that this ethanol plant is the greatest thing since sliced bread and the state has got to have it, got to have it, but don't touch my money, don't take it out of the DOT, take it from property tax relief or AFDC or anything else but don't touch my money but please approve this, we have got to have it.

Mr. Speaker, I move the indefinite postponement of this bill and all its accompanying papers and I request the yeas and nays.

The SPEAKER: The gentleman from Old Town, Mr. Cashman, has moved the indefinite postponement of this bill and all its accompanying papers and also requests that when the vote is taken, it be taken by the yeas and nays.

The Chair recognizes the gentleman from Auburn, Mr. Michael.

Mr. MICHAEL: Mr. Speaker, Ladies and Gentlemen of the House: I certainly hope that you will vote against the motion to indefinitely postpone.

As you all know, I am from Auburn and obviously it is for the best interest for my city that this particular plant be built. This plant will mean a great deal to my community in terms of benefits and perhaps because Auburn is the site of the project, I have taken a little bit more time than I would normally have done to learn about this project.

What I have learned about the project is positive and allows me to say without reservation that this ethanol plant is a good project for the State of Maine as well as for the city of Auburn.

You hear a lot today about the terms of the benefits of this plant, you hear about several hundred jobs, you hear about the importance of the project to agriculture, you hear about the possible beneficial impacts on the economy, of unit trains coming into the state regularly from the midwest to Maine and returning either empty or full. You hear that the possibility of this project being built has already decreased grain prices substantially and has already benefited agricultural and that those benefits will disappear, and they will disappear, if this project is not actually built.

What you may not hear so much about today is the environmental benefits of the ethanol production and the energy importance to this country and to the state. Just last week a Portland consultant firm released a report that contained the latest information on the sources and control of EDB and the environment. We have heard a lot about EDB recently in foods, especially baby foods, and grocers have taken it off the shelves and the State of Maine has led the way in ordering more than a hundred such products off the

shelves.

The report that was issued said that EDB in foods is a source of only 8 percent of EDB in our environment, merely 8 percent. The remainder, the other 92 percent, comes from one source, leaded gasoline. I think there is a handout that may have come across your desk from the Bangor News editorial relating to that today. So leaded gasoline contains EDB because EDB is necessary to scour the lead from your car engine, and the result of this is actually that in that process, the EDB and the lead both gets emitted into the air. We have known for some time that lead is dangerous and should be removed from the environment and we now find that EDB also gets emitted mostly from the leaded gasoline.

The fight, led originally by Senator Muskie to enact a clean air act, focused on the effect of lead has resulted in a program which at long last is requiring removal of lead from gasoline. The fact that the lead phase-down is the major reason why there isn't a market for ethanol—I think that most people now understand that ethanol is not a fuel substitute per se although it does replace 5 percent of the fuel used in the State of Maine, that is one of the results, that is not, however, the primary function of ethanol in gasoline. Its primary function is as a lead replacement for an octane enhancer and the demand that will occur nationwide is not for the fuel but for the catalyst, the octane enhancer, as a replacement of lead, and when that lead is phased down, there will be a market for ethanol 20 times larger than the present supply of ethanol in the United States and that date will occur, we hear, in 1988 and 1990, before this tax exemption even runs out. The lead phase-out in the United States will be complete and the demand for ethanol will be peaked and will continue for some time.

Now of course you may have heard that ethanol is not the only alternative to lead. There is another alternative called Benzene but you may have also noticed recently in the paper that Benzene has been found to be a significant cause of leukemia, so so much for Benzene. Ethanol is still the best replacement for lead in gasoline.

Interestingly the two groups of people who are most endangered by the existence of EDB in gasoline are people who pump their gas themselves and people who pump gas for a living. The majority of gasoline in Maine is pumped at self-service stations by your constituents and my constituents. I find it ironic that this legislation is being opposed by the Pine Tree Gasoline Retailers, the very group who have the greatest interest in getting EDB out of gasoline or at least they should have the greatest interest in getting EDB out of gasoline.

Some people even think that there will be much litigation over the effects of EDB as they have been over the existence of asbestos in the environment and that is a distinct possibility. So I say to you today, if we care about the working conditions of people who pump our gasoline, we will help them by removing the EDB and replacing it with ethanol.

The second issue I would like to deal with is the issue of helping to foster an industry that can produce positive environmental effects. This is not a case of someone asking for five million bucks to build a warehouse or to buy a drydock, although those might be honorable and respectable projects, this is a case of someone asking the state to do what only government can do, create an incentive for the purchase of a product by use of a tax exemption. The purpose of that tax exemption is to increase our reliance on a renewable, non-toxic and plentiful source of motor fuel.

When we were first paralyzed by the Arab oil embargo in the 1970's, this nation embarked on a course of decreasing our reliance on expensive and insecure sources of foreign fuel. The alcohol fuel program of the Department of Energy led the way in seeking to utilize the enormous supplies of grain for which there was no market but which we pay our farmers to produce. Actually more than twice as much grain was produced

last year than there were buyers to purchase it.

Currently, 33 states and the federal government have adopted an exemption such as the one we are hopefully going to adopt here in the State of Maine to encourage the use of alcohol fuel. Those exemptions are working, plants are currently being built, and the use of ethanol quadrupled in the last two years and the market for it is seen as tremendous and as unlimited as the demand for gasoline itself. So if we believe in encouraging renewable energy in the state and decreasing our reliance on foreign oil supplies while improving our environment, we can do so today by supporting this piece of legislation and voting against the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentlewoman from Auburn, Mrs. Cote.

Mrs. COTE: Mr. Speaker, Men and Women of the House: In Androscoggin County, our unemployment rate is about 9 percent. We have lost some big industries in the last few years but we have fought back. Our income isn't as high as the income of some counties but our people work hard. A lot of them work in the mill and we don't ask for much from the State of Maine. People come to us and say, help us build a shipyard, so we helped; people come to us and say, help us build Sears Island into a cargo port, so we helped; people come to us and say, help us with economic development in Washington County, so we helped; people come to us and say, help us with economic development in Aroostook County, so we helped, and all the while we helped, we take care of ourselves on our own.

Over the life of the Maine Guarantee Authority and FAME, over \$100 million has been loaned out or guaranteed by the State of Maine for projects all over Maine. Take out your pencil and write down for me how much you think is guaranteed or loaned to projects in Androscoggin County. I will save you the time, it has been just less than \$6 million, that is less than 6 percent of the help that the State of Maine has given to industry and our county has 15 percent of the state's population. Our unemployment rate is higher than that of most counties.

Here is another fact for you—of those loans and guarantees, every single one of them has been paid off, not one is still outstanding. There are not many counties in Maine that can make that statement. This does not make us any better than anybody else but it does mean that we have helped you when you needed help and that we need your help now.

I know that some of your constituents have asked you not to vote for this bill, but let's face the facts, the issues that they raise really don't amount to much. The oil dealers asked us to kill the bill but I bet that they are still selling gas and oil in the 33 other states that have exemptions like this, and they ask us to vote against the bill because some people don't like the developers of the project. The unemployed of Androscoggin County don't care who develops the project as long as they have a place to go on Monday morning.

Let's put aside all this small stuff and do what is right. I ask you for your help and I thank you.

The SPEAKER: The Chair recognizes the gentlewoman from Auburn, Mrs. Robinson.

Mrs. ROBINSON: Mr. Speaker, Ladies and Gentlemen of the House: Although Auburn is the site of this project, I would like to tell you that not everyone in the city of Auburn is thrilled about this project. A farmer called me just the day before yesterday to tell me that he was very concerned that the agricultural community was being used in this particular project, that these great gains to agriculture that are being promised to try to get votes for you from around the state are never going to materialize and this farmer is a resident of my district.

Another constituent has expressed concern to me over the past year that the ethanol project has been in the works of the environmental hazards that this plant is going to produce.

Among other things, the stench is going to be terrible in the city of Auburn and those that live near the plant will have to smell it. My old district, fortunately, is a little bit distant from it and since the winds aren't out of the south too often, at least the residents of North Auburn won't have to smell it but certainly the residents in the southern part of the city will.

Many of the citizens in Auburn are very concerned about the subsidization issue that has already been outlined to you today. They are very concerned that what they are planning for Auburn is another kind of a sugar beet factory and that if it fails, we will have gained a lovely constructed building and Cianbro's workers will all have been paid off but the taxpayers will be left holding up the tab for a white elephant.

I just wanted to share these concerns with you because the two other Representatives from Auburn have left you with the impression perhaps that Auburn is fully behind this project but, in fact, not everyone in Auburn is.

I hope that you will vote for indefinite postponement.

The SPEAKER: The Chair recognizes the gentleman from Saco, Mr. Hobbins.

Mr. HOBBS: Mr. Speaker, Men and Women of the House: Well it finally happened and that is the analogy that is made about this project with that great American who came to the State of Maine, Freddie Vahlsing and the sugar beet deal. Unfortunately, this project has been compared to an unfortunate part of our history that occurred back in the late 60's and early 70's. I submit to you that you only have to look at the individuals involved and the close and respectable ties that those individuals have to the state. The years of their life and many of them put into public service and the type of business reputation they have to know that they are not going to let a project like this become another eastern Maine plant.

This particular project was one of 500 that competed for funding from the Department of Energy. After all the scrutiny, there were 23 projects which finally were decided upon that has a possibility after extensive feasibility study to be put on line.

As you probably know, the Department of Energy has been recommended for extinction by the present administration. This particular project is the last one that will be potentially funded with the assistance of the federal government, which means that we are taking a step backwards in looking at alternative energy sources for this country.

It was only in 1973, as you probably remember, right after Public Power debate, about six weeks after that and after we were assured that there was plenty of energy, that we had the energy crisis. Let's not kid ourselves, it can happen again.

I urge you to look behind and look above all those arguments and emotional arguments that are used concerning the sugar beet deal and look at this particular project as being one that has been scrutinized not only by the Department of Energy, who, by the way, was not very fond of such projects and looked at the project very closely, was looked at by the Maine Guarantee Authority and passed upon in judgment and was enthusiastically supported by the Ethanol Study Commission which was established which received the majority support of the Taxation Committee and which has been scrutinized from an economic standpoint by some of the better investment counselors of this country. The missing link in this project to make it successful is a commitment by the State of Maine to assist this project in getting off the ground through an exemption.

I believe in the long run, as we did in this body and as I voted upon for a few other individual plants in the past, Pratt & Whitney, unfortunately this project doesn't have 200 jobs because we probably would qualify for the Pratt & Whitney exemption or the Sobin Chemical project which this body considered to assist that corporation

or many others, Bath Iron Works another one, I believe from an economic standpoint that the State of Maine should make a commitment today. I urge you to vote against the pending motion.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Handy.

Mr. HANDY: Mr. Speaker, Men and Women of the House: I would like to first say that it was only six days ago that I decided to support this project, not because of any lobbying as the member from Old Town would like to suggest, but because I studied the project myself with all the information that I could possibly obtain myself.

I would like to specifically address my comments to the remarks of the gentlewoman from Auburn. She made reference to the potential for a bad odor in that area. Now the Tampax Corporation, which is about a quarter of a mile away from the site of where this ethanol plant would be located, did a study on that when that subject was raised and they are satisfied that there will be no offensive odor.

Secondly and probably most importantly, there is a clause in the DEP license, which is a reopener clause, that if there is a bad odor that that will be reheard and there would be immediate public input and that whole process would be put into motion and the plant reevaluated on that basis, so there are safeguards from that standpoint.

The SPEAKER: The Chair recognizes the gentleman from Gardiner, Mr. Kilcoyne.

Mr. KILCOYNE: Mr. Speaker, Ladies and Gentlemen of the House: I was one of the signers of the Majority "Ought to Pass" Report and I would just like to explain a little bit about the bill.

The purpose of L. D. 2231 is to create a gasoline tax exemption for ethanol enhanced gasoline. For every gallon of gasoline sold which has at least 10 percent ethanol, the gas tax at the pump will be reduced by the amount specified in this bill. In the first year, the exemption would be four cents; in the next, three cents; in the next, two cents, and in the final year, it would be one cent. Under the bill, all losses to the Highway Fund will be reimbursed from the General Fund.

The bill provides that in no year could the loss to the General Fund be more than \$1.25 million. Limit for the four year period would be \$5 million. The exemptions, ladies and gentlemen, would apply at the point of sale and would be passed on to the consumers. This is a consumer bill. The exemption does not apply to the New England Ethanol Products specifically; rather, the purpose of the exemption is to provide an incentive for the consumers to purchase ethanol enhanced gasoline. I repeat—this is a consumers bill and I urge you to vote no on the pending motion.

The SPEAKER: The Chair recognizes the gentlewoman from Easton, Miss Mahany.

The SPEAKER: The gentlewoman may pose her question.

Miss MAHANY: Mr. Speaker, Ladies and Gentlemen of the House: Will matching funds for the Highway Fund in any way be impaired by this tax exemption? And how or in what time frame will the reimbursement to transportation take place?

The SPEAKER: The gentlewoman from Easton, Miss Mahany, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the gentleman from Portland, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: When the Ethanol Study Commission was reviewing which fund should pay for the cost of this exemption, we considered both the Highway Fund and the General Fund. It was felt that the Highway Fund should not bear this burden because the most direct funds were coming to the General Fund in the form of sales tax and income taxes. Therefore, the General Fund will reimburse the Highway Fund on a monthly basis.

Our prime concern was that there be no loss to the General Fund either directly or indirectly. The General Fund is matched by the federal government with \$4 for every \$1 that is raised through the state by the gas tax and various vehicle fees and therefore there would be no fiscal impact at all.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Macomber.

Mr. MACOMBER: Mr. Speaker, I would like to pose a question through the Chair to the gentleman from Portland, Mr. Higgins.

To those of us who are on the fringe of some of the information that is prevailing around here, it is very difficult to separate rumor from fact. Is it a rumor or is it a fact that E.C. Jordan and Cianbro Corporation will recover their investment by building the plant even if a gallon of ethanol is never sold?

The SPEAKER: The gentleman from South Portland, Mr. Macomber, has posed a question through the Chair to the gentleman from Portland, Mr. Higgins, who may respond if he so desires.

The Chair recognizes that gentleman.

Mr. HIGGINS: Mr. Speaker, Men and Women of the House: What I would like to do is outline the full tax implications since they were brought up earlier by the gentleman from Old Town, Mr. Cashman.

Other than the general partners, investors in the project will be typical of investors who invest in hydro-electric projects, oil and gas drilling projects and other forms of energy-related projects. Project property will be eligible to some extent for the federal and state investment tax credit and for the federal and state energy tax credit. The attorneys and the accountants in evaluating this project have determined that up to two-thirds of the monies invested in the project will be eligible for the investment tax credit and the energy tax credit treatment.

It is true, a fact that will only be known when the individual taxpayers file their individual tax returns—this depends upon what type of income brackets they are in and how much monies are owed. The limited and general partners will receive approximately \$13 million in tax credits to apply against their income taxes for the first full year of operation of the project. The first year of operation, this is approximately two and a half years into the operations of the project. After that, certain portions of the project will be eligible for accelerated depreciation at the federal level and if the state acts to conform at the state level as well.

In order to make a profit on that investment, the individual will count on the project to make a profit and have to stay in business. As I understand it, it is a basic business principle; you invest your money to try and make a profit on it. These tax credits are incentives to invest in the project. It is my belief that if a company was going to invest in this project and even thought that this project would go down the drain, if they were investing a million dollars they could get the same tax credit by giving a million dollars to charity, so I think that this argument doesn't hold weight.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Kane.

Mr. KANE: Mr. Speaker, Ladies and Gentlemen of the House: I will just try briefly to respond to the question of my friend and colleague and neighbor from South Portland, Mr. Macomber, in that these contracts, the engineering contract and the construction contract are not what one might expect if he expected a cost plus contract. These are fixed price, lump sum contracts which were a requirement of the Department of Energy in order to have a federally guaranteed loan on the original \$66 million. Now these contracts are a couple of years old at this point, so I think it is impossible to answer the question whether or not they will make all their money make, whether or not they will even make a profit is speculative at this point, I think, but they are not cost plus contracts; they are fixed, lump sum contracts

and they are in that posture and have to stay in that posture because of the requirements of the Department of Energy for this sort of federally guaranteed loan.

The SPEAKER: The Chair recognizes the gentleman from Yarmouth, Mr. Ainsworth.

Mr. AINSWORTH: Mr. Speaker, I would like to pose a question through the Chair. What I would like to know is why the four years and I would also like to know, did anyone consider putting language in the bill that would pull off the subsidy in less than four years if the plant can operate in the black without the subsidy? I would also like to know, I have heard other states mentioned but I didn't hear Maryland, they said that was another one and no one put a figure on that—what is the subsidy of Maryland, please?

The SPEAKER: The gentleman from Yarmouth, Mr. Ainsworth, has posed a series of questions through the Chair to anyone who may respond if they so desire.

The Chair recognizes the gentleman from Harrison, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: I know what the exemption is for Maryland but I don't recall what your first question was, Mr. Ainsworth. The Maryland exemption presently stands at three percent on a gallon.

If you would restate your first question, I would respond to that.

The SPEAKER: The Chair recognizes the gentleman from Yarmouth, Mr. Ainsworth.

Mr. AINSWORTH: My first question was, why the four years and two to tie in with it—did anyone consider putting language in this bill that would pull off the subsidy in less than four years if the plant can operate in the black without the subsidy? I am thinking of that because it is a stepdown process going from four, three, two and one. When we get into the one, we certainly ought to be getting in some area where we can see daylight and perhaps see it a heck of a lot sooner than that, I don't know.

The SPEAKER: The gentleman from Yarmouth, Mr. Ainsworth, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the gentleman from Harrison, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: During the testimony at the hearing, that question was asked, why they needed the four cent exemption, three, two and one. If I understood the answer correctly, the response that was given to us was, they did not need an exemption to make that plant run. All they needed was the exemption to package the loan. That created curiosity in my own mind. Why should we grant an exemption if they don't need the exemption to operate, if they need the exemption only to package the loan.

While I am on my feet I would like to express a few concerns or share a few concerns that I have in regard to this L. D. My concerns come from the supply side of the ethanol bill.

I would like to relate to you a few things that have been stated this afternoon. The gentleman from Portland referred to the investment like a charitable contribution. Well a charitable contribution does not assist any industry or business in competing against another industry or business that can't enjoy the same things. This is what this boils down to, ladies and gentlemen, is that when you have got your little station operator out there, the service station operator who has to sell products, gasoline, unleaded gasoline, high test, whatever the case may be, if this gentleman has the inability to provide the sale of ethanol enhanced products due to no condition of his own, due to some other laws or regulations that prohibit him from doing that, what we are doing is asking that gentleman or that business person, lady or man, to provide through tax dollars that he earns and pays to exempt an industry which can compete unfairly against him. I might like to relate why I say this.

For example, a service station owner could have gas tanks presently within 40 or 45 feet of a pond or a lake that is covered by the Great Ponds Act. He is prohibited from putting a new tank in to sell this blended fuel. He would have to do that because you cannot use the same equipment that you have presently. There are tremendous problems with it. Ethanol enhanced products are a cleanser; ethanol is a cleanser, you can put filters on your pumps but you still have problems. He might be limited by economic resources from putting that material in, that pump and tank, the size of the tank can run anywhere from \$8,000 to \$16,000.

