



March 29, 2023

Representative Frank Hornstein, Chair
Minnesota House Committee on Transportation
563 State Office Building
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN. 55155

Dear Chair Hornstein,

On behalf of the 20 railroads operating in Minnesota, I would like to share our thoughts regarding the House omnibus transportation policy and finance bill, HF 2887.

First, allow me to reiterate of the role that railroads play in the economy and commerce of Minnesota. Nearly 30% of all the freight (99 million tons) that moves in our state does so by rail and with 75% less emissions than if it were carried by truck. Shipping by rail saves hundreds of millions of dollars in road damage that otherwise be caused by the more than 5,500,000 trucks required if there were no rail alternative.

4,300 Minnesotans are employed in the rail industry with average wage and benefits of \$122,600/year or roughly \$550,000,000, annually. And railroads pay \$70,000,000 in property taxes every year... money that supports both state and local governments.

It should be obvious that railroads have a positive impact on Minnesota's economy. So, it is in this light that I share our thoughts regarding this legislation.

Fees for State Railroad Inspectors

Railroads place a priority on safety. They have hundreds of railroad inspectors reviewing infrastructure, equipment, and operations on regular, often daily, schedules.

In 2008, the Legislature created a state rail inspector program. In 2014, the Class I and II railroads operating in Minnesota agreed with the Chairs of the Senate and House Transportation Committees to pay an annual assessment that would support the cost of four state railroad inspectors. These inspectors work under an agreement with Federal Railroad Administration inspectors. The railroads are currently assessed for the salary, benefits, administration, supervisions, travel, training, and equipment costs associated with these four state rail inspectors at an annual cost to the in excess of \$1,300,000 (M.S. 219.015).

The railroads have lived up to their end of the agreement. We have not attempted to reduce the number inspectors, or the costs required to support them. This bill would add two inspectors to the state program and increase the assessment being imposed on the railroads.

If the state wishes to add more inspectors to its rail program, it should bear the cost of these additional state employees. This is the common practice in most, if not all other, state inspection programs, e.g., occupational safety inspectors, vehicle inspectors, food inspectors, health inspectors, bank inspectors, cosmetology inspectors, etc. To single out railroads as a “cash cow” for funding to a state program, is unfair and inconsistent with previous agreements made in good faith. We ask you to remove this provision from the bill.

Increased Truck Weights

We are pleased that the bill does not include provisions that would increase the allowable size and weights of trucks carrying certain commodities – lumber, grass seed, septic waste, and soybean oil - on Minnesota roads. It is clear that increased truck weights cause added damage to state roads and bridges – damage that far outweighs the small fees imposed for overweight permits.

The federal highway system continues to limit truck weights to 80,000 lbs. Minnesota, like many other states, however, has allowed a number of truck weight exceptions for various commodities that travel on state roads. Increased weights cause increased road damage and, in some instances, give an advantage to trucks that compete directly with railroads for certain commodity movements.

Two-person Crew Mandate

While legislation mandating train crew size is moving separately, we are pleased that it is not included in this bill. As we have noted, any action by the state mandating the number of crew in freight rail operations is pre-empted by federal law and regulation. This is not speculation. Similar action by other states has been repeatedly voided in the federal courts. The Federal Railroad Administration has and currently is engaged in rulemaking in this area. Its action occupies the field and simply pre-empts any legislation regarding crew size that might be enacted by Minnesota.

We encourage lawmakers to wait for the FRA to report its decision which is scheduled to be reported within the next six months.

Thank-you for your consideration.

Sincerely,

Sarah Erickson, Executive Director
Minnesota Regional Railroads Association