

# MAIN STREET MONTANA PROJECT

## A BUSINESS PLAN *For Montana by Montanans*

### TRANSPORTATION KEY INDUSTRY NETWORK

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#### *DRAFT FINAL RECOMMENDATIONS TO GOVERNOR BULLOCK*

##### Problem Statement 1

Transportation KIN discussions at its first meeting in July 2016 identified difficulties and delays obtaining a Commercial Driver's License (CDL) as an impediment to the transportation industry in Montana. KIN discussions noted that annually approximately 1,000 jobs come available that need a CDL with the state losing an undetermined but not insignificant percentage of those jobs due to slow CDL processing.

Following up on those discussions at its October 2106 meeting the KIN invited the Department of Justice (DOJ), which handles motor vehicle licensing, to make a presentation on current licensing processes. The DOJ reported that current federal regulations require many processes (including fingerprinting) and significant record keeping making the process cumbersome and time consuming. Future additional certification requirements were also discussed that are anticipated to further hamper processes. Only three locations in Montana can process CDL's (Sidney, Billings and recently added Great Falls); more locations are needed particularly in the western part of the state. There are economic reasons for the lack of these facilities; there are costs to operate the facility and conduct the licensing process with apparently insufficient volume to justify the costs or a lack of available staff to perform the work.

At its May 2017 meeting the KIN received an update on CDL's from the DOJ Motor Vehicle Division:

- Currently difficult to get CDL testing done – resource issue – statewide 63 licensing employees, all are trained to process CDL's but only 6-9 slots are for CDL's (requires written test and skill test at separate location)
- 2017 session work: HB 144 and SB 241
- MDT worked with the state motor carrier association and Senator Buttrey revising state law to allow third party CDL testing
- Hoping to alleviate some of the stress with third party testing
- MDT will be standing up third party process gathering info on administrative rules and processes from other states which hopefully will start this summer.

The KIN applauds the third-party testing legislation and would like the state to also explore ways to utilize existing government entities, such as local law enforcement offices that already perform needed CDL functions such as fingerprinting, to increase the locations that can provide required CDL certifications.

### KIN Recommendation #1

Governor's Office lead efforts to increase licensing, certifications, training and supporting resources to provide for transportation sector needs. These resources include:

- Finger printing sites
- 3<sup>rd</sup> party trainers
- Private contracting to increase #/speed
- More staffing
- Info tech options
- Medical exam support

### Problem Statement 2

Funding for transportation infrastructure was a focus of the Transportation KIN discussions. These discussions included a broad range of ideas including a suggestion to develop a statewide infrastructure / capital improvement plan that would cross all sectors to establish a priority list for infrastructure improvement. The KIN applauded the recent passage of HB 473 increasing gas taxes for highway funding, while lamenting the failure of yet another infrastructure bonding bill to pass. Of the \$1 billion in proposed funding in the bonding bill about \$678 million was to be used for transportation infrastructure. This failure leads to an uncertain future for funding transportation improvements and comes at a time that Montana is behind in infrastructure including 300 structurally deficient bridges. The KIN discussed Federal transportation funding currently effective through 2020 amid the implications for changes in direction under the new federal administration which is looking at alternative revenues to fund infrastructure. The KIN supports continued efforts to improve air service to Montana recognizing that HB 408 that would have placed a tax on rental cars to enhance air service did not pass during recent session.

### KIN Recommendation #2

Continue to look for infrastructure funding, options, innovations to address gaps now and leading up to 2019 session. These include:

- "Publicizing the need" for transportation infrastructure. Awareness of MT citizenry
- Expand public financing
- Tax treatment of the sector
- Increase in availability and affordability of air service - especially business and freight
- Dollars to address standing problems (such as overpass for rail road at Montana Ave in Helena) eg. Coal fund since rail road paying into in substantial way
- Private-public partnership models – e.g. tax abatement for rail road corridor use for bikes, (public / private) co-funded transportation enhancements

### Problem Statement 3

Throughout more than two years of KIN meetings workforce development was a consistent issue facing multiple economic sectors and was also the case with the Transportation KIN sector. The Transportation KIN listened to presentations from workforce development leaders in the Department of Labor and Industry that led to discussions focused on ways to tailor workforce development efforts to address issues specific to the transportation sector. Topics discussed to improve workforce development included:

- The SWIB College Outlook Report and how it will be a useful tool that will help educate employers, getting more involved with youth (get to them by their sophomore year in high school - the Governor's Office is currently doing outreach to high schools)
- Researching and reviving two-year college CDL programs

- DLI's Career Lab and new website that promotes the good wages that can be made in transportation

### Recommendation 3

Continue to expand workforce development efforts to provide sufficient skilled workers for the transportation sector:

- Reach out to High Schools and earlier
- Increase training schools
- Develop videos, site visits, simulators, job shadowing, etc., opportunities to showcase careers

### Problem Statement 4

Transportation KIN discussions recognized collaboration with other economic sectors is needed if Montana is to have an effective transportation system that will take us into the future. Areas requiring strategic collaboration the KIN identified include:

- Coordinate economic development efforts designed to increase product to haul
- Safety training-keeping employee's safe
- Developing more effective ways to coordinate transportation across sectors such as exploring back-haul opportunities (to and from trucking; how to fill trucks both ways)
- Create an import map for Montana products to identify coordination opportunities
- Exploring container freight options
- Increasing rail service competition for wheat and barley
- Improving access to urban areas
- Monitoring exchange rates which affect import/export
- Working to increase MT agriculture commodities including value-added processing such as malting to serve the craft brewing and distilling industries, increasing commercial and seed potato production and developing more value-added opportunities for pulse crops
- Reforming judicial process
  - Going to trial; court system
  - Need more district court judges?
  - Workers from other states come to Montana to sue company

As a follow-on to these discussions on collaboration the KIN discussed and heard presentations on inter-state transportation coalitions that work to coordinate transportation issues in the region. Some of the major coalitions of which MT entities are currently members includes:

- Northwest Passage <https://www.nwpassage.info/projects/mcom/>
- Great Northern Corridor Coalition <http://greatnortherncorridor.org/>
- Theodore Roosevelt Expressway <http://www.trepressway.com/>
- Canamex Corridor Coalition <http://www.canamex.org/>

These cross-sector issues and opportunities require a collaborative coordinated and forward-looking effort to help the state to succeed.

### Recommendation #4

Governor's office leads a cross-sector transportation conversation to identify/start planning for future of transportation industry issues such as:

- Driverless transportation

- Using technology to increase efficiencies (max weight, shared roads, etc.)
- Import/export enhancements, combining current products into new offers, finding more markets
- Regulation; law changes and preparation such as:
  - Rail road laws on employment specific out-of-state rail road not using Montana revenue (dinosaur system)
  - Federal driver requirements

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