



Revenue and Transportation Interim Committee

63rd Montana Legislature

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TO: Revenue and Transportation Interim Committee

FROM: Megan Moore, Research Analyst

RE: Costs Analysis of Oversize Loads

DATE: July 17, 2014

Attached to this memorandum are three spreadsheets that attempt to identify costs associated with the movement of large oversize loads on the specified route. The costs are split into one-time costs and costs associated with improvements that would make a route permanently accessible. Information was also requested on the benefits of a permanent solution, but that information is not readily available except as discussed below. The Montana Department of Transportation (MDT) will discuss figures on the numbers of permit applications on the analyzed routes and the permit costs. That information is not included in the spreadsheets because vehicle dimensions and configurations vary, which affects the cost of the permit.

General Methodology

Three commonly used routes were used for this analysis. Staff identified these routes in consultation with MDT staff. The detailed routes are described on the spreadsheets. The Lolo to Sweet Grass and Bonner to Sweet Grass route are identical after the load reaches Bonner. The information on costs is presented separately on these routes for clarity. An East/West route is not included because there is significant variation in the routes used to travel East/West.

The cost information came from a number of sources: information on file at MDT that was received from oversize load movers, an analysis of the Bonner to Sweet Grass route provided to the committee during public comment at the May 6, 2014, meeting, and calls to service providers and contractors.

Estimated traffic control costs vary considerably. Current practice is to keep the oversize load moving and to use a pilot car system to clear oncoming traffic and traffic approaching from the rear of the vehicle. The cost is dependent on a number of factors, including:

- the specific load dimensions;
- the weight and configuration of the vehicle;
- the speed at which the load can travel;
- whether the load spans a weekend. Weekend travel by oversize loads is not allowed. When a move spans a weekend, workers are paid travel costs to return home for the weekend.
- the time of year; and

- whether the mover asks the traffic control contractor to provide security services.¹

The list of required mitigation may not be complete and the exact mitigation required depends on an oversize vehicle's specific dimensions, weight, and configuration.

Lolo to Sweet Grass

This route is identified as Lolo to Sweet Grass because legal action in Idaho in October 2013 stopped loads from entering Montana on U.S. Highway 12.² Instead, loads began entering Montana at Lost Trail Pass on U.S. Highway 93.

Notes on the spreadsheet for moving utilities indicate that some costs are based on one-time costs for a load entering Montana on U.S. Highway 12. These costs may include utilities west of Lolo that would not need to be addressed for a load entering at Lost Trail Pass. There could also be additional utility movements required between Lost Trail Pass and Lolo for which the costs are not included.

The permanent cost estimates for utilities are from an analysis of the Bonner to Sweet Grass route. These costs may be low as they do not include the Lolo to Bonner portion of the route.

Bonner to Sweet Grass

The costs provided for a Bonner to Sweet Grass route are only provided for permanent mitigation because those costs are the ones that were available. The Bonner to Sweet Grass route is identical to the Lolo to Sweet Grass route once the load reaches Bonner. Much of the permanent mitigation cost difference is likely attributable to movement through the city of Missoula.

Billings to Sweet Grass

Bay Montana made many upgrades on the Billings to Sweet Grass route. Bay Montana is a company that fabricates steel structures in Billings. James McCord provided information at the December committee meeting indicating that the company has invested about \$6 million to:

- raise or bury power and telecommunication lines;
- relocate utility poles and guy wires;
- install swing-out, swivel bolted connections or cantilevered poles for signs, traffic signals, and lights;
- replace overhead flashing lights with solar powered signs; and
- construct turnouts in high-traffic areas.

Information passed along from MDT indicates that there are additional traffic lights in Roundup, Grass Range, Bohemian Corner, Fort Benton, and north of Fort Benton that have not been permanently addressed. Other costs include traffic control and Montana Highway Patrol assistance. Generally, utilities do not have to be raised or cut on this route.

¹Phone conversation with Deb Poteet, Poteet Construction, July 15, 2014.

²Associated Press, "Judge Says No to Megaloads on Highway 12," October 11, 2013.

Benefits

The Big Sky Economic Development Authority had the MSU Billings Center for Applied Economic Research conduct an economic and fiscal impact analysis of the Bay facility when it was proposed for Billings. Dr. Scott Rickard prepared the original analysis in 2009 and updated it with an addendum in July 2011 after the company provided updated estimates for labor productivity, average work year, and average wage.

The report estimated the expected \$75 million in sales from the company would generate an additional \$31 million (2007 dollars) in economic output in the local area, including 850 full-time and part-time jobs and an estimated \$11 million in increased state and local tax revenues per year.³

Dr. Rickard also estimated the following economic and fiscal impacts from transportation of the modules: \$24 million (2007 dollars) in additional economic activity, 195 jobs, and \$2 million in increased state and local tax revenues per year.⁴

Additional Considerations

These figures are estimates only and likely do not include all the mitigation required to allow a large oversize load to travel the designated route. When considering the costs for a permanent route, there should be some thought given to the number of large oversize loads traveling the route. If creation of an oversize load corridor attracts additional large oversize loads, other improvements could be necessary, such as additional traffic control procedures or increased highway maintenance.

Electric Utilities

The costs associated with temporarily mitigating electric utilities depends on whether the wires can be raised or whether they must be cut. Generally, raising the wires costs less and is less disruptive. Whether the wires can be raised or must be cut depends on the vehicle dimensions.

There are also a number of considerations related to the choice between permanently raising electric utilities or burying them. Burying the wires requires more extensive permitting than does raising them. There could also be line coordination issues that may require the wire to be raised rather than buried. This challenge arises if a wire alternates between overhead and underground numerous times. High-voltage wires are rarely buried because of costs and operational problems. The cost of each option also varies depending on the specific location.⁵

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³Dr. Scott Rickard, "Addendum to Economic and Fiscal Impacts of a Proposed Metal Fabrication Facility in Billings Montana," June 2011.

⁴Dr. Scott Rickard, "Economic and Fiscal Impacts of a Proposed Metal Fabrication Facility in Billings Montana."

⁵E-mail from Gary Wiens, Assistant General Manager, Montana Electric Cooperatives' Association, March 26, 2014.