I say, ladies and gentlemen, that this is unfair because we are going to give whoever can afford to go ahead, the distributor or the supplier, whoever can afford to equip their units, their retail establishments with the material needed to sell these products, we are going to give them four cents at the state level but the federal government is giving them five cents presently but we are going to give them an additional four cents at the state level in the first year, three in the second, two in the third and one in the fourth to compete against those people that will be unable to sell that fuel. I ask you, ladies and gentlemen, if a company does not need an exemption to operate but an exemption to package a loan, if that is fair to place that burden or place that hardship on those small businesses or those big businesses, whatever the case may be, just because they have the inability through regulation or economic things that they just can't afford to do this.

I am a little concerned that the policing of this 31,250,000 gallons, which is what it figures out to in the first year—how do we police that? How do we know? It is not only limited to what is processed here in Maine but it also allows ethanol produced outside the State of Maine as long as they allow reciprocal agreements, as I stated they allow four cents a gallon, they can sell their ethanol here to blend gasoline. How do we police something like this? We are not only talking about 3,125,000 gallons of ethanol or 31,250,000 gallons of ethanol blended gasoline. How do we police it? This could be a bigger fiscal impact on the General Fund than we realize.

I just think that it needs to be considered very carefully and I think that if they don't need it to operate, then they shouldn't need it to package a loan.

Mr. Cashman from Old Town related to you that there is only one state in New England that extended this tax preferential treatment with ethanol blended gas, that is Connecticut and that is one cent per gallon.

We have seen through different reports since the hearing that there seems to be a trend of phasing out these ethanol tax enhancements or whatever you want to call them, tax credits, because it is not getting to be feasible economically to utilize this. I think Mr. Cashman alluded to the fact that the sticker price on ethanol today is \$1.76 a gallon, that is 17.6 cents for each gallon of gas so you can add that onto what your regular cost would be of gas and then stick it to the pump.

I have heard this bill referred to as a consumer's bill. I don't disagree that it is a consumer's bill but it is only going to be a consumer's bill in certain locations. I wonder if there is only one person who is equipped and in place to sell this ethanol enhanced fuel if it will, in fact, be a consumer's bill. It won't be a consumer's bill until they have competition.

Now if you read the bill, the blue L. D. that was passed out this morning, 2468, Section 1457, it says: No distributor, franchisor or refiner may impose any condition, restriction, agreement or understanding that unreasonably discriminates against or unreasonably limits the sale, resale, transfer or purchase of ethanol or other synthetic motor fuel of equivalent usability in any case in which synthetic or conventional motor fuel is sold for use, consumption or resale. You go on

through, it sounds good, and what it says is that no distributor or no processor of ethanol can restrict the sale of it to any person any greater than himself. Well, if he is writing his own rules, how can anybody else compete unless he is challenged and that is why I say, it might be a consumers bill, two, three, four years down the road, but I don't believe that it is going to be a consumer's bill immediately.

We talk about it as an economic development bill. It might be fine for Lewiston and Auburn but it might not be fine for Harrison, it might not be fine for some place in Aroostook County because if we displace one of those service stations that happens to employ one or two or three people, I don't call that economic development, I call that something entirely different.

We talk about the amount of fuel that they sell in this state. We sell approximately 500 million gallons of gasoline. We are talking the potential of five million gallons of ethanol blended fuel. We have heard it referred to, for one thing, as an energy conservation matter. I have to agree with what the gentleman from Auburn said, that it is not that, it is an enhancer, that is exactly what it is being manufactured for because when you take 5 percent of the total fuel used in the State of Maine being processed, manufactured, and then take 10 percent of that, or 20 percent that is being processed, which equates to five million gallons, it really doesn't do much to relieve our dependence on foreign energy. It is a step in the right direction but it really doesn't accomplish what many people would like it to.

I guess in closing, I have been around here for awhile and I have lived in the state for 39 plus years, being born here and raised here, seeing events happen, there is one thing that I would like to leave with you folks—how many projects did the Maine Guarantee Authority guarantee in the excess of \$5 million that have had a success rate in this state? I think only one has to be reminded of Evergreen Valley, one has to be reminded of the sugar beet refinery in Easton and I guess if you like sugar beets, you sure will love ethanol.

The SPEAKER: The Chair recognizes the gentleman from Canton, Mr. McCollister.

Mr. McCOLLISTER: Mr. Speaker, Ladies and Gentlemen of the House: I believe that Representative Ainsworth deserves an answer to his question.

In order for a brokerage firm to sign a prospectus saying that these are the facts, the brokerage firm insists that the conditions that exist in Maine for the construction of an ethanol plant are identical to those that have been in effect in every other state that an ethanol plant has been built in and that is that there is a tax exemption on the gasoline. If they were to approve this sale of a limited partnership without these conditions being met and for some reason the project should fail and the purchasers were to lose money, the brokerage firm would stand to be held responsible by the Federal Security Commission.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: Making up my mind on this issue has been a very, very hard decision for me. In the past, specifically in the 107th Legislature, I worked very hard with the gasoline station dealers in fighting the major oil companies over a bill that would have set rules for the termination of leases for the gas station owners and we won that battle.

I realize that this bill does present a problem for them, it presents a problem in terms of spending extra money on tanks. There is obviously an element of unfair competition here and I had to weigh this feeling versus what I heard on the other side of the issue, which are the things that have been mentioned here already, the possible help to agriculture, new jobs, possible lessening of our reliance on oil, the tax revenue that would come in, the construction money that would be spent in the state. The ghost of Freddie Valhsing

has been raised in this chamber, that it was a bad deal, and we know now that it was a bad deal although we did not know it at the time.

I am often amused by the factors that are accused of impeding industry coming into the state. We have all heard how raising the minimum wage will stop industry from coming into the state, how our workers' comp rates which are so high it will stop industry from coming into the state, how our environmental controls that we put on will stop industry from coming into the state—are any of these factors in play here? No. What we have here is rival industry and rival businesses in effect trying to keep a new industry out of the state, and that, in my experience, has happened in many cases where industry has tried to come into the state, that the actual factor was other businesses trying to keep it out.

I think there is one other impediment that we have had in the state and that is the element of caution. I think it is reflected in the lack of venture capital that we have in the state, the lack of daring and perhaps a sense of resentment towards those who are daring.

Now some of the flyers we have taken have proved successful, some of those have been mentioned today—Spencer Press, Pratt & Whitney, Chloralkalide and perhaps the jury is still out in the Bath Iron Works. This is a risky project, I don't think there is any doubt of it, but my thinking is, Maine is a poor state with real problems as far as our location, our transportation facilities, our educational facilities and so forth and we need to take risks if we are to make our economy grow. It is the same thing in private industry. If you have a company that is not progressive, it stands pat, it can often go backwards.

I think there have been many attempts to minimize the risks in this and I think it is worth a try.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Andrews.

Mr. ANDREWS: Mr. Speaker, Ladies and Gentlemen of the House: I think you are getting a sense this afternoon of the kind of intensity and color of the debate that we heard in the Taxation Committee not just in the last few days but for quite some time, over several months, and certainly from looking at the halls of the House, you certainly didn't have to come into this chamber to get a sense of the color of the debate.

Ladies and gentlemen, I am not going to talk about the personalities of the various developers in this project and I am not going to talk about different groups trying to out-compete one another in the halls of this legislature and I am not going to talk about all of the economic benefits that a plant like this can bring to the State of Maine. I don't think there is anyone in this House that would try to argue against helping our agricultural community, helping our neighbors in Lewiston-Auburn, helping the economy of the entire State of Maine, that is not debatable. I think that all of those advantages should be recognized as such.

What I have tried to do in trying to break this argument down for myself and break down this very complex debate because it can shoot off into many directions, it can shoot off into agricultural, it can shoot off into our parochial concerns, it can shoot off into debates between various oil dealers, I tried to break it down into two basic essential questions. One question was, do we have to give a tax exemption in order to get all of the benefits that we hear that this project is going to bring to Maine. Is that tax exemption necessary? Is that \$5 million from the General Fund necessary in order for us to accrue all of the economic benefits?

Secondly, if it is necessary in order for us to accrue these benefits, then is it possible for us to wean this project off of this gas tax exemption? Of course, that is what the plan is, we will pump in money at the front end and wean New England Ethanol off of this subsidy in the course of four years. Is that possible? When you are following this debate, and hopefully you are, you see we are in kind of a circle argument, because

on the one hand the people who are proposing this are saying that the exemption is absolutely necessary in order for us to get this plant off the ground but at the same time, they will argue that the market is so good and so strong that this exemption is not needed at all, so that is the point of confusion and that is the circular argument and I would like to address myself to just those two specific points.

Now as far as the market is concerned, the question of whether or not we can handle this product and we can support the sale of ethanol in the State of Maine without a gas tax exemption, if we are able to be successful in phasing out this gas tax exemption, have an ethanol plant in our state and sell ethanol without the gas tax exemption, just so that you understand the risk that we are taking, we could be the first state in the nation to be able to do it and this would be the first plant in the ethanol industry to be able to function without that subsidy, so we would be pioneers in this sense.

I also want to comment, just as an aside, that of the 32 states that have some kind of tax exemption for this product, only two states use General Fund money for that exemption so we would also join that minority of states going into this exemption in the way that it is proposed.

Now let's assume just for the sake of argument that we are not able to succeed in this pioneering effort and that we come to the point where it is time to phase out the gas tax exemption and we find that, well gee, it wasn't realistic to assume that we could be the only state in the nation to carry a plant like this and we are faced once again as a legislature with the question of extending that gas tax exemption to this project. Well at that point, ladies and gentlemen, it would be a very different question. By that point, we would have a plant on our hands, we would have invested \$5 million in tax revenues, we would stand to lose \$5.5 million in state loaned guarantees, the federal government would stand to lose its \$67 million in federal loaned guarantees and, as the gentleman from Auburn referred to it, we would be sitting on a white elephant wondering if we should continue to fish in the shallow pond or cut bait but the stakes would be much different than what they are right now because we would have sunk so much money into this project and we would have so much to lose at that point. In other words, we would have an economic knife to our throats at that point and the more money that we would sink into this plant—let's assume that perhaps if we just gave it one more tax exemption it could get on its feet, the more money we would sink into that plant, the larger and sharper that economic knife would be at our throats.

We have heard about how this won't happen because the market is so strong and the circumstances in this particular plant are such that we are not going to have to be faced with giving an additional tax exemption and I took a look at what the investors were looking at in this plant, the other people that are asked to put up cold hard cash like we are and I wanted to find out what they were thinking. We looked and I looked at the Department of Energy report and, of course, the Department of Energy has guaranteed \$67 million in this project. I looked at their figures and I looked at their rationale and they were confident in the market and they were confident in this project and they were willing to put up \$67 million but they were able to put it up and willing to put it up without this gas tax exemption.

Of course, I looked at the Maine Guarantee Authority and I looked at the process that they went through and the decisions that they made in deciding to give as \$5.5 million dollar loan guarantee and they also made that loan guarantee on the assumption that the gas tax exemption would not be extended. The general partners and the lobbyists and their attorneys that we have heard in the Taxation Committee and that we have all talked to in the halls of the House, they have all claimed that this product can make

it on the market without a gas tax exemption, that we can phase-out that gas tax exemption, no problem. So we are back to that circular argument. Even the representatives of the investment community and we heard from someone from the First Boston Corporation last week and we put him through an intense line of questioning—he was the person that was going out to these various investment firms and trying to sell these equities and as far as he was concerned, the market is sound, the gas tax is not needed as far as the market is concerned and therefore, no problem, Taxation Committee, we will be able to phase it out. You don't need it for the market, the market can handle it. If we don't need it for the market, what do we need it for? That was my question. The reason that we need it is not because of the demands of the free market, according to the people proposing this plant, we need it because of the equity market. We need it because of Wall Street, we need it to leverage the money from those limited partners.

Naturally, ladies and gentlemen, investment managers want to have as much security as they can possible get in any investment and before they will even, in this case, consider the market forces they want to see exactly what they can get from the state. Listen, I can't blame them for that. It is almost as if now that this kind of gas tax exemption is a prerequisite before those investment companies will even look at the free market, they want to see if we can put up that tax exemption.

Imagine yourself as an investor and imagine yourself being approached by the First Boston Corporation. Now the State of Maine, sometime in the Spring, is going to make a decision about this gas tax exemption and they ask you, will you invest, will you put up the funds for this plant, will you become a limited investor in this plant before the State of Maine makes its decision on whether or not to grant a gas tax exemption. Well if you are using common sense as an investor, the answer would be no. You would wait to see until this entire political scenario is played out because you would want to get as much security on your investment as you possibly could, so I can't blame the industry.

Investors want a return on their investments, ladies and gentlemen, and if the market conditions are there, if the market conditions are right, if they can make money on a plant, they will make it. I personally think that as far as that particular condition that has been laid upon this project and laid upon this state as the factor determining whether or not this plant is built, I think the State of Maine should say okay, we are not going to give you the exemption, we are going to require that all the investors take a look at this plant and this market exactly as the State of Maine is looking at this plant and this market and make the investment on the basis of whether or not you think there can be a return on this investment.

Let's assume, for example, that we turn down this exemption and the investors are approached again by the developers on this project and they say, look, the State of Maine turned down the tax exemption, that is no longer a possibility, take a look at the market conditions, do you think that the market conditions are strong enough to invest? If they are, the answer is going to be yes because they want to make money. If they are not and the investors want to get additional security in their investment and they want to lower the price on the pump to insure that we will have as the market describes it a market penetration, and market penetration for those of you who are not used to this lingo, simply means that consumers need initial incentive to buy the product and the initial incentive will mean a reduced price, but once they start to buy the product regularly, that habit will get them and induce them to continue to buy the product even though the exemption has been lifted and even though the price is going up. Well I say, ladies and gentlemen, even if we accept that argument that we need market penetration and they need a subsidy

in order to get that market penetration, then why don't the major investors in this project, the general partners, the partners that stand to make such profits in this market that seems to be so lucrative, why don't they stand up and invest their own money in decreasing the price at the pump to meet the objective that we are being called upon to meet in this tax exemption; namely, market penetration. If that is a prerequisite and the market is strong and they stand to make so much money, then why not ask those who have the greatest potential to make that money, the most direct potential to make that money, to put some of that money up.

The gentleman from South Portland, Representative Macomber, asked a question about whether or not two of the partners in the limited partnership could make their money back before the plant even makes one ounce of ethanol, and let me just put it to you simply and if I am wrong I hope that I will be corrected, the answer to that question is very simply, yes, they can make back all of their money, they can also make a very hefty profit potentially in this project before one ounce of ethanol is sold.

I am saying that I have no problem with people making money and I have no problem with people getting a fair return on their investment but if you stand to make a considerable amount of money, there is something called the free market system that says you have to take some risks, and I think we must ask of those general partners to take some risk if their argument that this initial reduction of the price of ethanol at the pump is real.

I won't go on with all of my other arguments about the economic benefits of the plant. I certainly was sensitive to those arguments as a member of the Taxation Committee, particularly the agricultural arguments. I was born and raised on a poultry farm and my father went out of business because of the price of grain and I watched very closely and very intimately that experience of having a farm destroyed by these market forces. So I took that argument very seriously and I considered it very seriously and yes, ladies and gentlemen, it is possible that this plant, if it operates, could bring a benefit to farmers and those who are so dependent upon grain. But, ladies and gentlemen, let them reap that benefit in a partnership with the state making the guarantees that we have made, the \$5.5 million, the federal government making its guarantees and let us demand that all partners in this deal, based on the commitments that we have already made, put up their fair share and take their risk.

The people that we are talking about holding up this deal, that is the people that are saying we want more security are those investment houses, the Merrill Lynch's and the E.F. Hutton's. While this debate was raging and I was thinking about this over the weekend, I was watching a ballgame and an advertisement came on for one of these investment houses, and it made me think about this very deal. I think that it is important and I would urge you to join me in supporting this motion on the floor right now for indefinite postponement so that we can turn to those investors and we can say, yes, you can make a profit and you can make a fair return but we are going to make sure you do it in the old fashioned way, that you earn it.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Kane.

Mr. KANE: Mr. Speaker, Ladies and Gentlemen of the House: Mr. Macomber, the gentleman from South Portland, asked me a question and I think I answered it directly and I also think that Mr. Andrews in a circuitous sort of a fashion suggested that my answer was a little less than direct by saying that these people could, believe it or not, not only get their investment back in construction and engineering but could make a profit, so I would like to ask a question through the Chair to the gentleman from Portland, Mr. Andrews.

The SPEAKER: The gentleman may pose his

question.

Mr. KANE: Is it possible, Mr. Andrews, that these people could also not make their investment back or that they could possibly lose money on that construction?

The SPEAKER: The gentleman from South Portland, Mr. Kane, has posed a question through the Chair to the gentleman from Portland, Mr. Andrews, who may respond if he so desires.

The Chair recognizes that gentleman.

Mr. ANDREWS: Mr. Speaker, Ladies and Gentlemen of the House: Yes, Representative Kane, it is possible for that company to lose its shirt in this construction. It is highly unlikely for the reasons that the gentleman from Old Town articulated in his initial comments. This was not competitive bidding. These people are the general partners and they are going to be making their money, at least at this initial stage, by virtue of their construction of the plant. It did not go out to open bidding; they are the general partners, they are going to be actually constructing the plant so, given that and given the fact that it wasn't competitive, they put up a figure, from what I understand, and if they can construct that plant within the terms which they laid out in non-competitive process, then they stand to make not only what they put in but make substantially more than that. I think the point is and I think the point of Representative Macomber's question was, was the profitability of these two corporations, E.C. Jordan and Cianbro, based upon whether or not ethanol sells and the answer to that question is no.

The SPEAKER: The Chair recognizes the gentleman from Bethel, Mr. Mills.

Mr. MILLS: Mr. Speaker, Members of the House: I have a couple of questions I would like to pose through the Chair.

The SPEAKER: The gentleman may pose his question.

Mr. MILLS: Mr. Speaker, Members of the House: The good gentleman from Harrison mentioned the fact that there might be some cases where people would not be able to put in a pump because of environmental reasons or whatever for ethanol and I was wondering if a small store decides that, yes, they like the idea, that they would like to go into ethanol, what the price would be compared to putting in another pump for gas? Would it cost more for filters, roughly what would the price be and also, if a small store decides to go into putting a pump in, would there be a tax break for them besides the price being lower for the price of ethanol once they get the tank in?

The SPEAKER: The gentleman from Bethel, Mr. Mills, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the gentleman from Auburn, Mr. Michael.

Mr. MICHAEL: Mr. Speaker, Ladies and Gentlemen of the House: Of course if a store was putting in new tanks, they would have to spend the money for new equipment which might be on a par with what the gentleman from Harrison said, maybe \$15,000, I don't know about that in terms of new equipment. However, in terms of converting over to ethanol supplemented gasoline, the logical thing to do would be to give up one pump of unleaded regular and just use that for the ethanol pumping. We checked with some other states and the cost is estimated to be only a few hundred dollars so we are not talking about a huge investment to switch over to ethanol sales if they want to.

Mr. Jackson of Harrison was granted permission to speak a third time.

Mr. JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: In regards to the question by Mr. Mills from Bethel, the cost that I quoted earlier in my statements reflected the landscaping and repaving of your parking lot and making everything available.

In reference to the remarks made by the fine gentleman from Auburn, Mr. Michael, I would suggest to anyone who is selling ethanol enhanced products not to use their current equip-

ment. Should something happen, should that filter not catch part of that product and that should go through into the automobile that you are servicing and should that make it to the carburetor, I would suggest that it could be very costly for the owner of that station or that small store.

The SPEAKER: The Chair recognizes the gentleman from Auburn, Mr. Michael.

