MINUTES OF THE MEETING
TAXATION COMMITTEE
HOUSE OF REPRESENTATIVES
50TH LEGISLATIVE SESSION

April 8, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on April 8, 1987, at 8:30 a.m., in Room 312B of the State Capitol.

ROLL CALL: All members were present. Also present was Greg Petesch, Director of Legal Services, Legislative Council.

DISPOSITION OF SENATE BILL NO. 116: Rep. Gilbert made a subcommittee report on SB 116, and said he believes there is a problem as the bill would cause tax dollars to revert to pipelines or refineries, if next quarter collections are not sufficient. He advised the Committee it is the recommendation of the Subcommittee, that SB 116 be tabled, and that the Committee come up with a resolution to study the matter in Revenue Oversight Committee.

Rep. Williams asked what Motor Fuels Division felt about the Subcommittee recommendation. Rep. Gilbert replied that Motor Fuels Division supports the issue, but it is unfair. He stated it is not known what the answer is, and that he talked with Norris Nichols about license expiration, and was advised it would be cost prohibitive because of abuse.

Rep. Schye asked how the Committee could make certain the Revenue Oversight Committee would look at this issue, because it is a problem.

Rep. Gilbert made a motion to TABLE SB 116. The motion CARRIED unanimously.

DISPOSITION OF SB 162: Rep. Hoffman reported he discussed the incorporation of HB 539, and SB's 162 and 343 with Sen. Mazurek, who put him off, and that he then discussed the situation with Dave Bohyer, Staff Researcher, who is working on the issue.

Rep. Raney made a motion that language be added to line 15, page 2, "as long as the state retains ownership and the property is used exclusively for rail transportation". He told the Committee he was trying to keep rail transportation on that state-owned property, and when such corporations are sufficiently prosperous to do so, they can purchase the land from the state and begin to pay taxes. Rep. Raney included in his motion that "may not" be inserted and "shall" be stricken on line 16, page 2 of the bill.

Greg Groepper stated the Central Montana Railroad is adjunct to fixing up highways, according to DOC.

Rep. Asay asked how the bill would coordinate with highest and best use of state lands. Greg Groepper replied that, so far, he hasn't seen anything from DOC except to keep the tracks from being taken out. He advised that, in the case of RARUS, any profit goes to reimburse the state for the $10 million trust left by Burlington Northern (BN). He said, generally speaking, DOC is trying to serve as an interim holding company with RARUS, and would like to be there with Central Montana Railroad.

Rep. Schye asked if the railroad in Butte is supported by the state. Greg Groepper replied it used to be the Butte, Anaconda, and Pacific Railroad, and was abandoned and later picked up by the state.

Rep. Raney advised that BN owns the railroad at Mission right now, and is paying the taxes on it, but gave the Crazy Mountain Railroad several months to show it can support a viable operation and, if so, would give the property to the state. He explained Crazy Mountain Railroad can't run the line as a nonprofit organization, because it will need several million dollars for beginning operating costs. He said the line would become profit-making for a time and, eventually, revert to agricultural use.

Rep. Ramirez asked if railroad bridges were a part of the track. Greg Groepper replied that bridges are a part of right-of-way, and language should be considered to address the matter. He recommended adding to Rep. Raney's motion that "property" be stricken on line 17, and "right of way and track" be inserted on line 17, page 2. Rep. Raney agreed to incorporate the amendment into his motion to amend the bill.

Rep. Keenan asked how RARUS would be taxed. Greg Groepper replied that it would be centrally assessed, as the rolling stock is owned by RARUS, and the state only owns the rights-of-way now. He explained that with Rep. Raney's suggestion, RARUS tax volume would be reduced by the value of the track. He said there is no provision right now in the statutes, for exemptions for railroads.

Rep. Raney's motion to amend CARRIED unanimously.

Rep. Raney stated he was bothered by the idea of the state getting into the railroad business.

Rep. Hoffman asked what the state's liability problem would be. Chairman Ramirez replied liability is usually the responsibility of the lessee.

Rep. Raney made a motion that SB 272 BE CONCURRED IN AS AMENDED. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 150: Rep. Hanson made a motion that SB 150 BE CONCURRED IN.

Rep. Williams asked Chairman Ramirez how SB 150 would fit with his bill. Chairman Ramirez replied it does the same thing, but for a completely different reason.

Rep. Williams asked if the bill requires that DOR provide new information on realty transfer certificates to the public. Chairman Ramirez advised that information might be difficult for individuals to obtain on their own.

