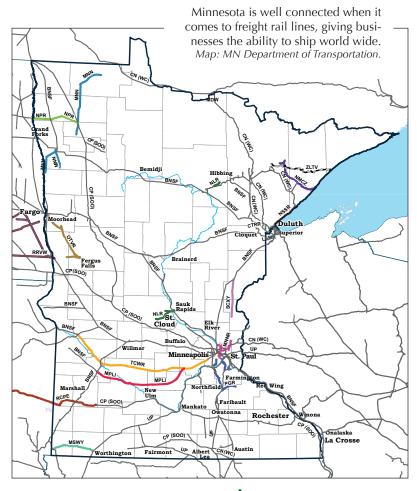
the state of freight rail: Key things to know

Freight rail and the economy.

- Freight rail is **an integral part of Minnesota's economy.** Grain, ore, finished products, coal for power plants, crude oil and more move into and out of the state by rail. It needs to be included in planning related to transportation and economic development.
- Freight rail is **a private industry** and regulated by the federal government. State policy makers can have impact, however.
- **Last winter's rail delays** were caused by bad weather and too many goods trying to fit onto tracks without enough capacity. Rail companies are spending billions to upgrade their tracks and facilities.
- As long as the capacity is behind demand, **transportation costs will remain high** and **delays will also continue.** Shippers who have the resources will turn to alternatives like trucking.
- The Minnesota Rail Service Improvement program needs attention. For small short line rail companies to remain competitive and provide necessary services in rural areas, they need to be able to upgrade their infrastructure, but they generally don't have the capital to improve their tracks and bridges, and the Minnesota Rail Service Improvement program isn't adequate as it is right now.

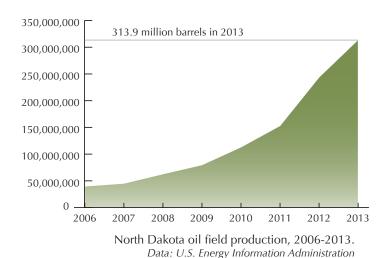




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Safety.

- An average of nine trains hauling hundreds of carloads of highly volatile Bakken oil run through Minnesota **every day.**
- The Federal Rail Administration and the Pipeline and Hazardous Materials Safety Administration are in the rule-making process right now, deciding on **safety standards for rail lines**, **tanker cars**, **and oil producers**.
- Minnesota **state legislation is helping** by requiring rail companies to provide information and training to towns along oil routes. Further legislation can address the problem of **rail lines that cut cities in half**, causing critical delays for local emergency service providers.
- Minnesota can **urge the North Dakota state goverment to hold oil producers accountable.** The oil doesn't have to be so volatile. Oil producers are building infrastructure to siphon off the dangerous natural gas liquids, but slowly. Minnesota lawmakers have good

oil producers to remove dangerous gases from their oil before it is ever loaded on a train.

cause to ask North Dakota to set standards that require

