

STATE OF MINNESOTA
COUNTY OF RAMSEY

BEFORE THE MINNESOTA
COMMISSIONER OF
TRANSPORTATION

In the Matter of Proposed Rules
Relating to the Definition of
Significant Centers of Population
and Commerce and Temporary
Emergency Service

STATEMENT OF NEED AND
REASONABLENESS

The Commissioner of Transportation, pursuant to Minnesota Statutes, section 169.832, subdivision 13, presents facts establishing the need for and reasonableness of proposed rules for defining "significant centers of population and commerce" and "temporary emergency service". These terms will be used to assist in determining which state trunk highways will serve as market artery routes. State trunk highways designated as market arteries will represent priority routes for the elimination of seasonal truck axle-weight load restrictions.

I. Statutory Authority

Minnesota Statutes, section 169.832 directs the Commissioner of Transportation to adopt rules defining "significant centers of population and commerce" and "temporary emergency service". Minnesota Statutes, section 169.832 states:

"Subd. 13. **RESTRICTIONS ON TRUNK HIGHWAYS** (a) For purposes of this section a "market artery" is a trunk highway or segment thereof that:

- (i) connects significant centers of population or commerce;
- (ii) connects highways described in clause (i);
- (iii) provides access to a transportation terminal; or
- (iv) provides temporary emergency service to a particular shipping or receiving point on a market artery.

- (b) The commissioner may impose seasonal load restrictions under section 169.87 on a market artery only after giving 30 days' notice to the chairs of the transportation and appropriations committees of the house of representatives, and the chairs of the transportation and finance committees of the senate. The commissioner shall provide with each notice a plan to improve the market artery within the next three years so that seasonal load restrictions will not be necessary on it.
- (c) The commissioner shall adopt rules under chapter 14 defining "significant centers of population and commerce" and "temporary emergency service" for purposes of this section. In drafting the rules, the commissioner shall consult with major highway users, representatives of manufacturing, retail trade and agriculture, local government and regional development commissions. The commissioner shall consider the importance of manufacturing, retailing, agricultural and natural resources in promulgating the rule, and shall hold at least four public meetings in various parts of the state prior to preparing the final draft of the rule. Between July 1, 1986, and the effective date of the rule, "significant centers of population and commerce" means all home rule charter or statutory cities that had total retail sales of at least \$50,000,000 as reported in the 1982 census of retail trade of the United States Department of Commerce."

II. Meaning of Terms

This Statement of Need and Reasonableness deals with the definition of two terms, "significant centers of population and commerce" and "temporary emergency service". Those definitions will be used to help determine which state trunk highways will serve as market artery routes. The designation of the market artery system will influence how the Minnesota Department of Transportation manages seasonal truck axle-weight restrictions on trunk highways under its jurisdiction.

Certain technical terms are used in this Statement of Need and Reasonableness. They are explained here for the convenience of the reader.

A. Minnesota Statutes, section 169.832, subdivision 13 states that the rule applies to "trunk highways". Minnesota Statutes, section 160.02 states that "trunk highways includes all roads established or to be established under the provisions of article 14, section 2 of the Constitution of the state of Minnesota".

There are approximately 12,100 miles of trunk highways in Minnesota under the jurisdiction of the Minnesota Department of Transportation.

B. "Truck", as it is used in this document, means a five-axle tractor semi-trailer truck combination.

C. "Maximum allowable vehicle loads" means the gross vehicle weights permitted in Minnesota Statutes, section 169.825. As stated in Minnesota Statutes, section 168.011, subdivision 16, the term gross weight applied to a truck used for towing a trailer or semi-trailer means the unloaded weight of the truck, fully equipped for service, plus the weight of the maximum load which the applicant has elected to carry on such truck, including the weight of such part of the trailer and its load as may rest upon the truck. In Minnesota, the current "maximum allowable vehicle load" for a five-axle, tractor-semi-trailer combination is 80,000 pounds gross vehicle weight. The weight of loads that may be transported on highways is discussed in greater detail in Part IV of this Statement of Need and Reasonableness.

Minnesota Statutes, section 169.832, subdivision 11, gives the commissioner the authority to designate routes to carry the gross weights permitted under section 169.825. Section 169.832, subdivision 11 states:

"Designation of routes. The commissioner may designate any street or highway route or segment of a route to carry the gross weights permitted under section 169.825. Any designation of a route pursuant to this subdivision, other than a trunk highway route, is subject to the approval of the local authority having jurisdiction over the route. A route may not be designated if the commissioner finds that designation

- (a) creates an undue hazard to traffic safety; or
- (b) is inconsistent with structural capacity of the route, including consideration of the volume of traffic expected to occur on the route after designation.

