

# MAIN STREET MONTANA PROJECT

## A BUSINESS PLAN *For Montana by Montanans*

### **Transportation KIN Meeting Minutes** **October 7<sup>th</sup>, 2016** **Capitol Complex, Room 152** **9:30 a.m. -3:00 p.m.**

#### **Attendees:**

Jason Matheny (Co-chair)- Davis Transport Inc.  
Tom Walsh (Co-chair) – Montana Rail Link  
Jim Lewis - Montana Rail Link  
Bill Lloyd-Great West Engineering  
Ron Hooper – Neptune Aviation  
Sten Solberg – Jones Brother Trucking  
Gary De France- Harrison Grain Elevator Company  
Jeremiah Lemons-Montana Companies / Oldcastle Materials  
Dave Gardner – Mergenthaler Transfer and Storage, MTS Freight  
Carla Allen – Central Montana Railroad  
John Pavsek- Morrison-Maierle  
Melissa Lewis- Melissa Lewis & Associates (Attending for Shelby Mayor Larry Bonderud)

#### **Staff:**

Lieutenant Governor Mike Cooney  
Mary Craige, Department of Commerce  
Lynn Zanto, Department of Transportation  
Amanda Casey, Governor's Office

#### **Presenters:**

Lee Baerlocher, Department of Revenue  
Barb Wagner, Department of Labor and Industry  
Tom Kaiserski, Department of Commerce  
Patrick McJannett, Department of Justice

#### **9:30 AM**

Introductions and greetings by Mary Craige and co-chairs Tom Walsh and Jason Matheny

#### **9:40 AM**

Department of Revenue Presentation - State and Local Tax Revenues in Montana  
*Lee Baerlocher, Business & Income Tax Division Administrator, MTDOR*

What can the Department of Revenue do better and what can they do for you?

- Aviation tax incentives
- Scheduled air service
- Taxation issues

## Department of Revenue Presentation (continued)

- Legislation/Statutory fix
  - Western States Tax Advisory Committee meeting next fall in Missoula

## KIN conversation discussing:

- Access to markets
  - Population base
  - How to keep up infrastructure with declining federal funding
  - Future Medicare funding and impact on available revenues
- Destination/Resort tax
  - Expand qualification
- Group discussion related to taxes and highways/roads
- Local option tax, other taxes

## **10:30 AM**

Break

## **10:45 AM**

Department of Labor & Industry Presentation - Labor Day Report and Employment Projections  
*Barb Wagner, Chief Economist, MTDLI*

## Highlights of the presentation include:

- Montana's total employment levels are over half a million jobs for the first time in the state's history.
- Montana is #6 in the nation for wage growth over the last five years, increasing 3.5 percent over the last year.
- Montana's unemployment rate is at ideal levels and continues to outpace the national average at 4.0 percent.
- Montana's personal income growth continues to be faster than the national average.
- Montana's GDP expanded by 4.5 percent in 2014

Other discussion highlights: MT economy is diverse which has helped state weather the drop in oil prices and while oil field jobs are down number of jobs overall is still up from previous levels; MT fourth highest rate of workers over 65; the state (as does whole country) faces impending worker shortages. Possible solutions to shortage include recruiting workers to MT, expanding participation in the workforce in-state (more women, Native Americans, veterans, disabled, less than high school education, etc.), reduce time out of labor force for training – more on-the-job training and work based learning, and improve labor productivity to produce more with fewer workers.

### **11:40 AM**

Department of Justice Presentation- CDL and Other Drivers Licensing  
*Patrick McJannett, Audit & CDL Section Supervisor, MTDOJ*

Provided an overview of current licensing process and barriers in particular the current federal regulations which require many processes and lots of record keeping. Also discussed future additional certification requirements.

- Only two locations in Montana that have fingerprinting vendor (Sidney and Billings)
  - Looking into third location – Missoula a possibility
- Possibility of forming a co-op for trucking companies for fingerprinting

KIN discussion about having a call with vendor to work with KIN subgroup. Other suggestions:

- Separate background checks for different areas of trucking
- Look into fingerprinting process of Florida and Texas – don't use national vendor
- Currently six examiners specialize in CDL testing – can that be expanded
  - Yearly training required for examiners
- Explore Streamline testing for permits
  - Lose prospects due to timing
- Explore possibility of taking written test online
  - Barriers – too many regulations and documents required to verify identity
- Third party testing
  - Requires rewriting Montana law
- Increase in driver employment
  - Hard for DMV's to keep up with current workload, more will put further behind
- Entry-level driver requirements
  - Must go through accredited school

### **12:20 PM**

Lunch

### **1:05 PM**

Lieutenant Governor Cooney introduction and remarks to KIN members.