Mr. MICHAEL: Mr. Speaker, Ladies and Gentlemen of the House: I want to respond to some of the things that the gentleman from Harrison said and also the good gentleman from Portland. First of all, I would like to respond to the question of exactly why is this exemption needed if it is not needed to sell the product? The answer to that question, and it was mentioned a little bit by the gentleman from Canton, Mr. McCollister, is that the exemption is needed to secure the investment of \$20 million in the limited partnership.

I share the gentleman from Portland's distaste for Wall Street investment firms, I have gotten to deal with them and they are a very stuffy group and they never give you money for your stuff, they have their own terms of what they want to give you money for so they are not my favorite bunch and I could certainly sympathize with the good gentleman from Portland in his criticism of them. But the truth is that that \$20 million will not be raised for the plant unless we come up with this tax exemption and it only makes sense.

If you were a broker for investors in New York City and it was your responsibility and your reputation and your job to produce results in investing people's money and you have a choice of putting money up into limited partnerships for an ethanol plant being built in the State of Maine and that State of Maine would be the only state in the country that is building an ethanol plant which would not have a tax exemption and there is a plant now being built in Tennessee and two or three being built in the midwest, it is just as easy to send your investors to the states which have, in fact, yielded exemptions, and it would be your responsibility to do so. So the investors are not going to put that twenty million bucks into that ethanol plant here if we can't back it up here in the State of Maine.

If we should fail to produce this exemption, in addition to that, it is also a statement that the State of Maine is not 100 percent behind this plant. We made a statement here when we put the few million bucks up for the Maine Guarantee Authority to match the \$60 million from the federal people, not matched it but added to the \$60 million, that this is a project that we wanted. If we deny this exemption now, it will be a statement that Maine isn't really serious in supporting its industry here so that is why we need the exemption to get the plant built.

The good gentleman from Harrison has asked questions about unfair competition with the smaller gas dealers and I think we have covered the expense figure in terms of changing over to ethanol.

I want to say up front that New England Ethanol will sell ethanol to anyone that wants to buy it. They are anxious to sell ethanol. There has been in a study report a suggestion that the legislature examine an open supply bill. Now New England Ethanol takes no position on that. They would just as soon see an open supply bill passed if we wanted to do that kind of thing and that would be fine with them. Anything that will support them in selling ethanol to the dealers in the State of Maine, they will support that concept.

We can examine, if you wish, an open supply bill, we can do that next session, we can do that the year after that, we can do that any time but I suggest that we do not look at that this year but if we want to, we can do that.

The other question that the good gentleman from Portland asked was, can we wear the company from its tax deduction? Would we be able to reduce that down to zero after five years and

the answer to that is, yes. Keep in mind that although there are 33 states in the country with exemptions, and apparently not many of those have reduced them yet, the whole key to this thing is the United States government demand that lead be removed from gasoline by the years 1988 or 1990; that is one point to remember.

The second point is, in terms of this \$5 million that we are told the state will lose over those four years, that is a maximum figure. The gentleman from Gardiner pointed out that there is a \$1.25 million limit per year that the state will lose, that is a limit per year. The first year of the exemption, when it is four cents a gallon, it is reasonable to assume that the state will, in fact, be supporting the plant to the tune of \$1.25 million, but three years later, when the exemption is down to one cent, in order to leave that \$1.25 million bucks on a one percent exemption, you are going to have to be selling an awfully lot of ethanol to do that. If you are selling that much ethanol, then the plant's viability has been established because you have infiltrated the market in a sufficient way to sell that much ethanol on a one percent tax exemption to produce \$1.25 million bucks. So it is an all win situation for the state. We won't be giving up that money unless the plant is, in fact, successful.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mrs. Joseph.

Mrs. JOSEPH: Mr. Speaker, I would like to ask for the yeas and nays.

I have been listening very carefully to this debate and we all agree that it is a very serious question and a very difficult one. I would like to suggest to you that the question before us is not only one of jobs, as much as we all want to see these hundreds of jobs created. This issue goes far beyond that of creating millions of dollars of savings for hard pressed poultry and dairy farmers and some opportunities for potato growers; the issue, my colleagues, is how do we view ourselves as a legislature and what we are being asked to do. We are being asked as a legislature to assist in a business venture and as the work implies, venture, in any venture there is a risk. There is an element of risk involved in this. We owe it to the citizens of Maine to assess the risks as well as the benefits which have been outlined to you today.

The risk is not that the facility will never get off the ground, because if that should happen, we have lost nothing. No ethanol will be sold so there will be no short term loss of revenue.

The concern that we all have should not be that the project fizzles but the facility is built, becomes operational, produces ethanol and about 1990 turns out not to quite work out as expected. Of course, things can happen in this world. The price of corn could increase drastically, the price of oil could drop very sharply; this is not at all likely but of course it is possible. There are no guarantees in life and there are no guarantees in this. There are no guarantees that ethanol will be marketable as we believe; there are no guarantees that the facility will operate as planned; there are no guarantees that a further tax exemption will not be requested. We are talking about a business venture, a new product, there are no absolute total guarantees against failure.

I think we should state right up front what bothers us all here today. Might this be another sugar beet venture? Are we going to be embarrassed? Isn't that the real question? We have heard reference of Freddie Valhsing and maybe he has done more than pollute the Prestile stream, maybe he has done a lot more damage than that. He will have shown us that we are still, almost 20 years later, carrying the burden of a spectacular failure.

The safe thing for each of us to do is to vote against this bill; however, I urge you to vote against the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from Sangerville, Mr. Hall.

Mr. HALL: Mr. Speaker, Ladies and Gentlemen of the House: I just want to explain as a farmer

like myself and an old codger how I happen to get interested in ethanol to begin with. You can't drink it, you can but it is kind of hard on your innards, so there must be another reason why and, as you know, I have served on the Energy and Natural Resources Committee for 10 years and I listen to a lot of comments going back and forth and always in the back of our minds we have constantly looked for new industry in the state and that industry would be of the type that would be pollutant free and give a little pay on the jobs like we have been discussing regarding the pay in the past few days, \$3.55 an hour. Those are one or two of the things that were fascinating to me when I began to look into this particular new adventure for the State of Maine.

Another thing that was very, very exciting to me was when I found there were some individuals in the State of Maine that had vision enough to look forward at the next 20 or 30 years and invest some of their own money. Now you don't have that very often. We saw the enlargement of Bath Iron Work and where did that money come from? It came from Congoleum or some place like that that makes rugs. We saw Pratt & Whitney expand and I voted for both of those and I have no problem with that, and we know that that came from outside money and some of this will come from outside money and some of it will come from ourselves, but the whole thing is, it is a beautiful venture that has tremendous merit for the farmers, for the laborers and for every sector of the people that we represent. That is one of the reasons that I worked hard to get on the Commission. There are some things that I learned in that Commission that I would like to share with you if I might.

A fellow from the tax division came before us and these are some of the things that he left with me. I asked him over and over again because I was very interested to find the answer—the only way that you create new jobs is through a new industry. I thought that through and I asked him again to explain that. He said, of all the new buildings that the paper companies have done here, there is \$700 million or more that they have spent, it might be a lot more than that, has not created new jobs. I don't fault that because in doing that they have been able to stabilize the jobs that already exist. So what do we do when we look at an industry like this, something that is going to be viable for the state? This is one of the biggest reasons why I was interested in this.

I would like to say a few things to Representative Cashman. You said there is little support for this. Well, I would like to remind you of the milk bill or the wood bill, of the bonding issues that you don't get much support for until the last fifteen or twenty minutes, you know that as well as I do, then you get a roomful of lobbyists on both sides and then you begin to holler.

Representative Andrews, I would like to mention this to you and I know that this is very dear to your heart and I hope that people will listen—the \$5 million that we think we are going to lose, let me remind you that we lost \$21 million from somebody manipulating the oil business here this winter to the people that I represent and that you represent. Here they are down here in droves trying to tell us, don't take my cash from me, don't take my money from me. I would just like to have you think of that Representative Andrews because you and I think very much alike and you know that we do.

One of the other things that I was very, very impressed about as far as agriculture was the 35,000 tons of a side issue of the corn that they are going to use which we are going to be able to buy here. Now you know that the agriculture here has never been in that good shape and this is one way, it is not going to solve all our problems, you know that and I know that, it is only one way to solve a problem and that is to get the material to them a little mite cheaper. I would like to have you think about that and put it in the perspective it ought to be in.

The Representative from Harrison mentioned

about the gas tanks. I would like to remind you, Representative Jackson, that my good friend Representative McGowan put a bill in regard to the problem that we are having with existing tanks in the ground. You say that that is going to be a burden on people. Well I submit to you that if we don't move some of them, they are going to be a burden on the rest of the people because some of them, I know I have one in my own dooryard that has been in the ground 30 years and it was probably 30 years old when I put it in there, so I want to assure you that that is a red herring. Let's not use that as an issue.

We have talked about everything and you folks have mentioned everything else so I would just like to say this to you—I don't know how long it will create 120 jobs, I know that it is a start and I know the pay isn't going to be \$3.55 an hour. When Pratt & Whitney came here, they promised us 1200 or 1300 jobs—sometimes they do but I assure you that they are not always up that high. Bath Iron Works has never done that and we were sold a bill of goods that there will be 1,000 or 2,000 people but it has not gone that way but that is not their fault, that is because of the economy of the country. Guilford Industries in my town, at times it employs as high as 1,300 people but during the last two weeks they have laid off over 300 people so that is another reason why I say that all of these little red herrings that you have, the problems you have, really and truly when we have a group of people, as I see it, that can see something that is going to be viable for the state, let's not kick it around anymore.

I hope that you don't kick this down the tube. Let's vote it in.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Day.

Mr. DAY: Mr. Speaker, Ladies and Gentlemen of the House: A few notes that I took while the discussion was going on—in terms of the building of the plant and the profits to be made in building, during the testimony it was pointed out that Stone & Webster bid \$128 million on the plant; the Maine group bid \$94 million. We do it cheaper, we do it faster, we build good ships, that type of thing with Maine people.

In terms of the sugar beet situation mentioned, that was based on a raw material that was not quite secure in that we wound up having problems with some of the sugar content of the beets and so forth. We are dealing with a raw material that is going to be constant because it is going to come from an area that has grown corn for years and years and years so that problem of sugar content that the beet thing had will not be a problem with the ethanol.

On the smell, when I graduated from high school, I worked for National Distillers that first summer helping make Gilbey Gin and Jameson Whiskey and the plant didn't smell that bad and I am sure that in the past 48 years, the chemical engineering fraternity has done a better job of containing smells and we now have DEP and a few other things to make sure that it doesn't smell.

It has been mentioned, but you should know this, the ethanol out of the plant will be something over \$40 million in sales. The dry grain, CO₂ and electricity will be something just under \$30 million to give you an idea of what the plant is going to produce, not just ethanol.

Up until just recently, I was not in favor of this but the more I thought about it, I came to the conclusion that several speakers have already come to, that a group of people tried to do an entrepreneurial job, they worked it out and I am going to put my vote on their ability to do a good job.

The SPEAKER: The Chair recognizes the gentlewoman from Rockland, Mrs. Melendy.

Mrs. MELENDY: Mr. Speaker, Men and Women of the House: After giving this legislation a great deal of thought, I rise today to urge you to join me in supporting this legislation. I don't pretend to be an expert on ethanol or ethanol facilities

and I don't pretend to be an expert on alternative fuels either, but I can speak to the general need for our state to decrease our reliance on gasoline and conventional motor fuels. We must not allow our country to again be victimized by a foreign oil embargo or to be threatened by the possibility of war in the Middle East.

I am aware that some people have said that we should vote against this project because of the nature of the participants. Should we not think of the success of those companies and that we are investing in companies who have proven themselves? Frankly, I think we ought to be quite proud of the three businesses from Maine that have undertaken a venture of this sort.

I would also like to comment about the character of one of the entities involved. I have been personally involved on behalf of my community and I have watched the community involved in its dealing with Cianbro Corporation, one of the participants in the project, and I am pleased with the actions of Cianbro Corporation in regard to the development in Knox County and I am confident that their dealings with others are straightforward and that their involvement in this plant will be a positive impact upon the state. I truly believe this to be a consumer bill and we must keep reminding ourselves that the tax break is not for the company, it is for the consumer.

I urge you to vote against the motion of indefinite postponement.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Handy.

Mr. HANDY: Mr. Speaker, Men and Women of the House: I want to address my remarks now to the question asked by Representative Mills and that is, will gasoline tanks have to be moved and replaced? I think that is a very important question for a lot of us because we have dealers back home who are asking us that question and they want to know what the investment is going to be.

The fact of the matter is, no. New England Ethanol Products has set aside one half a million dollars in their budget to assist in the cleaning of the tanks and that is the only thing that has to happen, the tanks have to be cleaned. New England Ethanol Products, once again, has \$500,000 to assist in doing that and to also cleaning the pumps so there is no replacement involved in the project.

The SPEAKER: The Chair recognizes the gentleman from Old Town, Mr. Cashman.

Mr. CASHMAN: Mr. Speaker, Ladies and Gentlemen of the House: This time I will try to be brief. Had I known that I would have had to debate my good friend, Representative Hall, I may have gone on the other side of this issue but it is always a pleasure when he remembers my name.

I rise only to respond to several things that have been said in the last couple of days since I last stood here.

The gentleman from Portland, Mr. Higgins, opened his remarks by saying that we should make a very great attempt here to avoid emotional arguments on either side and vote on this bill based on the facts. I couldn't agree with him more. He then proceeded to give you a very factual argument on why you should support this project. I tried, when I got up, to give you a very factual argument on why you shouldn't. I told you that there are two things that bother me about this project—the nature of the structure of the investment, the fact that I feel we have already subsidized it enough. The second fact is that I think the 4 cents a gallon gives an unfair competitive advantage to one of the principals.

Since then, I think we have heard some emotional arguments, that we owe it to Androscoggin County because they have been good to the rest of the state. I don't know if I was included in this, but the claim has been made that the opponents of this don't like the developers or that they don't like First Boston Corporation or that they do like Freddie Valhsing. I never mentioned Freddie Valhsing and I never mentioned sugar

beet. I mentioned the three principals only to delineate what I was saying. I don't care if the three investors are Cianbro, D.W. Small, and E.C. Jordan or Linkin, Blinkin and Nod. I just don't like the whole setup.

I have got nothing against these three businesses. They are three of the most reputable businesses in this state, I just don't like the way that this project is structured. I don't like the implications. I am not saying for a minute that these three entities that are going to build this plant never produced a gallon will cut and run, I am not saying that. I think my arguments were very clear. They intend to produce and sell ethanol and they intend to sell it at a market advantage to the distributor. I think it is a very smart business proposal. I just think we have already put enough government money into it.

It has been said that this is a consumers bill; that is a lot of hooey. A \$5 million shortfall is going to be caused to the general revenue of this state with this bill. Who is going to make that up? The consumer. Somebody has got to pay the tax.

It has been said that this will generate income to the General Fund so therefore we should provide this \$5 million. To that I would say this—there is not an industry in this state that by operating in this state does not provide money to the General Fund, none. Are we going to start swapping dollar for dollar tax credits, a contribution from the General Fund, for every industry in the state? If we do, we're not going to have much money left around here.

It was just said that this project will decrease our reliance on foreign oil. I said the first time I was up here, you are talking six tenths of one percent of the gas sold in this state. I don't think that the Arabs are going to start worrying about this ethanol plant.

It was also stated that retailers that wanted to put in ethanol pumps or if they wanted to go to the ethanol product, they could give up one of their unleaded pumps. I think the gentleman from Auburn said that. I would submit to you that there a lot of gas stations in this state that only have one unleaded pump and they don't have room for another unleaded pump.

Lastly, as I said the first time I was up, they claim the exemption is needed to sell the securities. My contention is, we have already given enough incentive to sell securities, I don't think we need to give any more.

The claim was made by my good friend from Saco, Representative Hobbins, that the MGA reviewed this project and approved it, they approved the loan guarantee. I would point out to you that the MGA was told that this project could go with or without the 4 cents. Everybody that this project has been presented to prior to this has been told that the 4 cents wasn't necessary to market the product. They approved it on that basis. I think we can only do the same.

It was also said that this is an 'all win' situation because if they don't sell the ethanol we don't lose the tax revenue, it is a 'no win' situation for the state. The claim was made that it was a 'no lose' but it is a 'no win'.

If they produce the ethanol, we give up \$5 million in tax credits; if they don't, we lose the \$5.5 million loan guarantee, something that seems to have been forgotten around here.

Lastly, Representative Joseph says that what we are doing here is assisting in a business venture and there is always risk in a business venture, and that is true. I think as Representative Andrews said, it is only fair that we share that risk with the people we are going into this venture with.

It is a new industry; I encourage new industry to come to this state, but I think that enough encouragement has been given to this one.

Mr. Kane of South Portland was granted permission to speak a third time.

Mr. KANE: Mr. Speaker, Ladies and Gentlemen of the House: I really will try to cover just a few things that I think have not been touched upon, but the first thing I would like to say is, my pal and colleague, Mr. Cashman from Old Town,

suggests there is enough government money in this project as it is; I suggest there is no government money in this project as it is. There are loan guarantees. The loan guarantee, I understand, is from the Bank of Boston, the federal guaranteed loan. I don't know where the MGA loan is going to be, and there will be government money in this thing if it goes bust. A loan guarantee, as I am sure you understand, is when the federal government or the state government will stand behind a loan and therefore the interest rates on that loan are naturally less because it is far more secure. A loan guarantee is not anything like a cash subsidy.

I think there is just something peculiar about this whole bill, and I think probably it is the partners being sort of very identifiable corporate Maine citizens having gendered feelings in their corporate lives—some people are for them, some people are very much against them. I think that that has begun to cloud this issue.

We have tax provisions on the books right now that were this a running and operating corporation it would be great for this company. Right now if there is a company in the State of Maine that invests \$5 million and comes up with 200 jobs, they can get up to \$2.1 million in seven years directly for that company, not distributed at the pump to their customers, to the consumers of that product, but directly to that company. That is the law in the State of Maine right now. That was the Pratt-Whitney provision that was put in at the end of Governor Longley's term. At least two companies now are currently taking advantage of those provisions. There was no debate in the legislature about it, it is just good, it is good for our Maine businesses and it is good for our business climate and it is good for the people that work for those businesses.

I suggest to you that this is not Pratt-Whitney, it is not a subsidy to the company; it is not BIW, it is not a subsidy to the company; it is not those two other companies currently getting the Pratt-Whitney provisions, it is not a subsidy to the company. This is a subsidy to the man or woman at the pump who puts 118 octane ethanol-enhanced gasoline into his or her car.

Mr. Andrews really presents us with a dare when all is said and done. I am delighted that the gentleman from Westbrook, Mr. Day, corrected Mr. Andrews' misinformation about the non-competitive nature of this bid, so I won't repeat it, but it was competitive. They are locked into it now but it was originally competitive. It was between Stone and Webster, Cianbro and a couple of other people before Cianbro Corporation was a partner in the project.

Mr. Andrews' dare really is, let's see if we can be the first state in the nation that will have an ethanol plant built without any subsidy to the consumer, without any subsidy to penetrate the market, as he said. We can take the dare or we can decline it, but that is what it comes down to. Since not one cent of this subsidy is going to go to the company, I will decline to take the dare.

I would like to talk about another subsidy just for a minute while we are talking about oil dealers and the interest of oil dealers and how the oil dealers have been kicked around, I would like to talk about the subsidy that we had back in January and February of this year when the temperatures plummeted and the prices skyrocketed and for 20 days the price went up a penny a day. That was a \$15 million subsidy from the citizens of this state. Some of it went to the Maine oil dealers but my understanding is it was not very much. The rest of it went to Venezuela, Saudi Arabia, Kuwait, it went to a lot of places, but it sure did not go to anywhere in the State of Maine. That was three times the subsidy and it was over and done with before anyone could blink.