Notwithstanding any finding under clause (b), the commissioner shall designate any route which is needed to provide

- (i) a connection between significant centers of population or commerce, or between other designated routes; or
- (ii) access to a transportation terminal; or
- (iii) temporary emergency service to a particular shipping or receiving point on the route."

D. "Seasonal load restrictions" have the meaning used in Minnesota Statutes, section 169.87. Section 169.87 gives the Commissioner the authority to reduce the vehicle weights permitted on highways when such restrictions are necessary to protect the highways from serious damage or destruction because of deterioration, rain, snow or other climatic conditions. Seasonal weight restrictions have historically been used during the three month spring season (March-May) when moisture saturation in underlying soils leaves roadways in their weakest condition. Notice of seasonal weight restrictions is given by signs on the roadway.

III. Statement of Compliance With Chapter 14

A. Notice of Intent to Solicit Outside Opinion

The Minnesota Department of Transportation published a Notice of Intent to Solicit Outside Opinion on September 1, 1986, in the State Register. The notice stated the intent of the department to promulgate rules defining "significant centers of population and commerce" and "temporary emergency service".

The Minnesota Department of Transportation received three letters and one telephone call in response to the notice from:

a) Mid-Minnesota Development Commission

Requested the department to expand the interim definition of "significant centers of population and commerce" so that major regional centers and important highways such as Trunk Highway 212 are included.

The letter recommended the following criteria as alternatives for defining "significant centers of population and commerce":

- cities with \$50 million or more in retail sales;
- cities with 450 or more persons working for operating manufacturing establishments and auxiliaries;
- cities with \$10 million or more receipts from service industry firms, subject to federal income tax.

b) Southwest Regional Development Commission

This letter was forwarded to the department with the letter from the Mid-Minnesota Development Commission.

The Southwest Regional Development Commission supported the alternative criteria identified by the Mid-Minnesota Development Commission. They also raised questions regarding:

- how the department will handle cities that fall just short of the criteria thresholds; and
- whether there is sufficient flexibility to allow for changes in population and commercial activity that occur between census reporting periods.

c) City of Montevideo

Requested the department to expand the definition of "significant centers of population and commerce" to include cities like Montevideo.

d) Kane Transport, Incorporated, Sauk Centre, Minnesota

Requested that a number of trunk highways be identified as important shipping corridors and priority market artery routes.

B. Fees, Mandated Costs or Public Expenditures

Promulgation of this rule will not result in the imposition of agency fees as described in Minnesota Statutes, section 16A.128. The rule will not require the expenditure of public monies by local public bodies as defined in Minnesota Statutes, section 14.11, subdivision 1. Additionally, the rule will not result in mandated costs for local agencies or school districts described in Minnesota Statutes, section 3.982.

C. Impacts on Agricultural Land

The proposed rule will have no effect on agricultural land.

D. Impact on Small Business

The proposed rule may have an impact on the transportation activities of small businesses located in cities or rural areas that do not meet the criteria included in the rule for defining "significant centers of population and commerce".

The intent of the legislation specifying this rulemaking is to eliminate seasonal weight restrictions on those trunk highways which are most important to trucking and shipping. This intent is accomplished by identifying "significant centers of population and commerce" and connecting them via a network of trunk highway market artery routes.

This rule specifies the criteria for defining which cities in Minnesota will be identified as "significant centers of population and commerce" for the purposes of Minnesota Statutes, section 169.832, subdivision 13. The rule is designed to identify Minnesota cities which are major regional centers and businesses which are large truck traffic generators.

Businesses located on trunk highway market arteries that connect cities defined as "significant centers of population and commerce" may achieve some shipping advantage over businesses which are located on routes which have not been identified as market arteries. This situation may result because of the priority that will be given to eliminating seasonal weight restrictions on market artery routes.

The department has considered the impact of the rule on small businesses in compliance with Minnesota Statutes, section 14.115, subdivision 2. The law requires the department to consider:

- (a) the establishment of less stringent compliance or reporting requirements for small businesses;

- (b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- (c) the consolidation or simplification of compliance or reporting requirements for small businesses;
- (d) the establishment of performance standards for small businesses to replace design or operational standards required in the rule; and
- (e) the exemption of small businesses from any or all requirements of the rule.

