

responsibility through some fairly strict language so that we can protect ourselves and our constituents as taxpayers from getting stuck with what could be a very expensive tab down the road. Thank you.

PRESIDENT: Thank you. Senator Landis, please, followed by Senator Baack and Senator Morrissey.

SENATOR LANDIS: Thank you, Mr. Speaker. I'm trying to understand and I perhaps would need some clarification. Let me see if I understand the situation, Senator Scofield, and then I'll give you a moment to respond. I read your brief outline of the amendment. It suggested that we needed a million dollar surety bond for those in which the financial responsibility was over \$1 million, and that the appropriate form was a surety bond and only a surety bond, that was the right way. My question is this, and I will give you some time to respond, this...it is possible, under this amendment, to have the following scenario, which I think might be counter-productive. You could have an entity that had an obligation to show financial responsibility of a million dollars, they have a million dollars in cash in a reserve, but that would not be sufficient, they would need to get a surety bond. In the event they could not find a surety bond to assure that they could pay for a million dollars loss, which, in fact, they could because they had a million dollars cash, they could not go forward as a project. If that is true then the whole issue turns on the availability of surety bonds, which are markets that are as volatile as the insurance market for liability is as well, meaning it's possible that surety bonds cannot exist, or that companies are unwilling to take them on, or, as we found in another situation for a million dollars of liability insurance for a hospital, the premium for one year was \$1,250,000. In other words, if we have one and only one mechanism of security, and that's a surety bond, if there is any fluctuation in the surety bond market, if it dries up, a permit holder who had a million dollars in cash and reserve would be out of luck because they couldn't meet our one and only one mechanism for financial responsibility, which is tied to a relatively volatile and somewhat unpredictable market, and that market is the surety bond market. Now, I don't say that's a reason to vote against the amendment, but I'm trying to scratch my head and say is the surety bond the only appropriate mechanism financial...for financial responsibility for somebody who is indeed financial responsible, has, let's say, a million dollars in cash, but who would be forced to pay a million-five