Ten years from now, there's going to be a very few of us here, very few of us that are in this body now are going to continue to be here. Foreign oil is going to be a terrible problem, it is going to be far worse than it is now. If we decline to begin to do something about the in-

credible problem that we and our neighbors and fellow citizens in this state face, we are going to regret it.

My friend Mr. Cashman from Old Town suggests that this amount would be a drop in the bucket, and I agree with him, it is a drop in the bucket, but let us start somewhere.

Representative Smith of Mars Hill moved the previous question. The pending question was "Shall the main question be put now?"

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Kane.

Mr. KANE: Mr. Speaker, Ladies and Gentlemen of the House: I suggest we let our friend, Mr. Masterman, say his piece.

The SPEAKER: The question now is "shall the main question be put now?"

A vote was taken. 62 having voted in favor of the same and 35 against, the main question was put now.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER: The pending question is on the motion of Representative Cashman of Old Town that this Bill and all its accompanying papers be indefinitely postponed. All those in favor will vote yes; those opposed will vote no.

The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker, I request permission to pair my vote with the gentlewoman from Cape Elizabeth, Mrs. Masterton. If she were present, she would be voting no, and I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Lincoln, Mr. MacEachern.

Mr. MACEachern: Mr. Speaker, I request permission to pair my vote with the gentleman from Portland, Mr. Baker. If he were here and voting, he would be voting yes, and I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Eliot, Mr. McPherson.

Mr. MCPHERSON: Mr. Speaker, I request permission to pair my vote with the gentleman from Lewiston, Mr. Telow. If he were present, he would be voting no, and I would be voting yes.

The SPEAKER: The pending question is on the motion of the gentleman from Old Town, Mr. Cashman, that this Bill and all its accompanying papers be indefinitely postponed. All those in favor will vote yes; those opposed will vote no.

ROLL CALL 481

YEA—Ainsworth, Anderson, Andrews, Beaulieu, Bell, Bost, Brannigan, Cahill, Carroll, D.P.; Carter, Cashman, Chonko, Cooper, Crouse, Curtis, Daggett, Davis, Dudley, Holloway, Jackson, Jacques, Jalbert, Kelly, Lebowitz, Lisnik, Livesay, MacBride, Macomber, Manning, Martin, H.C.; Matthews, K.L.; Mayo, McHenry, Mills, Mitchell, J.; Moholland, Murphy, T.W.; Pines, Robinson, Roderick, Rotondi, Scarpino, Seavey, Small, Smith, C.B.; Smith, C.W.; Sproul, Stevens, Stover, Swazey, Tammara.

NAY—Allen, Armstrong, Bott, Brodeur, Brown, A.K.; Brown, D.N.; Callahan, Carrier, Carroll, G.A.; Clark, Conary, Connors, Cote, Cox, Crowley, Day, Dexter, Diamond, Dillenback, Drinkwater, Erwin, Foster, Gauvreau, Greenlaw, Gwadosky, Hall, Handy, Hayden, Hickey, Higgins, H.C.; Higgins, L.M.; Hobbins, Ingraham, Joseph, Joyce, Kane, Kelleher, Ketover, Kiesman, Kilcoyne, LaPlante, Lehoux, Locke, Mahany, Masterman, Matthews, Z.E.; Maybury, McCollier, McGowan, McSweeney, Melendy, Michael, Michaud, Mitchell, E.H.; Murphy, E.M.; Murray, Nadeau, Nelson, Norton, Paradis, E.J.; Paradis, P.E.; Parent, Paul, Perkins, Perry, Pouliot, Racine, Randall, Reeves, J.W.; Reeves, P.; Richard, Ridley, Roberts, Rolde, Salsbury, Sherburne, Soucy, Soule, Stevenson, Strout, Theriault, Thompson, Vose, Walker, Webster, Wentworth, Weymouth, Willey, Zirkilston, The Speaker.

ABSENT—Benoit, Bonney, Martin, A.C.; Tuttle.

PAIRED—Baker-MacEachern, Connolly-Masterton, McPherson-Telow.

51 having voted in the affirmative and 90 in the negative, with 4 being absent and 6 paired, the motion did not prevail.

Thereupon, the Majority "Ought to Pass" Report was accepted and the New Draft read once and assigned for second reading later in the day.

House at Ease

Called to order by the Speaker.

The following papers were taken up out of order by unanimous consent:

Petitions, Bills and Resolves

Requiring Reference

Bill "An Act to Fund and Implement Certain Collective Bargaining Agreements and to Fund and Implement Benefits for Certain State Employees" (Emergency) (H. P. 1865) (L. D. 2469) (Presented by Representative Carter of Winslow) (Cosponsors: Representative Diamond of Bangor and Senator Najarian of Cumberland)

Committee on Appropriations and Financial Affairs was suggested.

Under suspension of the rules, the Bill was read twice, passed to be engrossed without reference to any committee and sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

Communications

The following Communication:

Committee on Business Legislation

April 11, 1984

The Honorable John L. Martin
Speaker of the House

111th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Committee on Business Legislation during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	44
Unanimous reports	40
Leave to Withdraw	12
Ought to Pass	6
Ought Not to Pass	2
Ought to Pass as Amended	8
Ought to Pass in New Draft	12
Divided reports	4

Respectfully submitted,
NANCY RANDALL CLARK

Senate Chair

JOSEPH C. BRANNIGAN

House Chair

Was read and ordered placed on file.

Passed to Be Engrossed As Amended

Bill "An Act to Promote the Distillation of Ethanol for Use as an Internal Combustion Engine Fuel" (H. P. 1864) (L. D. 2468).

Was reported by the Committee on Bills in the Second Reading the read the second time.

Mr. Higgins of Portland offered House Amendment "C" and moved its adoption.

House Amendment "C" (H-726) was read by the Clerk and adopted.

The Bill was passed to be engrossed as amended by House Amendment "C" and sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

The SPEAKER: The Chair would ask the Sergeant-at-Arms to escort the gentleman from Fairfield, Mr. Gwadosky, to the rostrum for the purpose of acting as Speaker pro tem.

Whereupon, Representative Gwadosky assumed the Chair as Speaker pro tem and Speaker Martin occupied his seat on the floor.

The Chair laid before the House the following matter:

Bill "An Act to Fairly Apportion the Cost of Canceled Electric Generating Facilities" (H. P.

1826) (L. D. 2421) (C. "A" H-675) which was tabled and later today assigned pending passage to be engrossed as amended.

Speaker Martin offered House Amendment "B" and moved its adoption.

House Amendment "B" (H-719) was read by the Clerk.

The SPEAKER pro tem: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: As some of you may know, I have been involved with this piece of legislation since it was introduced by the Chief Executive. I had some concern about how the cost was going to be allocated between the consumer, the ratepayer and the stockholder. I felt that the commission ought to have the basis upon which the legislature intended to make that determination and have them consider that in the process.

It is my hope that with the amendment, the Public Utilities Commission will now be in a position to determine whether or not the investment was made prudently by the utility and to make a determination on that basis. It is my feeling that if the decision by the utility was made with the knowledge, in the best light that they had available to them at the time of making the investment, that that was one thing. But on the other hand, if they made the investment knowing that there was going to be a problem, I see no reason why the ratepayer ought to be picking up the cost.

I offer this amendment in the hope that this is going to give guidance to the Public Utilities Commission to resolve that question on the issue of cancellation of plants.

The SPEAKER pro tem: The Chair recognizes the gentleman from Eastport, Mr. Vose.

Mr. VOSE: Mr. Speaker, Ladies and Gentlemen of the House: Our committee has worked hard on this bill and successfully had a Majority "Ought to Pass" Report, and we are in full support of the amendment that was offered by the gentleman from Eagle Lake. I want to thank him personally, he has done a fine job in pulling this together so that more or less those opposed are not entirely satisfied; however, this seems to give us direction in the way that we want it. I think he is dead on, he is exactly right and I hope that this House will support this amendment.

The SPEAKER pro tem: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker and Members of the House: I have been on the other side of this issue from Representative Vose and the majority of the Committee on Public Utilities. I think that this a bad bill. I think this amendment improves the bill to some degree but it still does not make the bill completely acceptable to me and I may, at some point, still try to oppose the legislation.

But I would like to pose a question to the sponsor of the amendment and would ask him if he would perhaps define for us what he means by 'prudently'. And more specifically, would the Maine utility companies that have invested in Seabrook I and Seabrook II, would he consider those to be prudent investments?

The SPEAKER pro tem: The gentleman from Portland, Mr. Connolly, has posed a question through the Chair to the gentleman from Eagle Lake, Mr. Martin, who may respond if he so desires.

The Chair recognizes that gentleman.

Mr. MARTIN: Mr. Speaker, in response to the question posed by the gentleman from Portland, Mr. Connolly, that decision would be a decision that would have to be made by the commission, and this is what this amendment says.

As to whether or not Seabrook I or Seabrook II was made on the basis of whether or not it was prudent would depend, quite frankly, on the question that would be asked of the Public Utilities Commission to the companies involved. That really is the issue.

If at the time, going back to Seabrook I, for example, when the initial investment was made by the various utilities of this state, prior to what we now know about Three Mile Island, etc., that

probably that was a prudent decision. On the other hand, when the purchases were made after that fact, then there is a serious question in my mind as to whether or not that was a prudent decision. The question of whether it was prudent or not would depend entirely on the investigation that the Public Utilities is going to conduct, and that is what I want done prior to the commission making decision, because for that not to happen would be a real mistake and we would end up having to pick up the cost on the basis of the rates that we would be paying.

Let me back it up just one step further. It also seems to me that it's great for those of us who sit in the legislature to have hindsight on every single decision made by everyone, but there are times when decisions are made, you make them with the knowledge that they were the correct and proper decisions. That kind of decision, I think, is one thing, and I repeat, when the decision was not made when it was a prudent matter, then that is another and that is the type of investigation that I want the Public Utilities Commission to go into, to investigate, and to render a decision on.

The SPEAKER pro tem: The Chair recognizes the gentleman from Winslow, Mr. Matthews.

Mr. MATTHEWS: Mr. Speaker, Members of the House: I just rise to offer my support for the amendment proposed by the gentleman from Eagle Lake. I think that he has addressed a very, very serious problem that has been grappled with some members of that Public Utilities Committee for a long, long time. I just wanted to go on record in support and I hope to also, at a later time, offer an amendment on this legislation.

The SPEAKER pro tem: The Chair recognizes the gentleman from South Portland, Mr. Macomber.

Mr. MACOMBER: Mr. Speaker, I would like to pose a question through the Chair. I would like to pose the question to the sponsor. I agree completely with the amendment but would the decision of the PUC be something that would be appealed to the courts or would that be a binding decision?

The SPEAKER pro tem: The gentleman from South Portland, Mr. Macomber, has posed a question through the Chair to the gentleman from Eagle Lake, Mr. Martin, who may respond if he so desires.

The Chair recognizes that gentleman.

Mr. MARTIN: Mr. Speaker, Members of the House: In response to the question of the gentleman from South Portland, Mr. Macomber, as in all decisions of the Public Utilities, they are reviewable by the court and of course they could be appealed by either party to the court for a final decision.

Thereupon, House Amendment "B" was adopted.

At this point, Speaker Martin returned to the rostrum.

Speaker Martin: The Chair would thank the gentleman from Fairfield, Mr. Gwadosky, for presiding.

Thereupon, the Sergeant-at-Arms escorted Mr. Gwadosky to his seat on the floor, amid the applause of the House, and Speaker Martin resumed the Chair.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Matthews.

Mr. MATTHEWS of Winslow offered House Amendment "A" (H-714) and moved for its adoption.

House Amendment "A" (H-714) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Matthews.

Mr. MATTHEWS: Mr. Speaker, Members of the House: I know that the hour is late. I rise because we are dealing with what I believe and I think members of this House and the people in the state believe to be a serious question, the proper recovery of prudent costs from a cancelled

generating facility.

I present this amendment and I would like to briefly read to you what this amendment says. "The Commission may order that any recovery of that investment begin at any time the Commission determines is just and reasonable up to the date last announced for the completion of the plant by the lead participant. For almost a year now, the members of the Public Utilities Commission, of which I am a member, have grappled with this question. I believe that the legislation that we have seen fit to pass in this House, if that is passed and signed into law without this amendment, the ratepayers and the consumers of the State of Maine are in for a rough future in the days to come.

My amendment would put into statute the essence of what we tried to do with 52A, which is the statute that is trying to be repealed here today, and allow the Commission to determine whether the recovery of a cancelled plant and the millions and millions of dollars that consumers are going to have to pay for, whether that recovery should be delayed or not. It does not, and I would reiterate this, it does not do what 52A did, which by the Commissions interpretation tied their hands, this does not do that; this allows them to make that decision. I know I am probably not doing a very good job defending my bill. I hope I am, I hope that I am getting my point across to you. I am trying to give the Commission the power and the authority to make that determination on the cost attributed to a cancelled generating facility.

If all the members of this House sincerely believe, as our Chairman and members of the other side of the legislation, the Majority Report, have stated on the floor of this House, that the Commission should be allowed to make that determination, leave it up to the Commission, that is what we heard from the gentlelady from Auburn the other day, then let's give them that power to make that determination.

I sincerely believe that all of you in this House understand when we are talking about a cancelled generating facility, we are talking about millions and millions of dollars. The correct costs are going to be determined on prudence and imprudence, that is fine, but the problem is when the recovery should take place and all I am saying to you today is, give the Commission the authority to determine when that recovery should start.

My amendment is something that I hope would be a compromise to all the members of the Public Utilities Committee, to the Governor, to the Public Utilities Commission, to the Public Advocate and to you, my fellow legislators, and ultimately something that the consuming public in the State of Maine can live with and the utilities can live with. Let's really give the power to the Public Utilities Commission.

We do have an excellent Commission and we do have a fine Governor and a fine Speaker of the House and leadership in this body, but I believe that as one member of the committee who has felt so strongly about this issue, who has worked on this day and night, and I haven't been able to sleep—as an example to you about this issue and what is has done to me, I got up this morning and I felt so concerned about Moody's Investment, I called Moody's this morning to ask if the sun was shining and they said the sun was shining on Augusta, that there was light ahead of that tunnel and I sincerely believe that.

All my amendment will do is give that power to the Commission and I sincerely ask you to see fit to pass this.

The SPEAKER: The Chair recognizes the gentleman from Eastport, Mr. Vose.

Mr. VOSE: Mr. Speaker, Ladies and Gentlemen of the House: I am sorry that the young gentleman from Winslow is presenting this amendment and I am also sorry that he hasn't had any sleep lately and I am also sorry that in all his praise for the Speaker and the Governor and the Commissioners and so on, he forgot and left out the House Chairman of the Committee. The power that he is talking about is already there, they

have that. The amendment doesn't do anything but creates an uncertainty that we are trying to get rid of in the existing law; therefore, I would move the indefinite postponement of this amendment and hope that everybody will vote with me. I won't further the debate now on this issue.

The SPEAKER: The Chair recognizes the gentleman from Auburn, Mrs. Robinson.

Mrs. ROBINSON: Mr. Speaker, Ladies and Gentlemen of the House: As the Chairman of our Committee said, the original position of our committee on this bill was that we did not want to entertain any amendments at all to the bill because we were concerned about our message being sent to Wall Street. After that, we realized that the amendment that we just put on, sponsored by the gentleman from Eagle Lake, just reaffirmed what is present PUC policy and what was already being done.

However, the amendment that we are considering right now, sponsored by Representative Matthews, goes beyond the scope of what the intent of the sponsors of this bill, including the origin of the bill which was the Governor's house, had in mind. This particular amendment sends the wrong message to Wall Street.

At the public hearing on this bill, a very astute observer said to us that it is clear that under present law the utilities could already recover costs but that symbolism is very important when dealing with Wall Street. The question is whether one perceives the bill as trying to enhance the image of the climate of the State of Maine on Wall Street. This amendment would not help us enhance the climate of the State of Maine and for those reasons, I hope that you will vote yes on the pending motion.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker, Members of the House: Very briefly, I think Representative Matthews did a fine job in explaining what he is attempting to do with this particular amendment.

This amendment, as I understand it, is supported by Peter Bradford and the entire Public Utilities Commission and I think, if for no other reason, given the record of that Commission in trying to protect ratepayers across the state, that you ought to support this message.

When we get out of here in the next week or two or whenever it is, Central Maine Power has already informed the Public Utilities Commission that they will come before it asking for the largest rate increase in the history of the State of Maine and to be included within that rate increase request are some of the very figures, the \$395 million dollar figure, that we talked about yesterday.

The protection to ratepayers that is offered by Mr. Matthews' amendment is no different in many respects and send no different message to Wall Street than the amendment that the Speaker just put on this bill. I would hope that this House would vote against the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from West Gardiner, Mr. Weymouth.

Mr. WEYMOUTH: Mr. Speaker, Members of the House: I would disagree with Mr. Connolly. If we adopt this amendment "A," it is going to go right back to the same signal that they originally dropped the bond rating of CMP.

I would urge you to go along with Chairman Vose and keep the signals straight.

The SPEAKER: The Chair recognizes the gentleman from Shapleigh, Mr. Ridley.

Mr. RIDLEY: Mr. Speaker, Ladies and Gentlemen of the House: I hope that you do go along with the good gentleman Vose on indefinitely postponing this. All this amendment does that he has presented is that it changes it from "shall" to "may." If you get the amendment and get the bill, it says the Commission "may" order that any recovery, and if you look at the bill it says, in determining the ratemaking treatment for the utilities, that

they "shall" so I think that we really should go along and and indefinitely postpone this amendment.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Matthews.

Mr. MATTHEWS: Mr. Speaker, Members of the House: I am not an attorney, I am not one of the finest legal minds in the state unfortunately, but we have some excellent legal minds at our disposal here in the legislature. Let me tell you that there is a distinct difference—one thing that I have learned on the Public Utilities Committee is that there is a distinct difference between "shall" and "may." Believe me, there is a big difference in this legislation that I am presenting to you. It just allows the Commission to weigh that factor.

One thing before we end this debate, I want to apologize to my House Chairman. Believe me, I knew before I ever had the privilege and honor of serving in the legislature that friendship and respect for differing opinions is the essence of what a democratic society is all about. We have on our Public Utilities Committee, I believe, one of the most outstanding members of this legislature, a gentleman who I have disagreed with at times but agreed with also on occasion and it was not done, omitting your name, the gentleman from Eastport, purposely, I just got excited but I have a lot of praise and respect for that gentleman from Eastport.

I would request a roll call.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER: The pending question before the House is on the motion of the gentleman from Eastport, Mr. Vose, that House Amendment "A" be indefinitely postponed. Those in favor will vote yes; those opposed will vote no.