Rep. Patterson stated DOR does not accept any appraisals other than its own.

Rep. Raney commented it is not worth $800,000 in taxpayer dollars, and that that bill he and Chairman Ramirez co-sponsored would take care of the problem.

Chairman Ramirez advised that all sales assessment ratios should be taken out of SB 150, because they are covered in the Ramirez-Raney bill, and most of the cost of SB 150 is in this area. He commented that the remainder of the bill would cost very little to administer.

Rep. Hoffman stated he didn't believe SB 150 is justified, because the information can be obtained from an appraisal office. Rep. Gilbert replied assessments won't show figures, and that it is not that simple.

Rep. Hoffman advised the records are required to be made public. Chairman Ramirez replied that DOR may not reveal exact names or location of property.

Rep. Hoffman made a motion to TABLE SB 150. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 383: Rep. Hanson made a motion that SB 383 BE CONCURRED IN.

Chairman Ramirez stated the fiscal note assumes new production, and that the bill has been amended to half the amount stated in the fiscal note, but he believes it really won't stimulate any new production. He said the bill does not address long-range benefits for the exemption for the first 12 months, and that he has a note that after the first year, it would be a wash.

Chairman Ramirez made a motion to amend the effective date to wells drilled after April 1, 1987. The motion CARRIED unanimously.

Rep. Hanson made a motion that SB 383 BE CONCURRED IN AS AMENDED. The motion CARRIED with all members voting aye, except Reps. Williams, Schye, Keenan, Harrington, Koehnke, Ream, and Raney, who voted no.

DISPOSITION OF SENATE BILL NO. 22: Rep. Harp advised the bill would create additional risk capital and would increase credit from 25 to 50 percent, or up to $150,000 between July 1, 1987, and June 30, 1989. He explained this amount is not to exceed $3 million, but could be continued to June 30, 1991, if the $3 million in credit is exceeded.

Rep. Harp stated 25 percent of the capital corporations would be investments outside Montana, and offered an amendment (Exhibits #1 and #2), to tighten up outside investments. He suggested the Committee strike "certify" and insert "qualify " on page 7, line 25, and page 8, lines 7 and 14.

Rep. Harp made a motion that SB 22 BE CONCURRED IN, and made a motion that the proposed amendment be approved. He advised that $1,200 in tax credit creates one job in Montana. The motion CARRIED unanimously.

Rep. Harp made a motion that the remaining proposed amendments (Exhibit #2) be approved. The motion CARRIED unanimously.

Chairman Ramirez advised he was concerned with the $1.2 million fiscal impact to local governments, and suggested an amendment to reimburse local dollars, for 100 percent general fund impact.

Dick Bourke, Product Development Corporation, advised the Committee that Senator Van Valkenburg had made calls and found this was not an issue. He stated his company intends to make a public offering of stock and not go to financial institutions, as allowed in the bill.

Chairman Ramirez asked if no minimum investment was required. Mr. Bourke replied there was no minimum investment and that investors would get credit on only one-half of their investment. He stated that, at last report, there were 104 financial institutions that are shareholders, but the bulk is from large banks and chains, with the exception of the Bank of Montana.

Rep. Sands said he didn't believe the legislation was all that risky.

Rep. Williams said he would like more information on the total effect to local governments, and asked that the Committee pass consideration on the bill for the day.

Chairman Ramirez said he hoped the subcommittees complete their study assignments this date, in order that the bills could be acted upon April 9.

ADJOURNMENT: There being no further business before the Committee, the meeting was adjourned at 9:52 a.m.

Jack Ramirez

Representative Jack Ramirez,
Chairman

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date April 8, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ	✓		
REP. ASAY	✓		
REP. ELLISON	✓		
REP. GILBERT	✓		
REP. HANSON	✓		
REP. HARP	✓		
REP. HARRINGTON	✓		
REP. HOFFMAN	✓		
REP. KEENAN	✓		
REP. KOEHNKE	✓		
REP. PATTERSON	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. SANDS	✓		
REP. SCHYE	✓		
REP. WILLIAMS	✓		

STANDING COMMITTEE REPORT

APRIL 7 19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 272

☐ do pass
☐ do not pass

☒ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Representative Jack Ramirez, Chairman

Be amended as follows:

1. Page 2, line 16
   Strike: "shall"
   Insert: "may not"

2. Page 2, line 17
   Following: "railroad"
   Strike: "property, both real and personal"
   Insert: "right-of-way or track"

