

RAIL SERVICE COMPETITION COUNCIL CONFERENCE CALL MINUTES

Wednesday, August 8, 2012
9:00am – 9:30am

RSCC Committee Members on the call: Mike O’Hara, Chair; Walt Ainsworth, Doug Miller, Ron de Yong, Jerry Jimison, Evan Barrett, Tim Reardon, Carla Allen, Russ Hobbs and Dan Bucks.

RSCC Committee Members Absent: Sen. Windy Boy, Rep. Tom Berry, and John DeMichiei.

State MDT Staff: Hal Fossum

Support: Terry Whiteside, Whiteside & Associates (Montana Wheat & Barley Committee); Gloria O’Rourke, MEDS, PLLC.

Audience: Joel Clairmont, MT Dept. of Ag; Barbara Ranf, BNSF; Jim Lewis, MRL; Dave Harbecke, Union Pacific; Mike Halligan, MRL.

DISCUSSION ITEM

Chairman Mike O’Hara requested this conference call meeting so that the RSCC could discuss the need to compile information on positive economic impacts from increased coal production in Montana as discussed in the recent study, “Heavy Traffic Ahead,” published by the Western Organization of Resource Councils, which was presented to the RSCC at its last meeting.

During the July RSCC meeting, a letter compiled by the Energy Transportation Sub-committee was approved by the RSCC to be sent to the four Montana communities that have to this point expressed concern regarding increased rail traffic due to increased exports of coal through west coast ports to the Far East. At the request of the RSCC, the letter is being edited prior to being sent out. Information is being added to this letter that reflects the “prospective” nature of the suggested growth in coal production and traffic. Included will be the fact that similar concerns about massive coal growth in Eastern Montana that were articulated in the 1970s in reports by the US Bureau of Reclamation (projected 21 coal-fired generation plants) and the Old West Regional Commission (projected 4 coal gasification plants) did not come to fruition.

That recent study, “Heavy Traffic Ahead,” projected coal production increases and increases in coal transportation. It articulated community transportation concerns and rail line bottlenecks. The study did not, however, include any economic benefits to the state from this projected increased activity such as job creation, transportation enhancements, and increased revenues from taxation, etc..

RSCC members on the call agreed that just as communities need information on the volume and transportation impacts that may develop; the communities also need information on the positive economic impacts and potential mechanisms for funding infrastructure improvement that could also result.

ACTION ITEM

After the background above was discussed, Evan Barrett moved that the RSCC authorize Evan Barrett and the Governor's Office of Economic Development (GOED) to work with the staff at the Department of Transportation (DOT) on a "limited solicitation" for the expenditure of up to \$25,000 from RSCC funds for development of a report on impacts of prospective increased coal mining and shipping activity to include: direct and indirect jobs in mining and transportation, and direct and indirect tax collective increases (including property taxes, gross proceeds taxes, severance taxes, income taxes, etc.); as well as compiling a list of possible funding mechanisms (that might take advantage of the increased tax collections) by which local governments that might have transportation impacts from increased coal shipping activity may find help in financing any mitigations to those impacts; and that upon the completion of the limited solicitation the DOT be authorized to implement a contract for completion of the study on an expedited schedule. Jerry Jimison seconded the motion.

After discussion, Chairman O'Hara called for a vote on the motion; all present voted in favor of the motion.

With no further business, the meeting was adjourned.