ROLL CALL 482

YEA—Anderson, Armstrong, Beaulieu, Bell, Bott, Brannigan, Brown, D.N.; Cahill, Callahan, Carroll, G.A.; Carter, Conary, Conners, Cooper, Cote, Crowley, Curtis, Daggett, Davis, Day, Dexter, Diamond, Dillenback, Drinkwater, Erwin, Foster, Greenlaw, Hall, Hickey, Higgins, L.M.; Holloway, Ingraham, Jackson, Jalbert, Kelleher, Kelly, Ketover, Kiesman, Kilcoyne, Lebowitz, Lehoux, Lisnik, Livesay, Macbride, Maceachern, Manning, Masterman, Matthews, K.L.; Maybury, McCollister, McPherson, McSweeney, Moholland, Murphy, E.M.; Nadeau, Nelson, Norton, Paradis, E.J.; Parent, Perry, Pines, Pouliot, Randall, Reeves, J.W.; Richard, Ridley, Roberts, Robinson, Roderick, Seavey, Sherburne, Small, Smith, C.W.; Sproul, Stevens, Stevenson, Stover, Tammaro, Theriault, Vose, Walker, Webster, Wentworth, Weymouth, and Willey.

NAY—Ainsworth, Allen, Andrews, Bost, Brodeur, Brown, A.K.; Carroll, D.P.; Cashman, Chonko, Clark, Connolly, Cox, Crouse, Gauvreau, Handy, Hayden, Higgins, H.C.; Hobbins, Jacques, Joseph, Kane, Laplante, Locke, Macomber, Mahany, Matthews, Z.E.; Mayo, McGowan, McHenry, Melendy, Michael, Michaud, Mills, Mitchell, E.H.; Mitchel, J.; Murray, Paul, Racine, Reeves, P.; Rolde, Rotondi, Scarpino, Smith, C.B.; Soucy, Soule, Thompson, and Tuttle.

ABSENT—Baker, Benoit, Bonney, Carrier, Dudley, Gwadnosky, Joyce, Martin, A.C.; Martin, H.C.; Masterton, Murphy, T.W.; Paradis, P.E.; Perkins, Salsbury, Strout, Swazey, Telow, Zirkilton, and The Speaker.

85 having voted in the affirmative and 47 in the negative, with 19 being absent, the motion did prevail.

Thereupon, the Bill was passed to be engrossed as amended and sent up for concurrence.

The following papers were taken up out of order by unanimous consent:

Papers from the Senate

The following Communication:

April 12, 1984

The Honorable John L. Martin
Speaker of the House

111th Legislature
Augusta, ME 04333

Dear Speaker Martin:

In accordance with Joint Rule 38, please be advised that the Senate today confirmed, upon the recommendation of the Joint Standing Committee on Judiciary, the Governor's nomination of Edward F. Gaulin of Saco for appointment as a District Court Judge.

Mr. Gaulin is replacing G. Arthur Brennan.

Sincerely,

s/JOY J. O'BRIEN

SECRETARY OF THE SENATE

Was read and ordered placed on file.

The following Communication:

April 12, 1984

The Honorable John L. Martin
Speaker of the House

111th Legislature
Augusta, ME 04333

Dear Speaker Martin:

In accordance with Joint Rule 38, please be advised that the Senate today confirmed, upon the recommendation of the Joint Standing Committee on State Government, the Governor's nomination of Annalee Z. Rosenblatt of Scarborough for appointment to the State Personnel Board.

Sincerely,

s/JOY J. O'BRIEN

SECRETARY OF THE SENATE

Was read and ordered placed on file

The following Communication:

April 12, 1984

The Honorable John L. Martin
Speaker of the House

111th Legislature
Augusta, Maine 04333

Dear Speaker Martin:

In accordance with Joint Rule 38, please be advised that the Senate today confirmed, upon the recommendation of the Joint Standing Committee on Judiciary, the Governor's nomination of G. Arthur Brennan of York for appointment to the Maine Superior Court.

Mr. Brennan is replacing William McCarthy.

Sincerely,

s/JOY J. O'BRIEN

SECRETARY OF THE SENATE

Was read and ordered placed on file.

Passed to Be Enacted

An Act to Clarify Certain Laws Relating to Education (H. P. 1862)(L. D. 2467)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

The Chair laid before the House the following matter:

Bill "An Act to Amend Certain Motor Vehicle Laws" (Emergency) (H. P. 1820) (L. D. 2412) which was tabled earlier and later today assigned pending further consideration.

On motion of Mr. Moholland of Princeton, the House voted to recede.

Senate Amendment "C" (S-411) was read by the Clerk,

On motion of Mr. Moholland of Princeton, Senate Amendment "C" was indefinitely postponed.

The same gentleman offered House Amendment "B" (H-725) to House Amendment "C" (H-685) and moved its adoption.

House Amendment "B" to House Amendment "C" was read by the Clerk and adopted.

House Amendment "C" as amended by House Amendment "B" thereto was adopted.

Mr. Carroll of Limerick offered House Amendment "D" (H-722) and moved its adoption.

House Amendment "D" was read by the Clerk and adopted.

The Bill was passed to be engrossed as amended by House Amendment "C" as amended by House Amendment "B" thereto and House

Amendment "D" in non-concurrence and sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

By unanimous consent, all matters having been acted upon requiring Senate concurrence, ordered sent forthwith to the Senate.

The following papers were taken up out of order by unanimous consent:

Communications

The following Communication:

Joint Select Committee on Alcoholism Services

April 10, 1984

The Honorable John L. Martin

Speaker of the House

111th Legislature

Dear Speaker Martin:

We are pleased to report that all businesses which was placed before the Joint Select Committee on Alcoholism Services during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	5
Unanimous reports	4
Leave to Withdraw	1
Ought to Pass	0
Ought Not to Pass	0
Ought to Pass as Amended	3
Ought to Pass in New Draft	0
Divided reports	1

Respectfully submitted

S/BEVERLY M. BUSTIN

S/Senate Chair

S/NEIL ROLDE

S/House Chair

Was read and ordered placed on file.

Consent Calendar

First Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the First Day:

(H.P. 1743) (L.D. 2297) Bill "An Act Making Appropriations from the General Fund to Implement Certain Recommendations of the Governor's Commission on the Status of Education in Maine for the Fiscal Years Ending June 30, 1984, and June 30, 1985" (Emergency) Committee on Appropriations and Financial Affairs reporting "Ought to Pass" as amended by Committee Amendment "A" (H-716)

There being no objections, under suspension of the rules, the above item was given Consent Calendar, Second Day, notification, the House Paper passed to be engrossed and sent up for concurrence.

On motion of Mr. Diamond of Bangor, the following item was removed from the Unassigned Table:

An Act to Provide Policy and Guidelines for Creation and Operation of Boards and Commissions (H.P. 1780) (L.D. 2345).

Tabled—March 30, 1984 by Representative Diamond of Bangor.

Pending—Passage to be Enacted.

On motion of Mr. Rolde of York, under suspension of the rules, the House reconsidered its action whereby the Bill was passed to be engrossed.

The same gentlemen offered House Amendment "A" (H-720) and moved its adoption.

House Amendment "A" was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: The purpose of the amendment is to change the numbering; apparently, that was why the bill was tabled, it was in conflict with another bill which now has been enacted and this amendment apparently will solve the problem.

Thereupon, House Amendment "A" was adopted.

The Bill was passed to be engrossed as amended by House Amendment "A" in non-concurrence and sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

The Chair laid before the House the following matter:

Bill "An Act to Implement Certain Recommendations of the State Compensation Commission" (H.P. 1858) (L.D. 2459) which was tabled earlier and later assigned pending further consideration.

In House, Referred to the Committee on Appropriations and Financial Affairs.

In Senate: Under suspension of the rules and without reference to a Committee, the Bill was read twice and passed to be engrossed as amended by Senate Amendment "A" (S-412) in non-concurrence.

On motion of Mr. Higgins of Scarborough, the House voted to recede.

The same gentleman offered House Amendment "C" (H-713) and moved its adoption.

House Amendment "C" was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Scarborough, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: As a brief explanation of this amendment, I would simply say that this was part of an agreement that Legislative Council reached in its disposition, if you will, of how to handle this particular piece of legislation as it pertains to constitutional officers. It was the intent that the council to put constitutional officers in a pay Range 86, I believe, for two of them, 88 or 89 for one and Range 90 for the other one. However, it was the council's intent that new constitutional officers, including the ones that we have now, if you will, when the 112th Legislature came in in December of this year, that those officers would be placed in Step A of that Range. The way the bill was originally drafted which this amendment corrects, the council could have set them anywhere from A to J within that range. That was not our intent, it was our intent that they come in at Step A, that is what this amendment does, and I hope that you will go along with the adoption of it.

Thereupon, House Amendment "C" was adopted.

Senate Amendment "A" (S-412) was read by the Clerk.

Mr. Brown of Livermore Falls offered House Amendment "B" (H-717) to Senate Amendment "A" and moved its adoption.

House Amendment "B" (H-717) to Senate Amendment "A" was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Brown.

Mr. BROWN: Mr. Speaker, Ladies and Gentlemen of the House: Let me first say that I think the State Compensation Commission obviously has worked very hard in coming up with this recommendation. I think that many parts of the commission bill are good, I support most of it, I applaud their actions, I think this is the proper way for these kinds of salary questions to be resolved.

The amendment that I am offering to you deals with only one aspect of the commission bill and that deals with legislative salaries.

Basically, the amendment leaves the legislative salaries as they presently are. The amendment agrees with the commission's recommendations on constituent service allowances and agrees on the commission's recommendations for expenses. I think that realistically we have to deal with those issues in terms of year-to-year cost of living and other factors that affect the cost of all of us being here and how much it costs us to be here through the expense portion.

What I am really questioning, however, are the salaries. I think basically it is a philosophical question of dealing with those portions of the commission report which deal with elected part-time positions rather than the full-time positions which are dealt with in the rest of the bill.

The issue before us today is not what we as

individual legislators are worth or what we are not worth; frankly, I think that each and every one of us more than earns the money that we get for serving. There are some of our constituents who may disagree with that; however, I would have to say in all honesty that while many of you and I have philosophical political differences on both sides of the aisle, I would have to say that I think each and every one of you works extremely hard for the political position that you represent and extremely hard for the people that you represent back home. So it really is not a question of how hard we work or what we are worth because I think that each and every one of you is worth every cent and more than what you receive in salary.

The real question, I believe, is what motivates each of us to serve. Most of us serve at a tremendous sacrifice to our personal lives and our professional lives. Most of us experience a tremendous financial sacrifice to come to Augusta and serve the folks back home. I applaud each of you for making that sacrifice. I know from my standpoint, I serve because I think that society has been very good to me and I think I owe it to society to attempt to serve in some capacity to try and repay some of that debt. I feel very strongly about that.

Another reason that I oppose increasing legislative salaries is that I think slowly but surely we are heading toward a full-time professional legislature. There are pros and cons to that argument but I believe that there is a lot of merit in retaining the part-time posture that the Maine State Legislature now has and I think that we are best able to serve our constituents and do so better by remaining part-time and not having the aura of a full-time professional legislature about us.

In summary, we should remain a part-time legislature devoted to our folks back home. Serving in Augusta should remain a sacrifice, I believe, should remain a privilege, and should remain an honor to serve the people of the great State of Maine and I would hope that you would vote in favor of this amendment.

I would request a roll call.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Handy.

Mr. HANDY: Mr. Speaker, Men and Women of the House: I feel today that I must support the amendment offered by the good gentleman from Livermore Falls for pretty much two simple reasons. Let me just preface my remarks by saying that I think we do deserve a pay raise; however, I personally cannot in good conscience support a pay raise for state legislators on this basis—one, there are 10,000 state employees who do not have a contract and, number two, there are people in my district who are working for a minimum wage on this date.

The SPEAKER: The pending question before the House is on adoption of House Amendment "B" to Senate Amendment "A." Those in favor will vote yes; those opposed will vote no.

ROLL CALL 483

YEA—Ainsworth, Allen, Anderson, Armstrong, Bell, Bost, Bott, Brown, A.K.; Brown, D.N.; Cahill Callahan, Carroll, G.A.; Conary, Connors, Cooper, Crouse, Daggett, Day, Dexter, Dillenback, Drinkwater, Foster, Gauvreau, Greenlaw, Gwadosky, Handy, Hickey, Holloway, Ingraham, Jackson, Jalbert, Kiesman, LaPlante, Lebowitz, MacBride, Macomber, Matthews, K.L.; Maybury, Mayo, McSweeney, Michael, Mills, Murphy, E.M.; Murphy, T.W.; Paradis, E.J.; Paul, Pines, Pouliot, Reeves, J.W.; Richard, Roberts, Robinson, Roderick, Salsbury, Scarpino, Seavey, Sherburne, Small, Smith, C.B.; Smith, C.W.; Sproul, Stevens, Stevenson, Stover, Walker, Webster, Weymouth, Willey, Zirkilton.

NAY—Andrews, Beaulieu, Brannigan, Brodeur, Carroll, D.P.; Carter, Cashman, Clark, Connolly, Cote, Cox, Crowley, Curtis, Davis, Dia-

mond, Erwin, Hall, Hayden, Higgins, H.C.; Higgins, L.M.; Hobbins, Jacques, Joseph, Joyce, Kane, Kelleher, Kelly, Ketover, Kilcoyne, Lehoux, Lisnik, Livesay, Locke, MacEachern, Mahany, Manning, Martin, H.C.; Masterman, Matthews, Z.E.; McCollister, McGowan, McHenry, Melendy, Michael, Mitchell, E.H.; Mitchell, J.; Moholland, Murray, Naudeau, Nelson, Norton, Parent, Perkins, Perry, Racine, Randall, Reeves, P.; Ridley, Rolde, Rotondi, Soucy, Soule, Tammard, Theriault, Thompson, Tuttle, Vose, Wentworth, The Speaker.

ABSENT—Baker, Benoit, Bonney, Carrier, Chonko, Dudley, Martin, A.C.; Masterton, McPherson, Paradis, P.E.; Strout, Swazey, Telow.

69 having voted in the affirmative and 69 in the negative, with 13 being absent, the motion did not prevail.

Thereupon, the Bill was passed to be engrossed as amended in non-concurrence and sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

The SPEAKER: The Chair would ask the Sergeant-at-Arms to escort the gentleman from Fairfield, Mr. Gwadosky, to the rostrum to act as Speaker pro tem.

Thereupon, Mr. Gwadosky assumed the Chair as Speaker pro tem, and Speaker Martin retired from the Hall.

The Chair laid before the House the following matter:

SENATE DIVIDED REPORT—Committee on Energy and Natural Resources reporting in Report "A" (9) "Ought to Pass" in New Draft (Emergency) (S. P. 915) (L. D. 2463)—Three Members report in Report "B" that the same "Ought to Pass in New Draft, New Title Bill "An Act to Remove Fees and Provide for Implementation of the Chemical Substance Identification Law" (Emergency) (S. P. 916) (L. D. 2464)—One Member reports in Report "C" that the same "Ought to Pass" in New Draft, New Title, Bill "An Act to Remove Fees and Provide for Implementation of the Chemical Substance Identification Law" (S. P. 917) (L. D. 2465) on Bill "An Act to Reduce Minimum Fees and Provide for Implementation of the Chemical Substance Identification Law" (Emergency) (S. P. 719) (L. D. 1977) which was tabled earlier and later assigned pending acceptance of any report.

The SPEAKER pro tem: The Chair recognizes the gentleman from Sangerville, Mr. Hall.

Mr. HALL: Mr. Speaker, Members of the House: I move that we accept the Majority "Ought to Pass" Report A and would like to speak to my motion.

This probably has been one of the most controversial bills that I have ever had to deal with. What made it controversial was not because of what we did last year but because of the way it was handled after we had passed it last year. It came out unanimous from the committee last year and then because of some bad moves that were made by a letter that was sent out, all heck broke loose and from that point on, our committee worked day in and day out to try to make it something worthwhile. I think you will see in this bill, if you have had the opportunity to read it, that we have done that. Because of that, I move that we accept the "Ought to Pass" Report A.

The SPEAKER pro tem: The Chair recognizes the gentleman from Livermore Falls, Mr. Brown.

Mr. BROWN: Mr. Speaker, Ladies and Gentlemen of the House: It gives me a great deal of pleasure to agree with my House Chairman on one point and that is that this certainly was one of the most controversial pieces of legislation that our committee has dealt with this session, probably one of the most controversial piece of legislation the entire legislature will deal with this session.

If your memory serves you properly you should think back a few months ago when some 26,000 letters went out to every business in the

State of Maine from the Bureau of Labor. Most of us were besieged with telephone calls in response to that letter. The public, obviously, was concerned about the legislation that came out of this body last year, they wanted something done about it. There were several attempts to introduce pieces of legislation through the Legislative Council into this session to repeal what we did last year, and I don't have to tell anybody in this body what happened at every turn—that was turned down. I am not really sure why because this certainly generated a lot of concern among the business community.

Ladies and gentlemen, I would hope that before you vote on this issue you would at least consider some of the things that this bill does. Probably you really haven't had an opportunity to read the Majority Report because bills are flying around here left and right and it is difficult to read everything, but let's talk about some things that the Majority Report does.

First of all, employers will be required to develop written hazardous communications programs and the plan must be in considerable detail in accordance with the bills. Don't take my word for it, pull the bill out and read that section, it is on Page 10. It is going to be a burden for the small employer. I am not sure what kind of guidance he is going to get.

Secondly, proponents would lead you to believe that this bill exempts small businesses. Small businesses, those businesses employing three or less, will be exempted from fees only, not from the reporting, not from the training and educational programs required but from fees only. I don't really think that the fee is the big issue in this bill at this point.

The Majority Report adds rather than reduces the number of chemicals covered under the existing law. I think that is something you should consider very carefully. The Majority Report requires training for employees who are "exposed" to hazardous chemicals. The 1980 law had routinely "exposed" in the law. Routinely was taken out last year so what does the term exposed mean? Does this mean that the secretarial staff or the custodial staff who pass through an area on occasion are going to be covered or required to complete training programs because they are exposed, I guess, to hazardous chemicals? What type of training is to be expected? Is it going to be classroom sessions, are we providing educational literature or what is going to happen? That is not really spelled out, we don't know, the businesses don't know. Employers can't really comply unless they have some guidance. I don't think that guidance is here.

The Majority Report permits the Department of Labor to adopt rules to require refresher training. Does that mean annual training? I believe that it does because the Bureau of Labor was up front and honest with us and frankly admitted and indicated its perceived need for annual training sessions. These can be very costly. If annual training sessions are required, for example, Bath Iron Works would spend as much as \$250,000 a year to provide that training. That is just one example.

Employers will be required to report annually to the bureau and pay fees. Even though fees have been reduced greatly, to \$10 per company, and I admit that that is a far better situation than what is on the books right now, those fees are going to be used for enforcement of the law. Traditionally, I think that when the legislature passes laws, enforcement funding comes from the General Fund. The fees should be used to set up the training programs that are being required by the Bureau of Labor and they frankly admitted that they are not going to be equipped to do that. Basically, the fees are being required to feed a growing bureaucracy.

Who will bear the brunt of the new tax? Most of you would say, I think, if you listened to the proponents of the legislation, that it will be heavy industry—not so. Manufacturers will be covered by proposed OSHA rules which will be going into effect in 1986 and those OSHA rules will

preempt anything that we have done or that we put on the books, so you know who is going to be paying the brunt of the new tax? You've got it, small business. Therefore, the burden of expanding the bureaucracy is going to fall on small business.

If this Majority Report passes and believe me I hope that it doesn't, there should be folks on both sides of the aisle voting against this, this should not be a partisan vote and I hope with all my heart that it is not, but if this passes, there are going to be some 26,000 new letters going back out from the Bureau of Labor to every single business in the State of Maine and it bothers me to think of what those letters might say because we placed our trust, you recall, last year in the Bureau of Labor and we saw what happened.

We are setting up a whole brand new level of rules and regulations in the state; believe me, I am not belittling in any way the proponents' perception of the need for this legislation, I am just looking at it from an entirely different viewpoint, obviously.