3. Page 2, lines 18 through 23
   Following: "part 1," on line 18
   Strike: remainder of line 18 through "tax" on line 23
   Insert: "as long as the state retains ownership and the right-of-way and track is used exclusively for rail transportation"

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STANDING COMMITTEE REPORT

APRIL 3 19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 383

- [ ] do pass
- [ ] do not pass
- [x] be concurred in
- [ ] be not concurred in
- [x] as amended
- [ ] statement of intent attached

Representative Jack Ramirez, Chairman

Be amended as follows:

1. Page 43, line 9
   Following: "taxable"
   Strike: "years"
   Insert: "quarters"
   Following: "after"
   Strike: January 1"
   Insert: "April 1"

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#1
4-8-87
SB 22

Senate Bill 22

PROPOSED AMENDMENTS

Page 7, line 25; Page 8, lines 7 and 14

1. Strike "certified"
2. Insert "qualified"

#2
4-8-87
[redacted] SB 22

Senate Bill 22

PROPOSED AMENDMENTS

P. 4, lines 15
Following: "its"
Strike: "funds"
Insert: "capital base"

P. 4, lines 16-17
Following: "if"
Strike: "such investment is likely to"
Insert: "there is a substantial likelihood that such investment will"

MONTANA PETROLEUM INDUSTRY
TAXES

Montana imposes four taxes on oil and natural gas:

	SEVERANCE TAX		NET PROCEEDS TAX		RESOURCE INDEMNITY TRUST TAX	
FY	OIL	NATURAL GAS	OIL	NATURAL GAS	OIL	NATURAL GAS
1980	$10,544,555	$1,264,025	$21,011,951	na	$1,828,947	$355,054
1981	19,578,172	2,116,291	28,663,376	na	3,328,426	419,647
1982	51,073,425	2,659,811	40,868,506	na	5,308,525	491,832
1983	45,228,535	2,649,726	66,160,884	na	4,783,438	522,396
1984	49,029,017	2,797,996	65,610,580	$11,976,791	4,279,714	589,348
1985	48,789,984	2,945,778	60,819,000	14,220,000	4,204,763	627,504
1986	34,728,749	2,890,666	67,220,584	14,771,771	3,913,955	583,961

A. Net Proceeds Tax is calculated on gross value of oil, minus all allowable deductions and multiplied by the local mill levy. The 1985 Legislature set 7% maximum on oil and 12% maximum on gas produced after July 1, 1985, from leases which have not produced during the preceding five years. Therefore, the maximum tax rate on "new" production from a previously non-producing lease will be 12.7% on oil and 15.35% on gas.

B. Severance tax is 5% of the gross value of oil and 2.65% of natural gas.

The revenue is allocated as follows:

1) One-third of the oil severance tax to Local Government Block Grant account for distribution to all Montana cities and counties.

2) A portion of the collections is returned to cities and counties in the oil-producing areas to help them in dealing with impacts.

3) The remainder to the state general fund.

The tax rate for incremental oil produced through tertiary recovery after July 1, 1985, is 2.5%.

C. Resource Indemnity Trust Tax is .5% of gross value of all minerals produced. These taxes are placed in a trust fund to "indemnify the state against damage to the environment from the extraction of non-renewable natural resources."

D. Conservation Tax: The Board of Oil and Gas Conservation levies a tax to support its own operations. The tax is .2% of gross value. It yielded $753,000 in FY 1985 and $631,000 in FY 1986.

MONTANA PETROLEUM TAXES

TAX	RATE	FY1986
To the state:		
(1) severance tax		
oil	5%	$23,152,504
natural gas	2.65%	2,890,666
(2) resource indemnity trust tax	.5%	
oil		3,913,955
natural gas		583,961
(3) oil/gas conservation tax	.08%*	629,287
(4) corporate license tax	6.75%	6,553,610**
Lease royalty from state lands		
oil		4,193,476
natural gas		1,248,139
Bonuses and rentals on state lands		4,950,779
To local government:		
(1) net proceeds tax		
oil	(ave. 7%)	67,220,584
natural gas	(ave. 12%)	14,771,771
(2) ad valorem property tax on plant and equipment	11%	not available
(3) one-third of the oil severance tax plus the amount by which any tax collected within a county exceeds collections in the county from the previous year by reason of increased production.		11,576,246
oil		475,922
gas		106,915

Does not include: income from federal leases
income taxes on royalty income:
paid by individuals
and corporations

On the average, local governments spend 60% of these funds for education, 8% for city operations, 23% for county operations, and 6% for fire and other special districts. About 3% is returned to the state to support the university system.