The proposed rule does not establish compliance or reporting requirements or performance standards. It imposes no requirements on any business large or small.

The rule offers cities alternative ways to show that they are "significant centers of population and commerce". These provisions will minimize impacts of the rule on small businesses located in cities that might otherwise be unable to show that they are "significant centers of population and commerce" due to:

- a lack of available published population or commerce data due to data privacy or U.S. Department of Commerce, Bureau of the Census data reporting provisions; or
- population or commerce changes that have occurred during the time period between traditional U.S. Department of Commerce, Bureau of the Census data reporting periods.

Small business needs have also been considered in defining "temporary emergency service". For example, the Minnesota Department of Transportation will develop administrative procedures to respond to requests for the designation of "temporary emergency service" on a market artery route within twenty-four hours of receiving the request. The department's rapid response to such requests is intended to minimize delays and costs for shippers that find themselves faced with an immediate and urgent need to move commodities at weights up to the 80,000 pound maximum allowable vehicle load during unanticipated emergency situations.

E. Small Business Participation in Rulemaking

Many opportunities have been provided for small business to participate in this rulemaking process. The Notice of Intent to Solicit Outside Opinion made special reference to the potential impact of the rule on small business. In addition, throughout the public involvement activities surrounding this rulemaking, special efforts have been undertaken to encourage small business involvement in public meetings and in the review and comment of draft criteria for defining "significant centers of population and commerce" and "temporary emergency service".

The following actions were taken by the department to encourage business participation in the rulemaking:

- a) Twelve public information meetings were held at various locations throughout the state to explain the rulemaking and solicit comments on alternative draft definitions for the rule.
- b) Public notices stating the dates, time and locations of the public information meetings and the potential effects of the rule on small businesses were prepared.

Copies of the notice were:

- published in the State Register on September 7, 1987
- forwarded to all weekly and daily newspapers in the state
- mailed to several hundred businesses, shippers, trucking companies and private citizens identified by the regional development commissions and the department's nine district offices.
- forwarded to the following business associations:

Agricultural Transportation
Cooperative Association

Concrete Paving Association
of Minnesota

Farm Equipment Association

Minnesota and Dakota Retail
and Hardware Association

Minnesota Chamber of Commerce
and Industry

Minnesota Grocers Association

Minnesota Independent Truckers
Association

Minnesota Public Transport
Association

Minnesota Retail Trade
Association

Minnesota Timber Products

Minnesota Wheat Growers
Association

Northwest Agri Dealers
Association

Northwest Lumber Association

Red River Valley Sugar Beet
Growers Association

IV. General Statement of Need and Reasonableness

Background

Today, a major portion of all farm, forest and manufacturing products are transported on highways during some stage of production and distribution. In fact, fourteen percent or more of a product's final price is determined by the cost of transportation.

The Minnesota Department of Transportation is responsible for the 12,100 mile state trunk highway system. This system is an essential link in the productivity of Minnesota farms and businesses.

In recent years, greater shipping efficiencies have been achieved through the use of larger and heavier tractor-semi-trailer combinations. The most phenomenal growth has occurred in the use of five-axle tractor-semi-trailer combinations. Currently, five

axle truck travel is growing in Minnesota at about four percent per year. At this rate, it will double in the state by the year 2000.

In Minnesota, the maximum gross vehicle weight permitted for five axle, tractor-semi-trailer combinations is 80,000 pounds. The use of 80,000 pound trucks can result in larger payloads, reduced trips for shippers and cost savings for producers and consumers. However, heavier trucks create added stress for highway pavements. This added stress accelerates pavement deterioration and increases roadway repair costs. This is particularly true for many of the state's older trunk highways that were built years ago and are not designed to carry 80,000 pound truck loads.

It is in the spring that roadways are subject to the most damage from heavy vehicle loads. In the spring, moisture in subgrade soils from thawing frost and spring rains leave roadbeds in their weakest condition. The weakness in subgrade soils reduces stability and strength in highway pavements. The result is accelerated deterioration and pavement breakup.

In order to reduce the damage caused by heavier trucks, the Minnesota Department of Transportation imposes seasonal (spring) weight restrictions on structurally weak trunk highways. The Commissioner's authority to impose seasonal weight restrictions is specified in Minnesota Statutes, section 169.87. Seasonal weight restrictions are generally in effect from March 15 to May 15. Notice of restrictions is given by signs on the roadway.