I hope that you defeat the motion before you to accept the Majority Report so we can go on to accept the Minority Report which strips everything we passed last year off the law, it goes back to the 1980 law which I believe serves the people of the State of Maine to greatest degree. I urge you to defeat the pending motion.

The SPEAKER pro tem: The Chair recognizes the gentleman from Shapleigh, Mr. Ridley.

Mr. RIDLEY: Mr. Speaker, Ladies and Gentlemen of the House: I hope that you would go along with this Majority Report. I think most of you people in here know me well enough that I have always stood up for the small businessman and there probably wasn't anybody more upset with the law that was passed last year than I was when I found out what was really going on.

I will be perfectly honest with you this time. My first reaction was, when this bill first landed down there in the committee room, to kill it. I was obsessed with it, I thought, gee, how are we going to do it? We have got to kill this thing and get rid of it.

Then I got looking it over and looking it over and I thought, well, maybe the next best thing would be to gut everything out of it because I felt that surely we were going to pass something and there probably was a need for something, so I got looking it over and looking it over and we spent many, many hours going over this. As I have said, I have always been concerned with the small businessman and there were many, many areas in here such as the Mom and Pop grocery stores, the gasoline stations, it even went down and was requiring anybody that had a couple of gallons of gas and what not and we kept hacking away and hacking away, we increased the part for gasoline, diesel fuel up to 500 gallons and then to 1000 and then finally I took the grand plunge and suggested we do away with it completely and we did so that isn't in there anymore.

On Page 17 of the bill, if you just take a quick glance at it, employers who have no applicable chemicals in the work place employing three or few employees in state, municipal, quasi-municipal government organizations are exempt from fees under this chapter. Any employer who pays a fee and is found to be exempt from that fee shall receive a proper refund. I think that was a good part, it took care of a lot of the little small Mom and Pop stores, filling stations, garages, hardware stores and so on.

There are numerous areas in here that we addressed and I think the committee did a good job straightening it out.

I don't want to take too much of your time but there was an area that concerned the Right to Know Law which I was a little bit concerned about. If someone went into a plant and found they were using a hazardous or dangerous chemical, I could see them parading up and down in front of the plant with a placard that this plant has got cyanide in it, etc. and we changed it so that they can go in the plant and if they find

hazardous material that is being used in a slap-happy fashion and is not stored in the right containers, laying around where it can get knocked on the floor, that would make it either long or short term hazardous health to the general public, why then this information can be made available but it does give the employer some protection as long as he takes care of the stuff and handles it properly and stores it properly, he has nothing to worry about.

I think there are areas—I have worked in machine industry, tool work for many, many years and I have been in factories such as Bath Iron Works, G.E., Western Electric, IBM, you name them, and they do have chemicals in these places and some of them are in fairly large quantities and I think there should be some protection to the employee against this. The employers on the whole, as I found in plants that I have visited, are very careful about it but then there is always that chance and if they are using chemicals, not taking care of them properly, I would be the first one to say that they should be called on the carpet.

I would hope that you would go along with the Majority Report on this bill.

The SPEAKER pro tem: The Chair recognizes the gentleman from East Millinocket, Mr. Michaud.

Mr. MICHAUD: Mr. Speaker, Men and Women of the House: I am on the Majority Report and I hope the members of this body accept the Majority Report.

The Representative from Livermore Falls, Mr. Brown, is right that the bill we did pass last year drew a lot of concern among the business community. The Majority Report addresses those concerns. There is an exemption section on Page 3 which exempts substances rather than business and the penalty section which I think is very important does not go into effect until November 25, 1985, with the exception of penalty fees so if the business is in violation, then there is no penalty except for fees until November of 1985.

Representative Brown mentioned about, what does expose mean. On Page 12 of the bill which he was referring to, it deals to work area. At the beginning of the L. D. it defines work area, so if an office worker does walk by an area where they are dealing with chemicals, it does not mean that they have to take the education.

I am surprised at the gentleman from Livermore Falls, Mr. Brown, because he supported the bill last year as it came out of committee and this bill refines that report even more, so it surprises me that the gentleman is not supporting this bill.

I am concerned also in the way that the Department is going to handle notifying the employers. I asked them to write a letter to show to the employers and basically the part that would concern grocers, etc., reads something like this—substances that are not hazardous include consumer products, food stuffs, seal substances which workers are not exposed to. If you do not have any hazardous substances in your work place, please disregard this notice.

I have talked to business people out in the halls and they have read the report, they don't seem to be too concerned. The major concern that they have is how the department is going to handle this issue and I showed them a letter that the department had given me on how they plan on doing it and I don't think that they are that concerned. We did reduce the fee to a \$10 flat fee, so I would hope that this body would accept the Majority Report A.

The SPEAKER pro tem: The Chair recognizes the gentleman from Livermore Falls, Mr. Brown.

Mr. BROWN: Mr. Speaker, Ladies and Gentlemen of the House: Just very briefly in response to one comment that the gentleman from East Millinocket, Mr. Michaud, made. I respect him very, very much and I sincerely mean that but he said that I voted for the report that came out of committee last year and he is right, I did, but you know something, sometimes we don't do

enough of this, I made a mistake. I frankly admit that, and that was the position that I pressed with the committee right from the very beginning of this legislative session. I goofed and I think the committee as a whole, goofed, not individual members but I think perhaps we let something out too fast. Perhaps it didn't get the kind of perusal that we thought, perhaps we relied too much on the business interests and the labor interests who pulled out what was considered to be a reasonable compromise, and my attitude right from the very beginning was, folks, we created this monster, let's get rid of it, and that is what I am trying to do today.

The SPEAKER pro tem: The Chair recognizes the gentleman from East Millinocket, Mr. Michaud.

Mr. MICHAUD: Mr. Speaker, Ladies and Gentlemen of the House: What I am trying to do this evening is to prevent the Representative from Livermore Falls, Mr. Brown, from making another mistake. This bill has enough safeguards in it so I believe that this body should accept it. As I mentioned earlier, the penalties do not go into effect until November 25, 1985, and to keep an eye on the department, the department will report back to the legislature on rules that they adopted. I think that there are enough safeguards in here so this body can accept Report A.

The SPEAKER pro tem: The Chair recognizes the gentleman from Fryeburg, Mr. Kiesman.

Mr. KIESMAN: Mr. Speaker, Ladies and Gentlemen of the House: I cannot support the Majority Report and I wanted to. Last year, when we put out the unfortunate bill from our committee that we did, we did it hurriedly and under pressure for time. This year we started off with all good intentions right from the beginning of the year because we recognized that we had made a mistake, we let something out that we shouldn't have and we talked about this bill all during the session this year but we didn't work on it, didn't really work on it until about the last two days after we had a deadline and that is when the draft surfaced that has been modified to what you see today. There have been intermittent stabs at it throughout the year but no real get down to work and work on it so we could get it out earlier on and get some real solid information from the department on how they propose to implement it this time. I guess what my big problem is that concern about how the Department is going to approach it this time.

There are some parts in this that are not well done. The part about the waiver and exemption from fees—what that says to me in the statute that is proposed here is that every businessman is covered, is exposed to this bill, and he must request a waiver of fees but he is still covered by everything else in it.

The department has told us that they are going to send out a letter and you heard part of a proposed letter read to you that they are going to tell these employers to disregard if it doesn't apply to you but that is not what the bill says. There are two or three other parts in the bill that are the same thing.

We didn't get this thing earlier enough, we didn't give it enough consideration as far as I am concerned, we didn't have time to get reasonable input from the Department on how they are going to implement it and I will tell you, ladies and gentlemen, I am gun shy. I do believe that they are going to have to send out these 2600 letters again to all of the businessmen in the state and I think you heard from a lot of those 2600 businessmen after it went out last year and earlier this year on how they felt about getting some of those letters. They are going to get letters again and I don't want to see them get one. We could have written this thing to where we definitely established who was covered and who was going to get those letters from the department and we have not done that. That concerns me and that is why I can't support it.

The SPEAKER pro tem: The Chair recognizes the gentleman from Lewiston, Mr. Gauvreau.

Mr. GAUVREAU: Mr. Speaker, Ladies and Gen-

tlemen of the House: I will try to be brief due to the lateness of the hour. I would like, first of all, to correct a few points which my dear colleague, Representative Brown from Livermore, made.

He stated earlier that OSHA was going to promote rules and regulations later on next year which would totally preempt the state from undertaking any activity whatsoever in the area of hazardous communications. That simply is not the correct statement. It is true that OSHA has promulgated regulations but those are only proposed and they only deal with the very narrow area of manufacturing employers, leaving a great many employers totally unregulated in this area.

I would also point out that when he urges us to go back to the 1980 law, we should take note that in that year the Attorney General for the State of Maine ruled that statute was unenforceable because it did not confer upon the Director of the Bureau of Labor standards any rulemaking authority whatsoever; therefore, if we go back to that statute, we effectively repeal this bill and do nothing at all and leave the workers of the State of Maine totally unprotected in this vital area.

I would like at this time to extend my appreciation to the efforts of all the members of the Committee on Energy and Natural Resources and especially Representative Kiesman who labored long and hard in attempting to forge a bipartisan draft which we could all endorse and due to the pressures of time, some members feel that they would like further time to study this issue. But with all due respect, we have had this bill in all year long and many of us have worked long hours on several drafts trying to address the various concerns of the business community. I am not going to go over all the points which were raised by earlier speakers, suffice it to say that in my judgment the draft we have before you today is a responsible reaction and response to the concerns of the business community and that it also protects the rights of our working people in this state to make certain that they are not unduly exposed to hazardous chemicals. For these reasons, I would urge your support for the Majority "Ought to Pass" Report.

The SPEAKER pro tem: The Chair recognizes the gentleman from Baileyville, Mr. Tammaro.

Mr. TAMMARO: Mr. Speaker, Ladies and Gentlemen of the House: I would have to say that I have got to go along with Representative Brown from Livermore Falls because I have had a few calls in regard to this bill when I am back home and I didn't know what to tell them.

I called who I thought were the powers to be and they couldn't tell me anything. I honestly believe that this is not really a good bill and I have got to support the good gentleman from Livermore Falls.

The SPEAKER pro tem: The Chair recognizes the gentleman from Old Town, Mr. Cashman.

Mr. CASHMAN: Mr. Speaker, Men and Women of the House: Like Representative Hall and Representative Brown, I haven't found chemical identification to be a very pleasant subject but it did provide me with an opportunity to work with the Energy and Natural Resources Committee which I did enjoy, especially Representative Brown, my good friend.

I would agree with everything that Representative Ridley and Representative Michaud and Gauvreau have said, but I do agree with Representative Brown on one thing—the final draft that is before us here tonight does provide that the monies collected will be used for enforcement and I think we do have to be concerned about an expanding bureaucracy. That was one of my concerns when I first got involved with this matter, but I think the most important part of the final draft that we will be voting on is that it does provide legislative oversight. The fact that the Department of Labor will have to come back to the legislature and justify that budget, I think is the most important component of the bill.

I intend to support it, I applaud the efforts of the committee and I think they have done a fine job. I don't think we will have the outrage and

the response that we had in January when the letters go out.

I urge you all to support the passage of this bill. Mr. Brown of Livermore Falls requested a roll call.

The SPEAKER pro tem: The Chair recognizes the gentleman from Limerick, Mr. Carroll.

Mr. CARROLL: Mr. Speaker, Ladies and Gentlemen of the House: At the peril of death because a body who I have had close affiliation with, Representative Ridley, supports this, but I have a great fear, they said we were under the gun and I have a feeling that I have a double barrel gun looking at me because my people back home told me, "Carroll, you are entitled to one mistake" and I let this bill become law and I don't want to go home and find out that those people running businesses have got to run classes every morning, that they have got to answer to I don't know how many different people that don't know anything at all about business. I am just puzzled and bewildered because when something comes up this late in the ballgame, we usually say, boy, that is a foul ball. I hate to say it because I like all of the people that I work with here but I have great, great concern when something shows up on the 9th hour of the 9th night of the 9th day and that is just what we have here.

When I went home and my phone began to ring, you know I have a black phone hung on the wall and that old baby turned red, and I don't believe she has ever turned black since, because everybody that employed anybody that kept anything at all was on the phone wanting to know what ails the legislature, what is the matter with you people, don't you know anything at all? This country has gone on for years and years and years and we didn't need all of these laws and you people down there just keep passing them and keep passing them and keep passing them.

I used to live with a man down here in Augusta and he was about 89 years old and he said, you know what I have decided? That if we took that legislature and we gave you all your paychecks and sent you home on the first day of January, we would be a heck of a lot better off because we know how to live with you now but if we give you three months here, we are not going to know how to live with you. I have to say it because I like all the people I work with here but I am awfully worried when a bill shows up this late and I am very, very concerned because those people back home trust me and I don't want to violate their trust.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER pro tem: The pending question before the House is the motion of the gentleman from Sangerville, Mr. Hall, that the House accept the "Ought to Pass" Report A. Those in favor will vote yes; those opposed will vote no.

ROLL CALL 484

YEA—Ainsworth, Allen, Andrews, Beaulieu, Bost, Brannigan, Brodeur, Carroll, D.P.; Carter, Cashman, Chonko, Clark, Connolly, Cooper, Cote, Cox, Crouse, Daggett, Diamond, Erwin, Gauvreau, Gwadosky, Hall, Handy, Hayden, Higgins, H.C.; Hobbins, Jacques, Jalbert, Joseph, Joyce, Kane, Kelleher, Kelly, Ketover, LaPlante, Lehoux, Locke, MacEachern, Macomber, Mahany, Manning, Martin, H.C.; Matthews, Z.E.; Mayo, McCollister, McGowan, McHenry, Melendy, Michael, Michaud, Mills, Mitchell, E.H.; Mitchell, J.; Murray, Nadeau, Nelson, Paradis, P.E.; Paul, Perry, Pouliot, Racine, Reeves, J.W.; Richard, Ridley, Roberts, Rotundi, Smith, C.B.; Soucy, Soule, Stevens, Theriault, Thompson, Tuttle, Vose, The Speaker.

NAY—Anderson, Armstrong, Bell, Bott, Brown, A.K.; Brown, D.N.; Cahill, Callahan, Carroll, G.A.; Conary, Connors, Curtis, Davis, Day, Dexter, Dillenback, Drinkwater, Foster, Greenlaw, Hickey, Higgins, L.M.; Holloway, Ingraham, Jackson, Kiesman, Kilcoyne, Lebowitz, Livesay, MacBride, Masterman, Matthews, K.L.; Maybury, McPherson, McSweeney, Mohalland, Murphy,

E.M.; Murphy, T.W.; Norton, Paradis, E.J.; Parent, Perkins, Pines, Randall, Reeves, P.; Robinson, Roderick, Rolde, Salsbury, Scarpino, Seavey, Sherburne, Small, Smith, C.W.; Sproul, Stevenson, Stover, Tammara, Walker, Webster, Wentworth, Weymouth, Willey, Zirkilton.

ABSENT—Baker, Benoit, Bonney, Carrier, Crowley, Dudley, Lisnik, Martin, A.C.; Masterton, Telow.

76 having voted in the affirmative and 63 in the negative, with 12 being absent, the motion did prevail.

The New Draft was read.

Under suspension of the rules, the New Draft was read a second time and passed to be engrossed in concurrence.

By unanimous consent, ordered sent forthwith to Engrossing.

At this point, Speaker Martin returned to the rostrum.

Speaker MARTIN: The Chair would thank the gentleman from Fairfield, Mr. Gwadosky, for presiding.

Thereupon, the Sergeant-at-Arms escorted Mr. Gwadosky to his seat on the floor, amid the applause of the House, and Speaker Martin resumed the Chair.

The following paper was taken up out of order by unanimous consent:

Passed to Be Enacted

An Act to Revise Child Custody Terminology, Enact "Best Interest of the Child" Criteria and Provide for Mandatory Mediation in Cases of Separation, Annulment or Divorce where there is a Contested Issue Involving Children (H. P. 1861) (L. D. 2466).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, I would like to pose a question through the Chair. Is this Representative Connolly's Bill? Is this the bill where the intention is to keep the parents together?

The SPEAKER: The gentleman from Lewiston, Mr. Jalbert, has posed a question through the Chair to anyone who may respond if those so desire.

The Chair recognizes the gentlewoman from Ellsworth, Mrs. Foster.

Mrs. FOSTER: Mr. Speaker, Ladies and Gentlemen of the House: This new draft does not create a new office of domestic relations to hear divorce. Instead, this new draft proposes the use of the existing court mediation service.

I will tell you what the changes are. We take the term "custody" and use "parental rights and responsibilities." The reason for this change is that during our hearings and interviewing many young people that have been involved in divorce, they thought of custody as being someone with mental disease or someone that had been in trouble with the law and they thought of their parents as still their parents and joint custody was a word that was very foreign to them. This has the blessing of all the people that in the beginning I guess I alienated.

We also put into law the best interest of the child. The best interest of the child standard has been in case law; this now puts it in statute.

We also put into the bill that when there is a contested hearing, when the parties cannot agree and there are minor children involved, the court shall refer the parties to mediation. This is not binding. After the mediation, they have to go back into the courtroom if there is still dispute, but hopefully these types of cases can be mediated.

Every final court order has to contain a provision for the child support and provision for both parents to have access to medical school records or a statement as to why they are not ordered. There is no preference for father or mother and that is current Maine case law. This puts it into statute.

The new draft provides that parties already

separated or divorced cannot seek to modify their court orders simply because this legislation is enacted.

The last thing is that there is no fiscal note.

Thereupon, the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

By unanimous consent, ordered sent forthwith to the Senate.

The Chair laid before the House the following matter:

Bill "An Act to Limit the Authority of the Public Utilities Commission to Award Compensation to Intervenor" (S. P. 763) (L. D. 2071)

In Senate, Majority "Ought to Pass" Report of Committee on Public Utilities read and accepted and the New Draft (S. P. 904) (L. D. 2424) passed to be engrossed.

In House, Minority "Ought to Pass" as amended Report on the Committee on Public Utilities read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A" (S-307) and House Amendment "A" (H-683) in non-concurrence.

Which was tabled and later today assigned pending the motion of Representative Connolly of Portland to reconsider passage to be engrossed.

The SPEAKER: The Chair recognizes the gentleman from Eastport, Mr. Vose.

Mr. VOSE: Mr. Speaker, Ladies and Gentlemen of the House: I would ask for a division and hope that you will vote against the motion.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Matthews.

Mr. MATTHEWS: Mr. Speaker and Members of the House: I would just ask if the gentleman from Portland is here, since it was his motion to reconsider, and out of fairness to him—

The SPEAKER: The Chair would suggest that the gentleman knew we were in session.

Mr. MATTHEWS: Mr. Speaker and Members of the House: I hope that you will consider this bill today. I did plan to speak on this bill.

As my good chairman and the other members of the committee know, the other day I was unable to participate in a meeting of the committee on this issue, intervenor funding and the new positions at the Public Utilities Commission. I feel very very strongly about intervenor funding. That word, I am sure to many of you, as it was to me, is a strange one. What intervenor funding means is that the public at large, the consuming public, the ratepayers of the State of Maine, should have a method by which they can participate in a rate case at the Public Utilities Commission. Right now they can do that, I could go, but as all of you know, it's very expensive and to have any power to get legal help or to bring in a witness to testify on a rate case, to bring in information which would help the commission make a fair decision, it costs money.

The utilities, Central Maine Power Company and Bangor Hydro-electric Company, Maine Public Service and other utilities in the state have a large resource available to them when they come before the commission to bring a rate case, and that resource is you and I. They pass the charges of a rate case through to the rates that you and I pay.