*Rate was .08% through FY 1986, raised to .2% in July, 1986
**FY 1985 figure -- FY 1986 not available

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Janelle K. Fallan
Executive Director

While California levies a higher state income tax rate than Montana, California levies no severance tax and only its low property tax.

Louisiana levies a higher severance tax on oil than Montana, but exempts oil and gas from property taxation. So does North Dakota.

Oklahoma also levies a higher severance tax than Montana, but the Oklahoma tax is in lieu of all other state and local taxation.

Colorado offers a generous tax credit for the payment of property taxes to local government.

Texas, like Montana, offers no tax credit or exemptions with its severance tax, but unlike Montana, has no corporate income tax.

New Mexico and Utah levy lower taxes across the board.

North Dakota's taxes are not a great deal lower, but there are only two, compared to Montana's four, and no property tax.

The North Dakota House has also approved a measure that would lower the state's overall tax rate from 11.5% to 8%.

Wyoming has lowered the severance tax to 2% for the next four years for all wildcats drilled in 1987 and 1988.

Information from: "A Comparative Study of State Taxation of Oil and Gas: The Lessons for Montana," Rodney T. Smith, Claremont McKenna College, California. Presented at: "Taxation and the Montana Economy," September 5, 1986.

1986

TAX COMPARISON REPORT

ROCKY MOUNTAIN OIL & GAS
ASSOCIATION

TAX COMPARISON STUDY
(Estimated Crude Oil)

I. Effective Severance Tax Rates (Including Severance Conservaton Taxes) Per $1.00 of Gross Income

1.	Louisiana	$.125
2.	North Dakota	.115
3.	Oklahoma	.0708
4.	Wyoming	.0602
5.	Montana	.057 - (includes indemnity tax)
6.	Kansas	.0433
7.	Texas	.047875
8.	South Dakota	.0474
9.	Utah	.042
10.	New Mexico	.0393
11.	Nebraska	.03
12.	Colorado	.014

II. Effective Property Tax Rates Per $1.00 of Gross Income

1.	Montana	$.075
2.	Wyoming	.067
3.	Colorado	.04 to .11
4.	New Mexico	.0415
5.	Utah	.033 to .065
6.	Kansas	.038
7.	Texas	.03
8.	Nebraska	.025
9.	Louisiana	0
10.	North Dakota	0
11.	Oklahoma	0
12.	South Dakota	0

III. Composite Effective Tax Rate (Severance, Conservation, and Property Taxes) Per $1.00 of Gross Income

1.	Montana	$.132
2.	Wyoming	.125
3.	Louisiana	.125
4.	North Dakota	.115
5.	Kansas	.0973
6.	New Mexico	.0808
7.	Utah	.082
8.	Texas	.0778
9.	Colorado	.0715
10.	Oklahoma	.0708
11.	Nebraska	.055
12.	South Dakota	.047

OPINIONS & IMPRESSIONS

Give oil a break, get production up

Simply stated, the oil production picture in Montana is bleak and it's costing the state a bundle of money.

Two bills now in the Legislature, House Bill 776 and Senate Bill 383 would help to remedy that situation.

HB 776, sponsored by Rep. Dennis Nathe, R-Redstone, would grant a severance tax holiday on the first two years of production from new oil and gas wells and there would be no severance tax on stripper wells (oil wells that produce less than 10 barrels of oil a day). SB 383, sponsored by Sen. Del Gage, R-Cut Bank, would grant a holiday from the net proceeds tax on new gas and oil wells for the first two years of production.

AN IR VIEW

Currently, oil producers pay a 5 percent severance tax and a 7 percent net proceeds tax. The Resource Indemnity Trust tax of .5 percent and a conservation tax of .2 percent brings Montana's total tax on oil to 12.7 percent. It should come as no surprise to many Montanans that Montana's tax on oil is the highest in the nation.

Montana Oil and Gas Commission statistics show that we lost 280,346 barrels of oil per month during 1986 as compared to 1985. The chart at left graphically illustrates what this means.

What has caused this dramatic decline?

- A normal decline of oil pumped from wells.
- Low prices in '86 resulted in abandonment of 379 stripper wells.
- A lack of replacement drilling due in part to the low price of oil and Montana's poor tax climate.

Since 1978 Montana has drilled an average of about 800 new wells a year. In 1986 only 348 wells were drilled.

William Ballard, president of Baleron Oil Co. in Billings, an independent producer, is an eloquent spokesman for oil interests.