Seasonal weight restrictions can cause difficulties for shippers and producers who are required to reduce truck loads to comply with lower weight limits. The use of smaller trucks or the shipment of less than full loads result in economic inefficiencies. They also have the potential to diminish the state's competitive advantage in attracting new business development.

To enhance economic development opportunities and improve shipping efficiencies, the Minnesota Department of Transportation began reassessing its weight management policies in 1984. A "risk management philosophy" was implemented; many seasonal weight restrictions were removed and the signs taken down. The result has been a substantial increase in the miles of trunk highway open year around to 80,000 pound trucks. Since 1984, the number of trunk highway miles open year-around to 80,000 pound trucks has increased from eighteen percent (18%) of the trunk highway system to nearly seventy-four percent (74%) of the trunk highway system in 1989.

Taking down seasonal weight restrictions signs without strengthening highways to carry additional weight is an unacceptable long-term solution. Unfortunately, upgrading all 12,100 miles of state trunk highways to carry 80,000 pound trucks year-around is also unrealistic. For example, in 1985, a department report estimated that the short and long term costs of establishing a statewide 80,000 pound trunk highway system would be over \$32 million per year. (Truck Weight Action Group Report, Minnesota Department of Transportation, January 1985)

Overview of Minnesota Statutes, Section 169.832, Subdivision 13

In 1986, the Minnesota Legislature took action to help focus and direct the department's truck weight management activities. Minnesota Statutes, section 169.832, subdivision 13, requires the Minnesota Department of Transportation to identify a trunk highway market artery system. Subdivision 13(a) states:

"For purposes of this section a "market artery" is a trunk highway or segment there of that:

- (i) connects significant centers of population or commerce;
- (ii) connects highways described in clause (i);
- (iii) provides access to a transportation terminal;
- (iv) provides temporary emergency service to a particular shipping or receiving point on a market artery."

The market artery system will connect geographic areas of supply and demand and include those roads which are most important to Minnesota trucking and shipping activities. State trunk highways designated as market artery routes will be priority routes for the elimination of seasonal weight restrictions.

The department is required to adopt rules to define "significant centers of population and commerce" and "temporary emergency service". Public meetings and consultations with major highway users, representatives of manufacturing, retail trade, agriculture, local government and the regional development commissions are also required by the law.

The proposed rule will classify cities to distinguish between those cities which are "significant centers of population and commerce" from those which are not. The Minnesota Department of Transportation has not previously used population and commercial indicators to classify cities for the purposes of determining

which trunk highways should be able to carry heavier trucks year-around. In fact, it appears that there are no state agency rules or programs that use both population and commercial indicators to classify cities.

In addition to defining "significant centers of population and commerce", the proposed rule will permit the department to designate "temporary emergency service" routes to particular shipping or receiving points on market artery routes. Under the proposed rule, "temporary emergency service" could be provided for a limited and specified period of time on trunk highways with seasonal weight restrictions or on alternate routes when service on a trunk highway market artery has been disrupted.

The department will allow trunk highways designated for "temporary emergency service" to be used by heavier trucks to move specific commodities to particular shipping and receiving points on market arteries during unanticipated emergencies which threaten the loss of life or significant property damage.

The market artery system that will evolve from this rule is specifically intended to eliminate seasonal weight restrictions on trunk highways that are defined as market arteries. The Minnesota Department of Transportation is not authorized to use this rule or the resulting market artery system to address other highway issues such as congestion, system expansion, tourism related travel needs, community by-passes, or the upgrading of facilities to carry more lanes of traffic. The market artery system also does not address roadway jurisdiction or ownership issues.

General Statement of Need

Insufficient financial resources exist to upgrade all trunk highways so that seasonal weight restrictions are no longer necessary. Therefore, the proposed rule is needed to focus limited state resources on those roads which are most important to trucking and shipping activities. Additionally, since virtually every road is important to the individuals and businesses located on it, the rule provides the necessary criteria for defining which "significant centers of population and commerce" should be connected by market artery routes and which trunk highways should be designated for "temporary emergency service".

The remaining portion of this document presents the part by part statement of need and reasonableness to support the department's proposed rule for defining "significant centers of population and commerce" and "temporary emergency service".

V. Part by Part Statement of Need and Reasonableness

A. Part 8815.0100 DEFINITIONS

Subpart 1 states that the scope of the terms used in this chapter have the meanings given them in these definitions.

Subpart 2 states that "commissioner" means the commissioner of the Minnesota Department of Transportation.