What the issue of intervenor funding says is that maybe, just maybe, it would be a good thing to have another point of view. We are fortunate to have a public advocate and I applaud all the members of this legislature, those who were here when that public advocate was created, but as all of you know, the public advocate, the Public Utilities Commission, functions on a restricted budget also; they have limited resources. I think it is a nice, very fair and democratic thing for the public to have a way of participating in a rate case. Believe me, there's a very strict criteria used in awarding compensation to intervenors. They have to meet a very very strict criteria based on economic income and their availability to pay for those witnesses. They have to bring new evidence before the commission that the public advocate could not present, there are a lot of things that are there to protect all of us.

I hope that you will reconsider this legislation today because in my estimation, if you enact this bill you will be saying to the ratepayers, those who cannot afford to bring a case before the commission, that we're sorry but that's the way it is. Let the commission decide, as I said on the last issue, let the commission decide and leave an avenue open to the public.

On motion of Representative Diamond of Bangor, tabled pending the motion of Representative Connolly of Portland to reconsider passage to be engrossed and later today assigned.

At this point, by unanimous consent House Rule 22 was suspended for the purpose of conducting business after 9:00 p.m.

The following paper was taken up out of order by unanimous consent:

The following Communication:
Committee on Appropriations and Financial Affairs

April 12, 1984

The Honorable John L. Martin
Speaker of the House
111th Legislature
Dear Speaker Martin:

We are pleased to report that all business which was placed before the Committee on Appropriations and Financial Affairs during the second regular session of the 111th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	48
Unanimous reports	36
Leave to Withdraw	10
Ought to Pass	6
Ought Not to Pass	3
Ought to Pass as Amended	10
Ought to Pass in New Draft	7
Divided reports	12

Respectfully submitted,
MARY NAJARIAN
Senate Chair
DONALD V. CARTER
House Chair

Was read and ordered placed on file.

The Chair laid before the House the following matter:

Bill "An Act to Limit the Authority of the Public Utilities Commission to Award Compensation to Intervenor" (S. P. 763) (L. D. 2071).

In Senate, Majority "Ought to Pass" Report of Committee on Public Utilities read and accepted and the New Draft (S. P. 904) (L. D. 2424) passed to be engrossed.

In House, Minority "Ought to Pass" as amended Report of the Committee on Public Utilities read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A" (S-307) and House Amendment "A" (H-683) in non-concurrence.

Which was tabled and later today assigned pending the motion of Representative Connolly of Portland to reconsider passage to be engrossed.

Representative Vose of Eastport withdrew his request for a division on the motion to reconsider.

Thereupon, the House reconsidered its action whereby the Bill was passed to be engrossed.

Representative Connolly of Portland offered House Amendment "B" and moved its adoption.

House Amendment "B" (H-728) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker and Members of the House: I apologize for the mixup in this but this amendment originally was improperly drafted and had to be sent down and redrafted and that is the reason for the delay.

The amendment that is before you, if it is adopted and put on the bill, would allow the Public Utilities Commission, under very tightly controlled situations, to compensate intervenors, people who come before the Public

Utilities Commission and intervene in rate proceedings. The language that is in this amendment says that in order for an intervenor to be considered for compensation, that that intervenor has to present and address an issue that has not been addressed by anyone else. If the public advocate or someone else speaks to the issue, then this intervenor is not eligible for compensation. In addition to that, the issue that the intervenor addresses has to ultimately result in a significant cost savings to the ratepayers.

This issue arose very early this year because of a rate case that Central Maine Power had had before the Public Utilities Commission last year. They had asked for a \$53.4 million, I believe, rate increase to be passed on to its customers. The PUC ultimately decided to give them only 21 percent of what they had requested. Amongst the intervenors in that rate case was the Maine Citizens Committee for Utility Rate Reform, and as part of the case that they presented, they brought up a legal consultant from Boston to address specifically an issue of \$8 million worth of tax credits that Central Maine Power had hidden and had not passed on to its customers. That was an issue that was not addressed by the Public Advocate or the PUC staff and ultimately resulted in an \$8 million savings to customers of Central Maine Power.

After that case was decided, the Public Utilities Commission decided that they would compensate that committee \$11,000 for the expenses that were incurred in presenting that case. That was perfectly legitimate, everybody agreed to that.

The bill that is before us right now without this amendment would say it's all right for people to come to intervene, but regardless of what expense they have to go to to get experts to come and testify, they cannot be compensated for that, that this amendment allows, under very tight conditions, intervenors to be compensated. It certainly is a consumer issue.

Central Maine Power, in the last rate case, brought \$350,000 to pay for its own lawyers. There was no argument about that, that was passed on to the ratepayers. Central Maine Power and every other utility in this state automatically is able to get its lawyers' fees paid for and have them passed on to the customers, but if citizen intervenors try the same thing, if this bill passes without this amendment, they will not be allowed to be compensated. This is a legitimate issue, a legitimate consumer issue, and I hope that you would support the amendment.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, not to offend my good friend from Portland, Mr. Connolly, but I remember distinctly discussing this issue of intervenors with a former Chairman of the Committee, Representative Kelleher, so could I ask Representative Kelleher of Bangor a question, Mr. Speaker?

If I go to a hearing and as the hearing goes on, if I haven't checked in or registered as an intervenor, can I then register or can I be heard before the PUC, or the fact that I did not register beforehand I cannot become an intervenor during the hearing, I'm dead? Is that correct?

The SPEAKER: The Chair gentleman from Lewiston, Mr. Jalbert, has posed a question through the Chair to anyone who may care to answer.

The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker and Members of the House: In response to the question, Representative Jalbert is right. Unless you're registered and approved and accepted beforehand, you would not be allowed to speak, except on occasion, the Public Utilities Commission has what is known as public days, they would hold a public hearing if it is a large rate case and then as a member of the public you would be able to go and speak your piece, but you would not be recognized as a legitimate intervenor unless you had been approved by them beforehand.

The SPEAKER: The Chair recognizes the gentleman from Eastport, Mr. Vose.

Mr. VOSE: Mr. Speaker, Ladies and Gentlemen of the House: This amendment is not identical but very close to Committee Amendment "A" which I attempted to sell to the House two or three days ago, I believe. I was soundly defeated; therefore, at this time I would urge all the members here in the House to support House Amendment "B".

The SPEAKER: The Chair recognizes the gentleman from Auburn, Mrs. Robinson.

Mrs. ROBINSON: Mr. Speaker, Ladies and Gentlemen of the House: When the members of the Public Utilities Committee first learned about intervenor funding through the newspapers early in this session, we all sent a letter to the PUC saying that we did not like intervenor funding. Eventually, we then heard a bill on this issue and some members of the committee originally felt that intervenor funding might be all right if it happened out of the PUC's own budget, and that was Report A.

What this amendment does, it does exactly what every member of the PUC voted in favor of doing away with, and that was just plain allowing intervenor funding in the present form. Our committee then brought an intervenor funding bill to the floor which we debated heavily the other day. I don't think we need to debate it too long today, but I would remind you that we voted that we did not like the idea of intervenor funding. We felt that the PUC and the Public Utilities' Commissioners already ought to be doing their job in analyzing these rate cases without having to pay these intervenors.

I would also like to remind you that this would be setting another precedent in that people that do intervene in other things, such as the Supreme Court, don't get paid for intervening and why they should at Public Utilities Commission proceedings is beyond me.

I urge you to vote against the motion.

The SPEAKER: The Chair recognizes the gentleman from Fryeburg, Mr. Kiesman.

Mr. KIESMAN: Mr. Speaker, I would like to pose a question to the gentleman from Portland, Mr. Connolly. I hope we are talking about the same amendment, it's House 728. If we are, in your presentation you said that what this does is allow compensation if the intervenor comes up with a point that has not been addressed and makes a cost savings. What I am reading in mine says that they may order compensation to intervenors only when the commission finds that the compensation is necessary to insure the presentation of an issue which cannot be presented by the public advocate or commission staff and which makes a contribution. My question is, what is it that the commission staff and the public advocate cannot present?

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker and Members of the House: Representative Kiesman, apparently you weren't listening to what I said. I gave a very specific example.

In the last rate case that Central Maine Power had pending before the PUC, the Citizens Rate Committee identified \$8 million in tax credits that Central Maine Power had hidden. The public advocate didn't find that \$8 million, the PUC staff didn't find that \$8 million, it was through this public intervenor for a public citizens group that this money was identified and as a result of that \$8 million in hidden tax credits being discovered, the customers received a savings of \$8 million that the Central Maine Power Company otherwise would have been able to pocket.

I would hope that the House would support this amendment.

The SPEAKER: The Chair recognizes the gentleman from Fryeburg, Mr. Kiesman.

Mr. KIESMAN: Mr. Speaker, Ladies and Gentlemen of the House: I did listen very carefully and what you are telling me, the fact is that the intervenor did find something that the staff did not find but it was not something that they couldn't

have found. There was nothing to prevent them from finding it. If the intervenor, if the individual who wanted to come before the PUC was aware of some information that was important to the case, he has a responsibility to make that known to the PUC or the Public Advocate. It is not something that we play a game with and keep it from them. If that is the case, then maybe that is the way it should work in public hearings before this body. The fact is, this says that they cannot present—to insure presentation which cannot be presented by—and I don't think that is the same as making a presentation on something they didn't find.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker, Ladies and Gentlemen of the House: I don't know how to respond to that. The gentleman is, I think, trying to confuse the issue. The fact of the matter is that the \$8 million would not have been discovered unless a legal technical consultant who knew how to work her way through all the records of Central Maine Power was available and spent the time, a considerable amount of time, doing that and making a very successful argument before the Public Utilities Commission.

The people who don't want this amendment are the power companies, the utility companies across the state. They are the people who do not want this amendment. I would hope that this House, who I think represents the consumers of the state, would support this amendment.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: My few terms that I have served in this body, I sat on the Public Utilities Committee for eight years and I had the privilege of being its House Chair for four years, and even though I am somewhat away from that committee, I still have an interest in its activities and I took part on debate on the floor of this House a few years ago when we created the Public Advocate's Office. It has proved to be a good office.

The amendment that Representative Connolly has here tonight improves it for a couple of reasons. It keeps the Public Advocate's Office honest and I don't mean to say that they are dishonest, but it creates an adversary tension out there for them to take as broad a look as possible on any rate case that is going through the PUC. I think that is important not only for government in the actions of the Public Utilities Commission, but it makes good sense to provide a vehicle, a very tight vehicle by the way, for the public groups of individuals to act as intervenors on cases.

I think Representative Connolly is exactly right in saying that the only real people, real meaning groups of people, that oppose this in their quiet, cautious, calculating way to try to defeat this issue are the utilities themselves.

This is no free giveaway; in fact it prevents, in my opinion, frivolous action of intervenors. I think that is an important consideration that we have to take here tonight. It protects the public overall. It makes the government more accountable in terms of the Commission; it makes the government more accountable in terms of the Public Advocate's Office, and it certainly makes the utilities much more accountable.

I would hope that this House would support the gentleman's amendment.

The SPEAKER: The Chair recognizes the gentleman from Shapleigh, Mr. Ridley.

Mr. RIDLEY: Mr. Speaker, Ladies and Gentlemen of the House: I would move the indefinite postponement of House Amendment "B".

The SPEAKER: The gentleman from Shapleigh, Mr. Ridley, moves the indefinite postponement of House Amendment "B".

The gentleman may proceed.

Mr. RIDLEY: Mr. Speaker, Ladies and Gentlemen of the House: In the 110th we created the Office of Public Advocate. I think it was a very smart move on the part of the PUC members to

take this and study it and propose it and have it passed into law. One of the primary purposes it was created was, if an individual on the outside had any problems, complaints, this was someone they could go directly to. There is no reason in the world why anybody that has any information that would help on any rate case cannot go to the Public Advocate and I can't see any reason why he wouldn't be able to handle it or the PUC.

Now they were going to take the money out of the consultant fund. They are going to set \$500,000 aside out of that fund and if they keep taking money out of that, and I understand they have taken three out of there already, they are going to be back to us and want us to increase that fund some more. I don't see any reason in the world why the Public Advocate can't take care of any complaints or take any information down that has anything to do with any rate case. This was the primary purpose that this office was created and I think he should take care of it and I am sure that he can do as good a job as anybody can and if you have any complaints, take them right directly to him.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Connolly.

Mr. CONNOLLY: Mr. Speaker, Members of the House: I would ask for a roll call.

The SPEAKER: The gentleman from Portland, Mr. Connolly, has requested a roll call.

The gentleman may proceed.

Mr. CONNOLLY: Mr. Speaker, Members of the House: I would like to pose a question through the Chair. Representative Ridley, do you think that it is fair that the ratepayers of Central Maine Power automatically were asked to pay for, forced to pay, \$350,000 for the attorney fees and the consultant fees for Central Maine Power even when some of the arguments that those consultants and lawyers presented were not accepted as valid by the Public Utilities Commission? Do you think that that is fair?

The SPEAKER: The gentleman from Portland, Mr. Connolly, has posed a question through the Chair to Mr. Ridley of Shapleigh who may respond if he so desires.

The Chair recognizes that gentleman.

Mr. RIDLEY: Mr. Speaker, Ladies and Gentlemen of the House: I think that the information that they received, they could have taken it to the Public Advocate and he could have taken it from there and not get so involved in it and in spending more money that the ratepayers are going to have to pay in the end.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Matthews.

Mr. MATTHEWS: Mr. Speaker, Members of the House: I was not here Monday and that is one of the reasons that I am especially concerned about this bill. I want everyone in this House to understand that the intervening funding issue as it came up in this House on Monday was a Majority Report out of that Public Utilities Committee and because some of the members of this House were not here who signed that Majority Report, and there was only one member, the good Chairman from Eastport, to fight for the issue, unfortunately I don't believe all the evidence was brought.

There is something interesting that I think all of you have to remember about intervening funding if you are going to do away with it. We struggled with that issue in the committee and we decided, as a majority membership out of the committee, that if we are going to tighten the screws on the public, maybe we ought to tighten the screws on the utility a little bit too. As the good Representative from Portland has mentioned, what about the \$350,000 that you and I as consumers and the ratepayers paid for that case? What about a little bit of equity? We struggled with that issue and believed in fairness, that there should be some kind of restriction on frivolous costs passed through the rates to consumers by the utilities. Unfortunately, that report fell apart. There is still a chance to save it and it is not the report that I am trying to save, believe me, it is the public interest.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mrs. Nelson.

Mrs. NELSON: Mr. Speaker, Men and Women of the House: I am sure that you are quite surprised that I would speak on this issue as I am sure that the gentleman from Portland, Representative Connolly, is surprised, but I am a consumer, as we all are, and I am worried about this problem. I was told by a very competent lawyer and a friend of mine that the intervenor in the last case did a magnificent job. My friend, the lawyer, told me that he brought out information clearly that no one else had found and therefore I, as a consumer, had really been saved of a lot of money.

Now as I look at this amendment and I read it, and I read it very carefully and I underlined it, I don't know what it is that you people are afraid of. It says here that the Commission "may" order compensation to intervenors only when the Commission finds that the compensation is necessary to insure the presentation of an issue which cannot be presented by the Public Advocate or Commission staff and which will make a substantial and cost effective contribution to the Commission's proceedings. What is wrong with that? He only gets paid if he brings forward information that will save you and me, the consumer, money. It seems like a very fair and equitable amendment, and I don't know what we are afraid of.

Being an intervenor is not a bad thing. That person who intervenes is supposed to be very impartial and can bring information to help or hurt as the case may be.

I, for one, am going to vote for this amendment, I feel very comfortable with it.

The SPEAKER: The Chair recognizes the gentleman from Old Town, Mr. Paradis.

Mr. PARADIS: Mr. Speaker, Ladies and Gentlemen of the House: We have heard some reference here made to the \$350,000 or so that was funded by the utilities in representing their case before the Public Utilities Committee and it makes it almost sound as though that is a one-sided affair, but you must stop and remember that you, the consuming public, have already funded the Public Advocate to represent you, your money is there in your meter and in your telephone bill for that representation and you also have funded in the Public Utilities Commission a section which has your interest or the consumer interest in mind as it proceeds through these rate cases.

I have no quarrel with the very commendable action that was made in this case that is before us or has been discussed here by a private intervenor who represented evidently very well and called attention to a discrepancy in the case that had been overlooked. I think that is very commendable but at the same time, as we heard in the committee, the opportunity for the deep pocket exists and the utilities are a very fine and a very handy deep pocket in this matter and the deep pocket is mine and your meter, mine and your telephone.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Dillenback.

Mr. DILLENBACK: Mr. Speaker, Ladies and Gentlemen of the House: If we are going to stay here all night, I will be glad to talk for an hour or so.

Representative Ridley hit the nail right on the head. I could support this amendment very easily, Representative Connolly, but if we do, we ought to do away with the Public Advocate, we don't need two. We put money in to hire that gentleman to do the job; if he can't do the job, let's get rid of him and let's put some people in there, your intervenors that you want, and let them do the job. We ought to have one party doing the job; we don't need all the parties doing the job.

I am going to vote against this amendment.

The SPEAKER: The Chair recognizes the gentleman from Limerick, Mr. Carroll.

Mr. CARROLL: Mr. Speaker, Ladies and Gentlemen of the House: It is unusual when I rise at this time of day but I have lived a long time in this state and I have seen us ripped off by Central

Maine Power Company and don't you think they haven't ripped us off.

They went down in Limerick and destroyed a power station and today it has been rebuilt by a private man and he is now selling power back to my people. My people paid for that power station once and now we are paying for it again.

A remark was made that if one man was not doing his job, get rid of him. I want to ask you how many men Central Maine Power Company had at that hearing working for them? Did they only have one? No, they didn't only have one, they had a battery of people defending their case and you ask us if one Public Advocate doesn't do his job, get rid of him—come on, folks, equal justice, equal opportunity.

My folks back home are poor, hard working folks, and it is time somebody started protecting them. The wheelers and dealers, I owe them no loyalty and they get no loyalty from me, and I think if the gentleman from Portland, whom I have disagreed with many times, Mr. Connolly, has a fine idea, then he has got my vote tonight.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER: The pending question before the House is the motion of the gentleman from Shapleigh, Mr. Ridley, that House Amendment "B" be indefinitely postponed. Those in favor will vote yes; those opposed will vote no.

ROLL CALL No. 485

YEA—Anderson, Armstrong, Bell, Bott, Brown, D.N.; Cahill, Callahan, Conary, Connors, Cooper, Curtis, Daggett, Davis, Day, Dexter, Dillenback, Drinkwater, Erwin, Foster, Greenlaw, Gwadosky, Hayden, Higgins, L.M.; Holloway, Ingraham, Jackson, Kiesman, Lebowitz, Livesay, MacBride, MacEaAchern, Manning, Masterman, Matthews, K.L.; Maybury, McGowan, McPherson, McSweeney, Michaud, Moholland, Murphy, E.M.; Murphy, T.W.; Norton, Paradis, E.J.; Parent, Perkins, Pines, Pouliot, Racine, Randall, Reeves, J.W.; Ridley, Roberts, Robinson, Roderick, Salsbury, Scarpino, Seavey, Sherburne, Small, Smith, C.W.; Sproul, Stevenson, Stover, Tamaro, Vose, Walker, Webster, Wentworth, Weymouth, Willey, Zirnkillton.