He points out that Montana is a great oil state and is largely untapped. There are roughly 93 million acres of land in Montana. Since 1906 oil producers have drilled 28,000 wells in the state. They say one well evaluates 40 acres. This means that, if you eliminate wilderness areas, mountain peaks, cities and town, etc., only about 2 or 3 percent of Montana's area has been evaluated by drilling.

Ballard bolsters his argument about Montana's potential with an intriguing map.

The map shows Montana, North Dakota, Wyoming and the Canadian provinces to the north.

One can look at the map showing the Powder River Basin and Big Horn Basin which begin in Wyoming and extend into Montana. Those basins in Wyoming are dotted with green, indicating oil fields. The green stops at the Wyoming-Montana border even though the same oil-bearing geology extends into our state. You get the same picture at certain areas of Montana's border with Alberta and Saskatchewan. Again we have the same oil-bearing geology, but we don't have the oil fields.

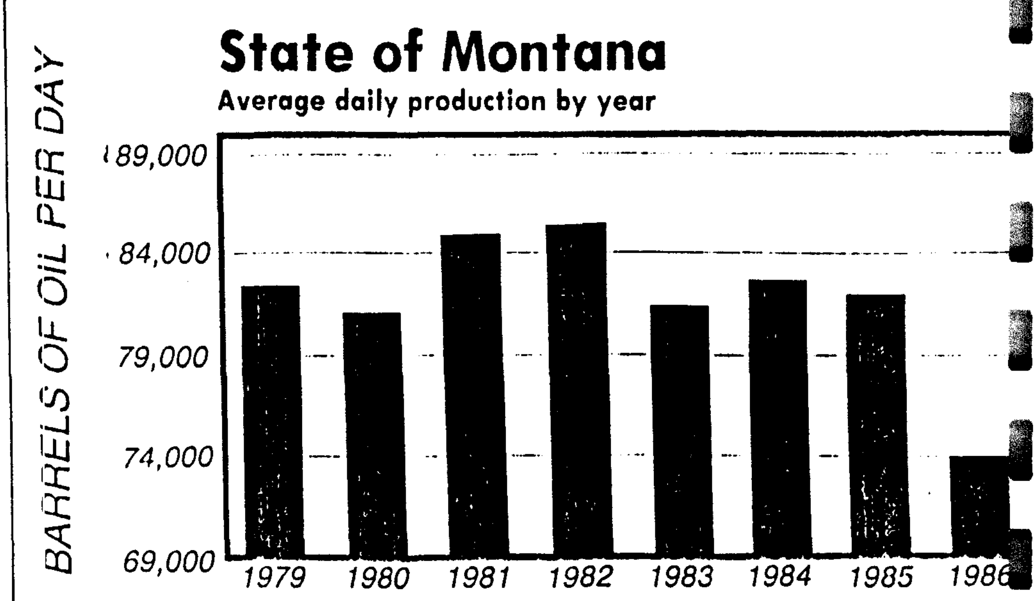
Ballard said he has a commitment from three out-of-state companies that will enable him to drill 70 to 75 wells in Montana if the Legislature grants the tax holidays. Last year his firm drilled a mere 16 wells.

"We won't have an oil boom immediately if these bills become law," Ballard said, "but I certainly expect that the number of wells that will be drilled this year will be double the number drilled last year (if the tax holidays are granted)."

It makes sense to us to grant oil producers the tax holidays they are seeking. The state and local governments aren't going to lose any money because they can't lose what they don't have. On the other hand, increased drilling and production will mean more money a couple of years from now.

North Dakota, Wyoming and most of the other producing state in the West are considering tax incentives during 1987 which are aimed at increasing exploration activity in their areas. Unless Montana follows suit, the Montana's independent producers will continue to be faced with attempting to bring exploration money into the state under very adverse circumstances.

If that should happen, we'll all be losers.



NEWS RELEASE

Energy, Mines and Resources Canada / Energie, Mines et Ressources Canada

87/58
March 25, 1987

MASSE ANNOUNCES MAJOR ASSISTANCE TO OIL AND GAS INDUSTRY

EDMONTON -- The Honourable Marcel Masse, Minister of Energy, Mines and Resources, announced today a major cash incentive program that is expected to substantially boost employment, investment and activity in the oil and gas industry.

The Canadian Exploration and Development Incentive Program will provide approximately $350 million a year in direct assistance to the industry. Beginning April 1, the Government of Canada will provide cash incentives of 33 1/3 per cent of exploration and development expenses anywhere in Canada, up to a maximum of $10 million in spending per company each year.