Subpart 3 states that the term "emergency" includes flood, tornado, fire or other disaster that threatens loss of life or destruction or damage to property or crops of such magnitude as to seriously endanger the public health, safety, and welfare.

The proposed definition provides examples of situations that justify removing seasonal weight restrictions so that heavier loads can be moved during emergencies.

The proposed definition of "emergency" is consistent with other definitions of "emergency" in state statutes. For example, Minnesota Statutes, section 12.03, subdivision 3, states that "emergency" means "...an unforeseen combination of circumstances which calls for immediate action to prevent a disaster from developing or occurring.". Minnesota Statutes, section 12.03, subdivision 2, further states that "disaster" means "...a situation which creates an immediate and serious impairment to the health and safety of any person, or a situation which has resulted or is likely to result in catastrophic loss to property, and for which traditional sources of relief and assistance within the affected area are unable to repair or prevent the injury or loss." Minnesota Rule, part 4110.0100, subpart 11, states that "Emergency services means activities immediately necessary to preserve the health or safety of the citizens."

Subpart 4. defines "manufacturing employees." Information on manufacturing employment is necessary to identify the relative levels of commercial activities occurring in Minnesota cities. These levels are used to determine which cities meet the criteria in the proposed rule defining "significant centers of population and commerce".

The definition of "manufacturing employees" is broken into two parts. Item A. states that "manufacturing employees" means the number of full-time, nonseasonal employees established by the most recent Census of Manufactures, Geographic Area Series, Minnesota, prepared by the United States Department of Commerce, Bureau of the Census, hereinafter referred to as the Census of Manufactures. The Census of Manufactures, is incorporated by reference into this definition. The Census of Manufactures is

one of several economic censuses prepared by law under Title 13 of the United States Code, Sections 131, 191, and 224. Federal law directs that these censuses be taken at 5-year intervals for the years ending in 2 and 7. The economic censuses are the major source of facts about the functioning and structure of the nation's economy.

The Census of Manufactures covers all establishments that employ one or more persons primarily engaged in manufacturing as defined in the 1972 Standard Industrial Classification (SIC) Manual and its 1977 Supplement. The SIC system is the system most commonly used by government agencies and other organizations to classify business activities in the United States.

"The SIC Manual defines manufacturing as the mechanical or chemical transformation of inorganic or organic substances into new products. The assembly of component parts of products is also considered to be manufacturing if the resulting product is neither a structure nor other fixed improvement. These activities are usually carried on in plants, factories, or mills that characteristically use power-driven machines and materials-handling equipment." (1982 Census of Manufactures, MC82-A-24, Geographic Area Series, Minnesota, U.S. Department of Commerce, Bureau of the Census, p. IV, May 1985.)

The Census of Manufactures reports data for the nation as a whole, each state, metropolitan areas, counties, and "places". For census purposes, "places" are incorporated municipalities with populations of at least 2,500, or unincorporated municipalities with populations of at least 25,000. The Census of Manufactures reports manufacturing statistics for all establishments located in "places" with 450 manufacturing employees or more.

The use of the Census of Manufactures to define "manufacturing employees" is reasonable because it provides a readily available and consistently reported source of data on manufacturing employment for geographic jurisdictions within Minnesota.

The definition states that "manufacturing employees" means the number of full-time, nonseasonal employees. Language referring to full-time and nonseasonal employees was added because many food and kindred manufactures in Minnesota hire significant numbers of part-time or seasonal workers during the fall harvest period. The rule and subsequent market artery system are intended to eliminate seasonal (spring) weight restrictions on connections between "significant centers of population and commerce". The department believes it is reasonable to exclude

part-time and seasonal workers from the definition of "manufacturing employees" because they may indicate employment levels during periods of the year when seasonal (spring) weight restrictions do not influence shipping activities.

The definition for "manufacturing employees" includes an Item B. which states that "manufacturing employees" also means the number of full-time, nonseasonal employees established by information submitted to the commissioner that demonstrates that a city has a business or combination of businesses within its jurisdiction, engaged in manufacturing employment, as described in the Census of Manufactures, that employs over 450 full-time, nonseasonal employees.

