

# Freight and Passenger Rail Funding Requests

*Rail Change Items and Capital Budget Requests for the 2017 Legislative Session*

The movement of Freight in Minnesota is critical to the State's economic health and the ability of companies in the region to thrive. Freight movement by rail is significantly more efficient than freight shipment by truck. Safety is also a critical consideration of rail shipments, particularly when shipping hazardous materials by rail, such as Bakken crude oil. Therefore, the Department of Transportation requests funding for the following safety and economic development proposals.

## Operating Budget Requests:

### Safety-Related 2018-2019 Biennial Budget Change Item Requests:

- **Freight Rail & Passenger Rail Appropriation (\$1.2M GF per year):**
  1. **Freight Rail:** Provide \$800,000 GF per year in stable funding for the freight rail office to coordinate with railroads regarding safety issues, project development, planning, and respond to questions from constituents as well as elected officials. This also provides stable funding for the Statewide Rail Director.
  2. **Passenger Rail:** Increase the current appropriation for the Passenger Rail office by \$400,000 per year to provide funding for technical staff to continue with the environmental, design, and traffic engineering work for passenger rail projects as well as provide for necessary legal services.
- **Grade Crossing Safety improvements:**
  1. **One-Time Funding provided for the biennium (\$3.7M per year)**
    - **Rail Safety Account (\$3.7M Revenue Increase per year):** This request would increase the current funds made available annually from State Patrol fines to be used for rail grade crossing safety improvement projects.

OR

  2. **Railroad Assessment for Safety Improvements on Priority Rail corridors (\$32.5M per year):** Commit \$32.5 million annually for planning, engineering, administration and construction of highway-rail grade crossing improvement projects along rail corridors transporting crude oil and other hazardous materials. Funding would be provided through an annual assessment on Class I railroads.
- **Rail Safety Inspectors:** The language in the current law is dated and requires revision; the proposal also increases the number of inspectors and adds a program manager to improve safety of the rail system. Class I & II railroads are assessed annually for the costs of the program based upon their rail mileage operated in Minnesota.

### Economic Development-Related 2018-2019 Biennial Budget Change Item Requests:

- **Minnesota Rail Service Improvement (\$1M per year):** A dedicated funding source for enhancing and preserving rail services in the state. This proposal would modify program language to expand the grant program, currently this program is primarily loans. The new language would permit grants to generate economic development benefits.

## Capital Budget Requests:

### Capital Infrastructure Improvement Requests – Safety & Economic Development (GO Bonds):

- **Rail Grade Separation and Warning Device Replacement (\$69.624M):** Provide safety improvements along rail corridors identified as a priority due to crude oil transportation or other factors. The Projects furthest advanced in design include those in Moorhead Main Avenue, Prairie Island Sturgeon Lake Road, and Anoka Hanson Blvd. Rail grade separations are cases where road traffic and rail traffic are permanently separated by either an overpass or an underpass.
- **Highway / Railroad Grade Crossing Warning Devices (\$5M):** Replace active highway-rail grade warning safety devices that have reached the end of their useful life and to design, construct, and equip highway-rail grade crossing warning devices and associated safety improvements.
- **Passenger Rail (\$1M):** Funding would be used as the state match for implementation of passenger rail service, such as the 2<sup>nd</sup> daily train between St. Paul and Chicago and the Northern Lights Express service to Duluth.
- **Rail Quiet Zones (\$10M)**  
Provide grants under as a local match for the capital portion of implementing train whistle-free quiet zones as approved by the Federal Railroad Administration.

## For More Information

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