### **1:10 PM**

Overview of Progress on KIN Action Plan items

*Mary Craige, Research & Information Services Bureau Chief, MTDOC*

- Next steps on Action Plan item Innovation and Business climate improvements
  - Hold a KIN call to discuss legal barriers /disincentives that hamper transportation growth
  - Discussion of progress on other cross-KIN issues- access to capital, workforce development, coordination of transportation in shipping (especially smaller companies)

## **1:25 PM**

Department of Transportation and Department of Commerce KIN Action Plan items  
*Lynn Zanto, Administrator Rail, Transit & Planning Division, MTDOT*

KIN Discussion on intra-state transportation cooperation

- Regional outreach to other states to build coalitions especially Northern Corridor
  - Comments by Melissa Lewis about Great Northern Corridor Coalition  
<http://greatnortherncorridor.org/>
    - Collaboration and coordination among transportation alliances in eight states and bordering Canadian provinces; Eight states (MT, ID, IL, MN, ND, OR, WA, WI)
    - Freight and highway corridor
    - Snow sheds
    - Conducting Multi-state development study - Phase II should be complete within the next month. Implementation lead and funding needs to be identified- Washington ports are leading this effort (Fastlane grants, other resources may be available for continuation requires matching)
  - Further KIN discussion
    - Competing interests among transportation companies in the state
    - DOT cannot manage coalition—has to come from industry
    - Theodore Roosevelt Expressway <http://www.trepressway.com/>
  - Next steps on coalitions
    - Compile list of major coalitions of which MT entities are currently members which currently 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/>
    - Track Western Governors' Association transportation topics like covering coal shipment PNWER
- Tom Kaiserski Air Service Update
  - New flight Bozeman-Dallas
  - MTDOC putting money and work into assisting communities marketing flights
  - Strategic air service plan
  - Why is it so expensive to travel in and out of Montana (flights)?
  - How are costs determined?
  - Seat guarantee programs and state funding (BSTF)
  - Next steps on air service
    - Ask Tourism how costs are determined and what can counter the costs.
    - Find example of seat guarantee reports.
    - Report out on airport managers meeting.

- Tom Kaiserski update on industry development efforts and reports MTDOC has done or is doing
  - Craft Breweries
  - Barley, wheat and lentils (number one in country for lentils) - Montana pulse's market is growing
  - Looking to increase MT potato production
  - Working to increase MT agriculture commodities—transportation implications
    - Back-haul (to and from trucking; how to fill trucks both ways)
    - More production and increased imports both increase transportation demands
    - Discuss creating import map for Montana products (CEIC has energy and key infrastructure map) <http://ceic.mt.gov/Maps/EnergyApp/index.html>
- Next steps on industry development efforts
  - Add reports to MSMP website
  - Survey KINS on areas to study from a list developed by state economic outlook
  - Add back haul conversation into cross-KIN discussion and think about map

### **2:15 PM**

Update on TranPlanMT <http://www.mdt.mt.gov/tranplan/>

*Lynn Zanto, Administrator Data and Statistics Bureau, MTDOT*

- TranPlanMT, originally adopted in 1995 is Montana's statewide long-range plan for preserving and improving Montana's transportation system
  - Statewide Transportation plan
  - Broad policy goals
  - Next step
    - Input into freight plan <http://mdt.mt.gov/freightplan/default.shtml>

KIN discussion of statewide infrastructure / capital improvement plan – beyond TranPlanMT across all sectors, so as to establish a priority list for infrastructure improvement

- Next steps
- Research idea on what other states have done; what are tools for community, regional, statewide planning that provide mutual advantages
- How do we put Puzzle pieces together

### **2:30 PM**

What would you like to address to Governor Bullock as we continue on?

- How can KIN bring forth something within the term-limited legislature?
- KIN members would like to have more conversation / actions regarding CDL's and Department of Justice
- Set-up Cross-KIN and subgroup calls
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### **3:00 PM**

Adjourn