



May 3, 2023

Representative Frank Hornstein, Chair  
Minnesota House Committee on Transportation

Senator Scott Dibble, Chair  
Minnesota Senate Committee on Transportation

Chair Hornstein and Chair Dibble

On behalf of the 20 railroads operating in Minnesota, we would like to share our thoughts regarding the House and Senate transportation bills as they relate to railroads, as you go into conference committee.

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.

Areas of Concerns:

### **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). 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. We ask you to remove this provision from the bill.

### **Two-person Crew Mandate**

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. Similar action by other states has been repeatedly voided in 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. A provision that adds mandates to freight railroads who allow passenger service on our right-of-way may cause uncertainty to future passenger projects in the state.

### **Hazmat Legislation**

We have appreciated working with Sen. Kupec on his SF3187. We have found common ground on a number of areas, and we hope to continue working with him on the remaining outstanding issues as we progress into conference.

Thank-you for your consideration.

Sincerely,

Sarah Erickson, Executive Director  
Minnesota Regional Railroads Association