

Main Street Montana – Manufacturing KIN
Group C – New Markets & Transportation Solutions
Conference Call
January 28, 2015 – 10:00 a.m.
Minutes

PARTICIPANTS: Neal Blossom, American Chemet
Bruce Jensen, Anderson Steel
K.C. Walsh, Simms Fishing
Bryan Wood, Wood's Powr Grip

Tom Kaiserski (Main Street liaison) introduced the conference call participants followed by explaining the mission of today which is to identify one specific action(s) that should be taken, who needs to be involved, how should this action(s) be accomplished and when is it feasible to expect the action(s) will be completed. This will then be presented to the full Manufacturing KIN group at their next meeting.

Tasks for Consideration:

- Identify specialized equipment and technology needed to explore and extract new products and markets in Montana;
- If there are regulatory issues that affect these issues, identify specific statutory or regulatory provisions that could and should be modified or eliminated;
- In doing so, specify the reasons and justifications for modification or elimination of each statute or regulation and, where possible, identify ways to improve, streamline, or modify the regulatory system;
- Identify ways to increase export opportunities and imports of manufacturing inputs;
- Study the feasibility of creating a Montana transportation co-op to reduce shipping costs.

Discussion:

- Group C members discussed the tasks for consideration and all on the call indicated that they are primarily interested in transportation issues and therefore the group unanimously agreed to focus on transportation issues and essentially forego or table the discussion contained in the call agenda about finding new markets and products in post-processing of natural resources. This focus on transportation was due to lack of natural resources expertise in the group and was not due to the lack of interest.

Transportation issues

- Participants discussed how their companies would like to find ways to improve transportation efficiency by coordination among Montana companies to fill loads both outgoing and incoming. From the conversation Neil Blossom identified a possible synergy working with Simms Fishing. Blossom stated that American Chemet sends truckloads of its product to Seattle but is looking for loads to backhaul to Montana - as Chemet does not receive its inputs from Seattle. At the same time KC Walsh of Simms Fishing indicated that his company brings in supplies from the Seattle via truck- hence an opportunity may exist for trucks hauling Chemet product to Seattle

to backhaul Simms supplies to Montana. Bruce Jensen mentioned that Anderson Steel has been working with Pacific Steel to get loaded backhaul's.

- The group sees an opportunity for a business entity whose purpose it would be to coordinate with common carriers to better address the transportation needs of manufacturers statewide.
- Container notice has become a problem and that was attributed to dock strikes. Blossom suggested that the state get involved when labor issues hold up freight moving in and out of Montana (Blossom mentioned that Chemet took action involving Montana's Congressional delegation to help resolve problems related to a Seattle dock strike that was affecting freight).
- The group discussion touched on the fact that all companies pretty much negotiate their own discounts with small package carriers such as UPS and FedEx. No one seemed too concerned about that situation, but felt it would be helpful to know how the rates in and out of our area compare with the rates in other areas like Denver.
- Rail – can be cost effective but the timing/scheduling of rail cars is not reliable. Has gotten worse with oil development in eastern Montana.
- How does Agriculture handle the issue of hauling hay, wheat, etc.? Look at what they are doing as possible options.
- How does this issue overlap with other KIN issues? Coordination/collaboration between KIN groups to compare similar issues between the Groups will be facilitated by Tom Kaiserski.

Outcome(s):

1. Neal Blossom and K.C. Walsh will discuss the potential for statewide transportation coordination with their company experts and report back to Tom Kaiserski to determine the next steps.
2. Tom Kaiserski will discuss the above issues with the Transportation KIN Group when that group meets.

Conclusion – Bryan Wood asked if any member would be interested in presenting these outcomes during the next full Manufacturing KIN meeting. With no volunteers Bryan agreed to be the presenter.