



April 5, 2016

The Honorable Representative Tim Kelly
Chair, House Transportation Policy & Finance Committee
State of Minnesota
559 State Office Building
St. Paul, Minnesota 55155

Dear Chairman Kelly:

Omega Rail Management, Inc. provides real estate services for Minnesota Valley Regional Rail Authority. This 94-mile railroad line runs from Norwood Young America to Hanley Falls.

It has come to my attention that the Minnesota State House of Representatives is considering a new piece of legislation, H.F. No. 963 - relating to utilities; establishing requirements relating to crossing railroad rights-of-way by utilities; amending Minnesota Statutes 2014, section 216B.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

I respectfully ask for your consideration of the points outlined below and to vote against this bill.

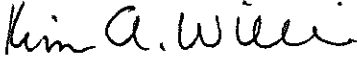
There are multiple flaws in the proposed legislation:

- It could result in very unsafe conditions for railroads and the communities they operate within. Any type of occupancy on railroad property has the potential of creating an unsafe environment for both railroad employees and the citizens of the community. All occupancies of the railroad right-of-way are currently submitted through a process designed to protect railroad employees and the general public. A critical part of the review process is to ensure the occupancy is designed under AREMA standards. This bill mandates an unreasonable turn around time to review, comment, and object to areas of concern. Additionally, putting aside potential federal preemption issues with this process, there is nothing in this bill that outlines the standards of a safe occupancy design.
- It dictates expense on the part of the railroad while completely limiting the ability to recover those costs. Utility crossings cause the railroad to incur costs both during the application phase and after installation. The revenue outlined in the bill will not even cover the cost of the systems and employees required to review, approve, and coordinate prior to the installation of the occupancy. Beyond those expenses there is an additional cost to ongoing tracking of these occupancies. The \$750 fee disregards the ongoing expenses involved in this process.
- The bill ignores the private property rights of railroads. Third parties should obtain an agreement for planned occupations by way of a license, easement or condemnation order. Key terms such as relocation, scheduling and maintenance are typically addressed in such agreements. This bill doesn't address any of these important terms and provides zero compensation for the use of private property as the \$750 doesn't cover the review and processing costs.

Innovative Property Management Solutions

Thank you for your careful consideration of these points. If you have further questions on this, I am happy to discuss. Based on the points mentioned above, I respectfully ask that you **oppose H.F. No. 963.**

Respectfully Yours,

A handwritten signature in cursive script that reads "Kim A. Williams".

Kim A. Williams
Director of Operations