Item B. is intended to provide a reasonable alternative for cities that wish to demonstrate that they meet the "manufacturing employees" criteria in the definition of "significant centers of population and commerce". Item B. is necessary because the Census of Manufactures is only taken and published at five year intervals. Item B. will allow the department to take into account any changes in manufacturing employment that occur between census reporting periods. Item B. is also necessary because of constraints in Census of Manufactures' data reporting provisions. For example, the smallest geographical areas covered by the Census of Manufactures in reporting "manufacturing employees" are "places". Item B. will allow smaller cities to show that they meet the criteria for "manufacturing employees", even though they are not reported in the Census of Manufactures.

Item B. provides a reasonable alternative for cities like Warroad, Minnesota. Warroad has a population of approximately 1,200, but a business with nearly 3,000 "manufacturing employees". Because Warroad has fewer than 2,500 inhabitants, the number of "manufacturing employees" is not reported in the Census of Manufactures. Item B. will allow the "manufacturing employees" in Warroad to be considered when the criteria for defining "significant centers of population and commerce" are applied to Warroad.

Subpart 5. states that "population" refers to the population established by:

- A. the most recent Census of Population, Characteristics of the Population, Minnesota, prepared by the United States Department of Commerce, Bureau of the Census, (hereinafter referred to as the Census of Population), which is incorporated by reference; or

- B. a special census conducted under contract with the United States Bureau of the Census.

It is necessary to have a readily available definition of population for use in identifying the relative numbers of inhabitants of cities in Minnesota. Population values are used to determine which cities meet the criteria in the proposed rule defining "significant centers of population and commerce".

The Census of Population is incorporated by reference in this definition. It is reasonable to use the decennial Census of Population because it is the traditional and most commonly reported source of information on the number of inhabitants for geographic jurisdictions throughout the country. In addition, Minnesota uses the Census of Population as the primary evidence of population. Minnesota Statutes, section 600.18 states:

"The Governor shall obtain from the director of the federal census such certified copies thereof as will show the population of the several political divisions of this state, which certified copies shall be filed in the office of the secretary of state, and thereafter the several political divisions of the state for all purposes, unless otherwise provided shall be deemed to have the population thereby disclosed. Copies thereof, duly certified to by the secretary of state, shall be prima facie evidence of the facts therein disclosed in all the courts of this state."

Item B. has been added to the definition of "population" to provide a reasonable alternative method of reporting data for cities which experience population changes between the ten year Census of Population reporting periods.

Item B. will provide cities with an alternative to demonstrate that they meet the criteria in the proposed rule defining "significant centers of population and commerce". Provisions for the taking of a special census exist in state statutes. Minnesota Statutes, section 368.015 states:

A town board may by resolution, in any year, request the United States Bureau of the Census to take a special census of the town for the purpose of being eligible to exercise the powers contained in section 368.01 as provided in section 368.01, subdivision 1a. A cost for the special census shall be borne by the town.

Subpart 6. states that "retail sales" has the meaning given it by the most recent Census of Retail Trade, Geographic Area Series, Minnesota, prepared by the United States Department of Commerce, Bureau of the Census (hereinafter referred to as the Census of Retail Trade), as measured in dollar value. Information on "retail sales" is necessary to identify the relative levels of commercial activities occurring in Minnesota cities. These levels are used in the proposed rule to define "significant centers of population and commerce".

The Census of Retail Trade is incorporated by reference in this section. The Census of Retail Trade is one of several economic censuses prepared by law under Title 13 of the United States Code, Sections 131, 191, and 224. Federal law directs that these censuses be taken at 5-year intervals for the years ending in 2 and 7. The economic censuses are the major source of facts about the functioning and structure of the nation's economy.

The Census of Retail Trade includes all establishments primarily engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of goods. The Census of Retail Trade provides data for the nation as a whole, each state, metropolitan areas, counties, and municipalities with 2,500 inhabitants or more. Retail sales data are presented in dollar values. All dollar values are expressed in current dollars.

The use of the Census of Retail Trade to define "retail sales" is reasonable because it provides a readily available and consistently reported data base to assess business activities within particular geographic jurisdictions.

Subpart 7. states that "seasonal weight restrictions" means vehicle weight prohibitions or restrictions determined and imposed by the commissioner under Minnesota Statutes, section 169.87. This definition is necessary to clarify the provisions for providing "temporary emergency service" under the proposed rule. The definition of "seasonal weight restrictions" is reasonable and consistent with section 169.87, which specifies that local authorities may:

"Subd. 1 ... prohibit the operation of vehicles upon any such highway or impose restrictions as to the weight of vehicles to be operated upon any such highway, whenever any such highway, by reason of deterioration, rain, snow, or other climatic conditions, will be seriously damaged or destroyed unless the use of vehicles thereon is prohibited or the permissible weights thereof reduced."