NAY—Ainsworth, Allen, Andrews, Beaulieu, Bost, Brannigan, Brodeur, Brown, A.K.; Carroll, D.P.; Carroll, G.A.; Carter, Cashman, Chonko, Clark, Connolly, Cote, Cox, Crouse, Crowley, Diamond, Gauvreau, Hall, Handy, Hickey, Higgins, H.C.; Hobbins, Jacques, Jalbert, Joseph, Joyce, Kane, Kelleher, Kelly, Ketover, Kilcoyne, Laplante, Lehoux, Lisnik, Locke, Macomber, Mahany, Martin, H.C.; Matthews, Z.E.; Mayo, McCollister, McHenry, Melendy, Michael, Mills, Mitchell, E.H.; Mitchell, J.; Murray, Nedeau, Nelson, Paradis, P.E.; Paul, Perry, Reeves, P.; Richard, Rolde, Rotondi, Smith, C.B.; Soucy, Soule, Stevens, Theriault, Thompson, Tuttle, The Speaker.

ABSENT—Baker, Benoit, Bonney, Carrier, Dudley, Martin, A.C.; Masterton, Strout, Swazey, Telow.

72 having voted in the affirmative and 69 in the negative, with 10 being absent, the motion did prevail.

Thereupon, the Bill was passed to be engrossed as amended by Committee Amendment "A" and House Amendment "A" in non-concurrence and sent for concurrence.

The following paper was taken up out of order by unanimous consent:

Passed to Be Enacted Emergency Measure

An Act Relating to Municipal Cost Components for Fiscal Year 1984-85 and Providing for a Study of the Unorganized Territory (H. P. 1857) (L. D. 2458) (H. "A" H-702; H. "B" H-703; H. "C" H-705 and S. "A" S-414).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being neces-

sary, a total was taken. 102 voted in favor of the same and none against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

Mr. Moholland of Princeton was granted unanimous consent to address the House.

Mr. MOHOLLAND: Mr. Speaker, Ladies and Gentlemen of the House: As you know, I was opposed to this bill, but in the spirit of the fairness of having lost my position, I want to make the record clear as to one of the provisions. At the request of my opponent on L. D. 2402, "An Act to Revise the Wood Measurement Bill," Section 2364-3, it was amended to delete the requirement that all cases involved in payment for services of wood to be taken out of the state must be measured and a measurement tally sheet completed before the wood is taken out of the state. The opponents requested that instead of a requirement for measurement and accounting for the wood before it leaves the state be imposed only when the state sealer, after investigation, has reason to believe that except in the case of inadvertent error, there has been inaccurate measurement or that measurement tally sheet was inaccurate or was not properly provided, the proposed language for this amendment, however, did not expressly and clearly state under these limits circumstances the wood to be taken outside the state but must be measured before it is taken out of the state.

The opponent who requested this amendment agreed that this requirement for the measurement of the wood before it leaves the state was the intention of the agreed upon amendment.

I am reading this statement into the record to clarify the legislative intent of Section 2364-A, Subsection III.

The following paper was taken up out of order by unanimous consent:

An Act to Clarify and Make Corrections in the Inland Fisheries and Wildlife Laws (S. P. 908) (L. D. 2446) (S. "A" S-404).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

The following paper was taken up out of order by unanimous consent:

Passed to Be Engrossed

Bill "An Act to Make Corrections of Errors and Inconsistencies in the Laws of Maine" (Emergency) (S. P. 911) (L. D. 2462).

Was reported by the Committee on Bills in the Second Reading and read the second time.

By unanimous consent, the rules were suspended to allow for amendments at this time.

Mr. Hobbins of Saco offered House Amendment "B" and moved its adoption.

House Amendment "B" (H-721) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Saco, Mr. Hobbins.

Mr. HOBBS: Mr. Speaker, Ladies and Women of the House: Essentially what this bill does, it takes care of an inadvertent error in which the term "credit union" was omitted as a financial institution in regards to the utilization of the prepaid funeral arrangements—very appropriate at this time of the evening, Mr. Speaker.

Thereupon, House Amendment "B" was adopted.

Mr. Soule of Westport offered House Amendment "A" and moved its adoption.

House Amendment "A" (H-711) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Sproul.

Mr. SPROUL: Mr. Speaker, Ladies and Gentlemen of the House: I would urge you to defeat this amendment. The reason I do so is that this is neither an error nor an inconsistency, it is, in fact, a substantive change. This amendment would place in the Department of Mental Health and Mental Retardation the assistant to the com-

missioner.

Earlier this session, the State Government Committee heard L. D. 2141, which was a bill relating to policy-influencing positions. There were 22 positions in that bill. The State Government Committee very carefully went over each and every one of those 22 positions. Part of that bill was to establish three brand new positions in state government. We decided to leave all three of those positions out. This is one of those positions that we looked at very closely and felt should be deleted, so I would hope that you would vote against this amendment.

Mr. Speaker, I would request a division.

The SPEAKER: The Chair recognizes the gentleman from Fairfield, Mr. Gwadosky.

Mr. GWADOSKY: Mr. Speaker, Ladies and Gentlemen of the House: The gentleman from Augusta, Mr. Sproul, is correct in many areas and the last half hour or so, we are learning more information about this particular position.

At the point in time when we were working on this bill to unclassify several positions, 10 or 12 or so, we had received some information from the Personnel Department dealing with these positions and when it came to this particular position dealing with the Assistant to the Commissioner of Mental Health and Retardation, and it certainly would be a new position if we accepted this amendment, we were told that they had no intentions of filling that slot at this time but perhaps would do it next year. Obviously, at the time we were trying to create a unanimous committee report and the decision was, well it may be very well that they do need that position but let's let them come back next year and do it. I personally felt very strongly that in a department like Mental Health and Retardation, that he has some 1500 employees and he can only appoint five, perhaps, at the most and it makes a great deal of sense for him to have that position.

It is my understanding now, after talking with people from the Appropriations about it, that position has been funded, that the information we received during the work session was incorrect, that they had every intention of filling that position this year, a position they felt they needed and if we had received that information during the work session, I would anticipate that the bill would have come out in a far different manner than what it has. It wouldn't have come out unanimous but might have come out as a divided report but I for one think it is an appropriate thing to do and would urge you to support the amendment.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Sproul.

Mr. SPROUL: Mr. Speaker, Ladies and Gentlemen of the House: I still believe and I would sincerely hope that you would still vote against this and my reason is pure and simple—that the Errors and Inconsistencies Bill is not the place to be creating a new position. We discussed that, they had the opportunity to present this information to us. The Department of Personnel was there at every workshop. I feel that this flies in the face of the committee process through which we work.

The SPEAKER: The Chair will order a vote. The pending question before the House is on the adoption of House Amendment "A". Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken.

62 having voted in the affirmative and 43 in the negative, the motion did prevail.

Thereupon, the Bill was passed to be engrossed as amended by House Amendments "A" and "B" and sent up for concurrence.

The following paper was taken up out of order by unanimous consent:

Non-Concurrent Matter

Bill "An Act Making Appropriations and Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1984 and June 30, 1985" (Emergency) (S. P.

912) (L.D. 2451) which was Passed to be Engrossed as amended by Senate Amendment "A" (S-396) and House Amendment "A" (H-697) in the House on April 12, 1984.

Came from the Senate with that body having Insisted on its former action whereby the Bill was Passed to be Engrossed as amended by Senate Amendment "A" (S-396) in non-concurrence.

The SPEAKER: The Chair recognizes the gentleman from Mars Hill, Mr. Smith.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I move that we recede and concur and will speak briefly to my motion.

The SPEAKER: The gentleman from Mars Hill, Mr. Smith, moves that the House recede and concur.

The gentleman may proceed.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: As you may remember, one of the items in the supplemental budget from the Governor's Office was the closing of 36 state liquor stores throughout the state and the laying off of 79 Maine state employees. I know that there was a lot of concern here amongst some of the members of this House in their own areas about this happening. What we did in the committee, after a lot of compromising, we compromised and came up with this recommendation to lay before you.

I would hope that you would go along with my motion.

The SPEAKER: The Chair recognizes the gentleman from Lincoln, Mr. MacEachern.

Mr. MacEACHERN: Mr. Speaker, Ladies and Gentlemen of the House: I have a few figures here and I think they might be helpful to you in making up your mind on how you are going to vote on this.

Breaking down a bottle of whiskey into the number of drinks that it will provide, for example, a shot of Burke & Berry, which is a whiskey, breaks down to a cost to the seller, the bartender, of 34 cents at the present time. With the increase of 8 percent in cost, that same drink would cost 37 cents; that is a three cent difference; Paul Jones, the difference of three cents; Seagrams, the difference is four cents; Carstairs, the difference is three cents; Jack Daniels, the difference is five cents. When you buy a shot in a restaurant or a bar, you pay anywhere from a buck and a half to \$3 and I don't think that three cents is going to hurt the barkeeper very badly. As a matter of fact, he probably will tack another nickel on the cost of a drink and if you are going to be paying between \$1.50 and \$3.00, you are not going to quibble over another nickel.

This whole thing amounts to \$1.2 million in the budget and I think it is something that we should very seriously consider.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, a parliamentary inquiry?

The SPEAKER: The gentleman may state his inquiry.

Mr. ROLDE: Mr. Speaker, I would just like to ask a question about what our options are in dealing with this bill. I think there has been some information that if we do not go along with the recede and concur motion, that the bill would die and I don't think anybody wants the budget bill to die. If the recede and concur motion is defeated, Mr. Speaker, the next motion that we could make to keep the bill alive would be the motion to adhere, is that correct? And then it would be up to the other body to recede and concur with us?

The SPEAKER: The Chair would answer in the affirmative.

The Chair recognizes the gentleman from Kennebunk, Mr. Murphy.

Mr. MURPHY: Mr. Speaker, Men and Women of the House: I would hope that we could defeat this motion to recede and concur that is before us, then we make a motion to adhere. The bill would still be alive, would travel down to the other body and that body would have to make

a decision. I think I said this morning that I am still a little naive, I guess maybe I still am, but tonight I feel a lot of pride in terms of the action taken by this chamber this morning. The issue that was before you was the issue of fairness. You took a very positive stand that we are doing the public's business and that public's business, if we want to retain the trust of that public, is that it should be done out in the public light.

Mr. Rolde, this morning, had asked the question of members of the Appropriations Committee, we are always short of money, what other business are you going to go after after you finish this particular industry? We didn't really get a very good response back to that.

I think the second issue that has to be dealt with, we all serve on committees and are we going to allow that process to be sidestepped? If we are, then why should we even sign up and participate on those committees?

I know that the Appropriations Committee is a very prestigious committee, we all hold the members of that committee in a great deal of respect, but that does not mean that I give up my rights as an individual legislator and I do not give up my right to cast a single independent vote.

This morning you proved to the general public out there that this end of the hall is an independent chamber. We can stand by that very positive motion, that very positive vote that we took this morning, by voting no on the motion that is before us so then we may offer another motion, the motion to adhere.

The SPEAKER: The Chair recognizes the gentleman from Winslow, Mr. Carter.

Mr. CARTER: Mr. Speaker, Ladies and Gentlemen of the House: A question has been posed. Let me try and answer the question by posing another question. Several years ago, the collective wisdom of this body saw fit to create an Appropriations Committee rather than have 14 or 15 different appropriations committees they elected to have one appropriation's committee. There is no appropriation department, we deal with all departments, you have one committee to deal with all those departments. And the other choice is very clear, you either have one committee dealing with appropriations or you have 16 appropriations committees—which do you prefer?

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. Murphy.

Mr. MURPHY: Mr. Speaker, Men and Women of the House: If I could respond to the question, Mr. Speaker, I think the message that had come through in terms of the vote of this body was that there are issues that are policy changes that properly belong before those appropriate committees, and if a decision is made that it be the Legal Affairs Committee or the Appropriations Committee, that when you take a measure such as the step that was taken last week that has such a tremendous impact upon a particular industry, that it should be with public notice at a public hearing so that the public may attend and participate, not in a workshop, not without notice and not without the public there.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Cox.

Mr. COX: Mr. Speaker, Ladies and Gentlemen of the House: I think I would like to say a word here since it is my committee that was largely involved and that was responsible for my vote against the amendment this morning.

I think the question comes down to the role of the Appropriations Committee. I had always assumed that the role of the Appropriations Committee was to decide which bills got funded and what we did with the money. It was not the role of the Appropriations Committee to review statutes that were in effect and repeal these statutes in order to raise funds. What about the Taxation Committee? Look at all the taxation exemptions that we have here where we could raise revenues by repealing the exemptions? But who is going to consider them, the Taxation Committee or the Appropriations Committee? I

think the role of the Appropriations Committee needs to be reconsidered if this is what they consider their role.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: At ten o'clock at night, I am not going to take that kind of conversation and be insulted. I have always been very kind to Mr. Cox's committee, thanked them for whatever favors they did for me. We do our best, we don't create the world and I am not going to start creating it at ten o'clock or past ten o'clock. I am going to vote with Mr. Smith, I hope you all do.

Mr. Higgins of Scarborough requested the yeas and nays.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER: The pending question before the House is on the motion of the gentleman from Mars Hill, Mr. Smith, that the House recede and concur. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 486

YEA—Ainsworth, Allen, Anderson, Andrews, Armstrong, Beaulieu, Bell, Bost, Bott, Brannigan, Brodeur, Brown, A.K.; Callahan, Carroll, D.P.; Carroll, G.A.; Carter, Cashman, Chonko, Clark, Connolly, Cooper, Cote, Cox, Crouse, Crowley, Day, Diamond, Erwin, Hall, Hayden, Hickey, Higgins, H.C.; Jacques, Jalbert, Joyce, Kane, Kelleher, Kelly, Ketover, Kilcoyne, Laplante, Lebowitz, Lehoux, Lisnik, Livesay, Locke, MacBride, MacEachern, Mahany, Manning, Martin, H.C.; Matthews, K.L.; Mayo, McCollister, McGowan, McHenry, Michael, Michaud, Mills, Mitchell, E.H.; Mitchell, J.; Moholland, Murray, Nadeau, Nelson, Paradis, P.E.; Perkins, Perry, Pouliot, Randall, Reeves, J.W.; Reeves, P.; Ridley, Roberts, Rotondi, Sherburne, Smith, C.B.; Smith, C.W.; Soule, Stevens, Theriault, Thompson, Vose, The Speaker.

NAY—Brown, D.N.; Cahill, Canary, Connors, Curtis, Davis, Dexter, Dillenback, Drinkwater, Foster, Greenlaw, Gwadosky, Handy, Higgins, L.M.; Holloway, Ingraham, Jackson, Joseph, Kiesenman, Masterman, Matthews, Z.E.; Maybury, McPherson, McSweeney, Melendy, Murphy, E.M.; Murphy, T.W.; Norton, Paradis, E.J.; Parent, Pines, Racine, Richard, Robinson, Roderick, Rolde, Salisbury, Scarpino, Seavey, Small, Soucy, Sproul, Stevenson, Stover, Tammaro, Tuttle, Walker, Webster, Wentworth, Weymouth, Willey, Zirkilton.

ABSENT—Baker, Benoit, Bonney, Carrier, Daggett, Dudley, Gauvreau, Hobbins, Macomber, Martin, A.C.; Masterton, Paul, Strout, Swazey, Telow.

84 having voted in the affirmative and 52 in the negative, with 15 being absent, the motion did prevail.

By unanimous consent, all matters having been acted upon requiring Senate concurrence, ordered sent forthwith.

The following paper was taken up out of order by unanimous consent:

Passed to Be Enacted

An Act to Implement Certain Recommendations of the State Compensation Commission (H. P. 1858) (L.D. 2459) (S. "A" S-421; H. "C" H-713).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

Mr. Higgins of Scarborough requested a roll call.

A roll call has been requested.

More than one fifth of the members present expressed a desire for a roll call, which was ordered.

The SPEAKER: The pending question before the House is passage to be enacted. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 487

YEA—Ainsworth, Andrews, Beaulieu, Bost, Brannigan, Brodeur, Carroll, D.P.; Carroll, G.A.;

Carter, Cashman, Clark, Connolly, Cote, Crowley, Curtis, Davis, Day, Diamond, Dillenback, Erwin, Foster, Gauvreau, Hall, Handy, Hickey, Higgins, H.C.; Higgins, L.M.; Hobbins, Jackson, Jacques, Jalbert, Joseph, Joyce, Kane, Kelleher, Kelly, Ketover, Kilcoyne, Laplante, Lehoux, Lisnik, Livesay, Locke, MacEachern, Mahany, Manning, Martin, H.C.; Masterman, Matthews, Z.E.; McCollister, McGowan, McSweeney, Melendy, Michael, Mills, Mitchell, E.H.; Mitchell, J.; Murray, Nadeau, Nelson, Norton, Paradis, P.E.; Parent, Perkins, Perry, Pouliot, Randall, Reeves, P.; Richard, Ridley, Roberts, Rolde, Rotondi, Soucy, Soule, Stevens, Tammaro, Theriault, Thompson, Tuttle, Vose, Wentworth, The Speaker.

NAY—Allen, Anderson, Armstrong, Bott, Brown, A.K.; Brown, D.N.; Cahill, Callahan, Chonko, Conary, Conners, Cooper, Crouse, Dexter, Drinkwater, Greenlaw, Gwadosky, Holloway, Ingraham, Kiesman, Lebowitz, MacBride, Macomber, Matthews, K.L.; Mayo, McHenry, McPherson, Michaud, Moholland, Murphy, E.M.; Murphy, T.W.; Paradis, E.J.; Paul, Pines, Robinson, Roderick, Salisbury, Scarpino, Seavey, Sherburne, Small, Smith, C.B.; Smith, C.W.; Stevenson, Stover, Walker, Webster, Weymouth, Willey, Zirkilton.

ABSENT—Baker, Bell, Benoit, Bonney, Carrier, Cox, Daggett, Dudley, Hayden, Martin, A.C.; Masterton, Maybury, Racine, Reeves, J.W.; Sproul, Strout, Swazey, Telow.

83 having voted in the affirmative and 50 in the negative, with 18 being absent, the motion did prevail.

Signed by the Speaker and sent to the Senate.

The following paper was taken up out of order by unanimous consent:

Passed to Be Enacted

An Act to Promote the Distillation of Ethanol for Use as an Internal Combustion Engine Fuel (H. P. 1864) (L. D. 2468).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

The following paper was taken up out of order by unanimous consent:

**Passed to Be Enacted
Emergency Measure**

An Act Making Appropriations and Allocations for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1984 and June 30, 1985 (S. P. 912) (L. D. 2451) (S. "A" S-396).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 101 voted in favor of the same and 28 against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

The following papers were taken up out of order by unanimous consent:

**Passed to Be Enacted
Emergency Measure**

An Act to Appropriate Funds to the University of Maine to Implement Collective Bargaining Agreements (H. P. 1825) (L. D. 2420) (C. "A" H-708).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 105 voted in favor of the same and 5 against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

Passed to Be Enacted

An Act to Replace the Regional Refuse Disposal District Enabling Act (S. P. 913) (L.D. 2452) (S. "A" S-405).

Was reported by the Committee on Engrossed

Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

The following papers were taken up out of order by unanimous consent:

Passed to Be Enacted

An Act Encouraging an Alternative to Landfill Disposal of Solid Waste (S. P. 833) (L. D. 2234) (C. "A" S-345).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

Finally Passed

RESOLVE, to Establish a Select Committee Concerning Forest Practices in the State (H. P. 1776) (L. D. 2354) (S. "C" S-415).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed, finally passed, signed by the Speaker and sent to the Senate.

(Off Record Remarks)

On motion of Representative Andrews of Portland, adjourned until ten o'clock tomorrow morning.