"The Government of Canada is seriously concerned about the devastating impact of uncertain world oil prices on the oil and gas industry, and on the economy of western Canada in particular. This program will directly increase industry activity and make it more attractive for investors -- but most of all, it will put people back to work," Mr. Masse said.

The Minister said the program could lead to over $1 billion of additional investment in the industry and generate up to 20 000 person years of new employment.

Mr. Masse said the program will be particularly helpful to that part of the industry having the most difficulty -- the smaller and medium-sized companies, many of them Canadian owned.

"One of the most pressing problems these companies face is raising equity funding to finance activity. An important feature of this program is that it will help companies to issue flow-through shares, thus attracting investors for exploration and development projects," Mr. Masse said.

The Minister said the program was approved after extensive consultation with provincial governments and the industry, and after a wide range of options was examined.

- more -

Canada

The Minister noted that this program was developed within the framework of the Government's overall western economic development and diversification initiative, headed by The Honourable Don Mazankowski, Deputy Prime Minister.

Mr. Masse said the elimination of the Petroleum and Gas Revenue Tax by the Government of Canada last October, and subsequent provincial royalty adjustments, have helped the industry.

"But more direct and aggressive action is needed to assist the oil and gas industry to further develop the resource potential of this country during this period of uncertainty," he said.

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See attached backgrounder for additional information.

For further information, please contact: Debbie Davis
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BACKGROUNDER

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM (CEDIP)

The Minister of Energy, Mines and Resources announced today a new cash incentive designed to stimulate oil and gas exploration and development activity in Canada. The incentive is expected to cost approximately $350 million per year and will generate an estimated $1 billion in new exploration and development activity.

The incentive is available to any qualified corporation or individual incurring an eligible expense in respect of oil and gas exploration and development activities in Canada. The eligibility of partnerships or other entities is under review.

In general, an expense that is incurred by a qualified applicant in respect of an activity commencing on or after April 1, 1987, will be eligible for an incentive equal to 33 1/3 per cent of eligible expenses. An eligible expense is a Canadian exploration expense (CEE) or a Canadian development expense (CDE), as these terms are used in the Income Tax Act, subject to certain limitations. These limitations will be set out in regulations at a later date. However, for greater certainty, the following expenses will not be eligible:

- expenses incurred by a qualified corporation in excess of $10 million in the year commencing April 1, 1987 (limit on eligibility of expenses incurred by a qualified individual is currently under review);
- expenses that attract an incentive under the Petroleum Incentives Program;
- expenses that are eligible for earned depletion as described in Section 65 of the Income Tax Act;
- exploration expenses that earn the exploration tax credit pursuant to proposed Part XLVI of the Income Tax regulations; and
- any Canadian exploration and development overhead expenses (CEDOE).

Generally, it is proposed that all oil and gas wells spudded, converted or recompleted after March 31, 1987, will be eligible. In addition, the data collection, processing and interpretation of geophysical, geological and geochemical (GEO) programs commenced after March 31, 1987, are intended to be eligible. However, it is not intended that the acquisition of data for the purposes of trading, selling, licensing or lending will be eligible. The processing of data resulting from a program commenced before April 1, 1987, and any reprocessing or reinterpretation of any data, are also not expected to be eligible.

It is also proposed that certain other expenses, such as expenses that are reimbursable by insurance or expenses that are termination payments or that are payments in respect of property not used, will not be eligible.

Anti-avoidance rules will be developed to ensure that the dollar limitations for both qualified corporations and individuals are not exceeded. For purposes of the $10 million corporate limitation, it will be the corporation issuing flow-through shares that will be the applicant for these incentives. Further, the relevant period is the period when the activity is carried out and not when costs are billed or invoices received.

It is the government's intention that cash incentives under the Program be paid as soon as practicable after the necessary legislation has been passed. To this end, once the exploration or development activity has commenced, the qualified applicant will be entitled to make an early application for incentives on up to 60 per cent of the estimated eligible expenses as evidenced by an authorization for expenditure (AFE). The qualified applicant would, of course, be required to make a final application for the balance of the incentive based on documentation substantiating the actual costs incurred. Further details on the application process are provided in the attached Annex.

To ensure easy access for the applicant, Energy, Mines and Resources will establish an office in Calgary to process applications and provide any other assistance or advice that the applicant may need.

Enabling legislation is expected to be introduced in the current session of Parliament.

It is proposed that consultation with industry will take place on the above items and such other matters as may be required.

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