"The commissioner shall likewise have authority, as hereinabove granted to local authorities, to determine and to impose prohibitions or restrictions as to the weight of vehicles operated upon any highway under the jurisdiction of the commissioner, and such restrictions shall be effective when signs giving notice thereof are erected upon the highway or portion of any highway affected by such action." (Emphasis added)

Subpart 8. states that "temporary" means a specified time period determined by the commissioner for the duration of an emergency or in the initial stages of recovery from the emergency. This definition is necessary to clarify the parameters of the "temporary emergency service" provisions included in this rule.

Other examples of the term "temporary" exist in state and federal law. Some of these have time periods attached to the definition. For example, Minnesota Statutes, section 221.071, subdivision 1, states:

"The board may grant a temporary certificate, ex parte, valid for a period not exceeding 180 days ...".

Other uses of "temporary" specify the terms and conditions under which less than permanent actions will be allowed. For example, Minnesota Rule, part 7800.0800 identifies eleven informational items that must be provided by applicants seeking "temporary authority" for motor carrier service.

The proposed definition for "temporary" applies to less than permanent emergency situations. Because it is difficult to specify a standard time period for emergency situations, the time period covered by the "temporary" provisions in this rule will be determined by the commissioner, based on information provided by applicants. Depending on this information, "temporary" may encompass the duration of an emergency or the initial stages of recovery from the emergency. The discretion provided in the proposed rule will benefit the applicants by allowing the commissioner to be flexible.

Subpart 9. states that "wholesale sales" has the meaning given it by the most recent Census of Wholesale Trade, Geographic Area Series, Minnesota, prepared by the United States Department of Commerce, Bureau of the Census (hereinafter referred to as the Census of Wholesale Trade), as measured in dollar value. Information on wholesale sales is necessary to identify the relative levels of commercial activities occurring in Minnesota cities. These levels are used to determine which cities meet the

criteria in the proposed rule defining "significant centers of population and commerce".

The Census of Wholesale Trade is incorporated by reference into this section. The Census of Wholesale Trade is one of several economic censuses prepared by law under Title 13 of the United States Code, Sections 131, 191, and 224. Federal law directs that these censuses be taken at 5-year intervals for the years ending in 2 and 7. The economic censuses are the major source of facts about the functioning and structure of the nation's economy.

The Census of Wholesale Trade includes "...all establishments with one or more paid employees primarily engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm or professional users; or to other wholesalers. Companies selling products to which they have title, as well as those acting as agents or brokers in buying merchandise for or selling merchandise to others, are included." (1982 Census of Wholesale Trade, WC82-A-24, Geographic Area Series, Minnesota, U.S. Department of Commerce, Bureau of the Census, p. IV, November 1984) The Census of Wholesale Trade provides data for the nation as a whole, each state, metropolitan areas, counties, and municipalities with 2,500 inhabitants or more. Wholesale sales data are presented in dollar values. All dollar values are expressed in current dollars. For example, 1982 data are expressed in 1982 dollars.

The use of the Census of Wholesale Trade to define "wholesale sales" is reasonable because it provides a readily available and consistently reported data base to assess business activities within particular geographic jurisdictions.

B. Part 8815.0200 TEMPORARY EMERGENCY SERVICE; WHEN ALLOWED

This part defines "temporary emergency service" and specifies the terms and conditions under which it will be allowed. Minnesota Statutes, section 169.832, subdivision 13(a)(iv), which authorizes this rulemaking, specifically introduces the concept of "temporary emergency service":

"Subd. 13, (a) For purposes of this section, a "market artery" is a trunk highway or segment thereof that:

- (iv) provides temporary emergency service to a particular shipping or receiving point on a market artery."

The provisions for "temporary emergency service" will provide relief from seasonal weight restrictions to persons who need to ship maximum allowable vehicle loads to particular shipping and receiving points located on market arteries during emergencies. "Temporary emergency service" may be provided on:

- (1) Trunk highways which have seasonal weight restrictions; or
- (2) Other highways, designated by the commissioner, when service on an identified market artery route has been interrupted by an emergency.

In respect to (1) above, the provisions for "temporary emergency service" are necessary because of the continuing need to impose seasonal weight restrictions on structurally weak trunk highways. Provisions for "temporary emergency service" enable the department to allow people to ship heavy loads during emergencies that would otherwise be prohibited because of seasonal weight restrictions.

In respect to (2) above, "temporary emergency service" could also be necessary in situations where service on a designated market artery route has been disrupted by an emergency. For example, if flooding or emergency highway construction temporarily disrupts service on a designated market artery route, the proposed rule allows the commissioner to provide "temporary emergency service" on an alternative route. This will provide shippers with continued unrestricted service without seasonal weight restrictions. Commissioner authority to designate temporary trunk highway detours and temporary trunk highway haul roads is already provided in Minnesota Statutes, section 161.25:

"On determining, for the purpose of constructing or maintaining any trunk highway, that any public street or highway is necessary for a detour or haul road, the commissioner may designate by order any such street or highway as a temporary trunk highway detour or as a temporary trunk highway haul road, and shall thereafter maintain the same as a temporary trunk highway until the commissioner revokes the designation. Prior to revoking the designation the commissioner shall restore such streets or highways to as good condition as they were prior to the designation of same as temporary trunk highways. Upon revoking the designations such streets or highways shall revert to the subdivision charged with the care

thereof at the time it was taken over as a temporary trunk highway."

Permitting vehicle loads in excess of posted seasonal weight restrictions accelerates pavement deterioration and increases highway maintenance costs. For these reasons, the proposed rule includes five limitations, (A.-E.), to describe the terms and conditions under which "temporary emergency service" will be allowed. The rule specifies that "temporary emergency service" may be provided only when all five limitations are met.

Item A. states in part that "temporary emergency service" may be provided to respond to sudden and unanticipated circumstances that create an urgent and immediate need. This language is necessary to define when a temporary emergency exists. In addition, this language is based on the assumption that if shippers had advance knowledge of shipping needs and if there were no compelling need for quick action, the shipper could:

- (1) move the shipments in advance of the three month spring weight restriction period;
- (2) move the shipments after the three month spring weight restriction period; or
- (3) break the shipments down into smaller loads so that they are in conformance with posted seasonal weight restrictions.

Item A. also specifies that "temporary emergency service" may be provided to move loads that exceed the posted seasonal weight restrictions, but do not exceed the maximum gross vehicle weight permitted in Minnesota Statutes, section 169.825. This language is included so that the provisions for "temporary emergency service" are consistent with other Minnesota truck weight laws. Section 169.825 specifies the maximum allowable vehicle loads permitted on state trunk highways in Minnesota. For example, the current maximum allowable vehicle load for a five-axle, tractor, semi-trailer combination is 80,000 pounds gross vehicle weight.

Item B. of part 8815.0200, states that "temporary emergency service" may be provided to a particular shipping or receiving point on a market artery during an emergency or during the initial stages of recovery. This provision is consistent with the conditions stated in Minnesota Statutes, section 169.832, subdivision 13, which states that a market artery is a trunk highway that "...provides temporary emergency service to a particular shipping and receiving point on a market artery."

Language has been added to allow "temporary emergency service" only during an emergency or during the initial stages of recovery. This language is necessary to restrict the movement of maximum allowable vehicle loads on structurally weak highways in the spring, except during periods when there is a compelling need to allow such movements. Using the proposed definitions of "emergency" and "temporary", the commissioner will determine the time period that temporary emergency service provisions will be in effect. Consistent with those definitions, the time period will be designated so that it addresses the period of the emergency and the initial stages of recovery.

Item C. states that "temporary emergency service" may be provided to preserve public health or welfare or to avert or alleviate the effect of natural disasters. This language is necessary to restrict maximum allowable vehicle loads from using seasonally restricted trunk highways except during emergencies. Adding this language will assist in clarifying when an emergency exists for the purposes of providing "temporary emergency service".

The language included in Item C. is reasonable based on the existing definitions of "emergency" in state statutes. Minnesota Statutes, section 12.03, subdivision 3, states that "emergency" means "...an unforeseen combination of circumstances which calls for immediate action to prevent a disaster from developing or occurring". Minnesota Statutes, section 12.03, subdivision 2, further states that "disaster" means "...a situation which creates an immediate and serious impairment to the health and safety of any person, or a situation which has resulted or is likely to result in catastrophic loss to property, and for which traditional sources of relief and assistance within the affected area are unable to repair or prevent the injury or loss." Minnesota Rules, part 4110.0100, subpart 11, states that "Emergency services means activities immediately necessary to preserve the health or safety of the citizens."

Item D. states that "temporary emergency service" will be provided only to move specific products or commodities needed to avert or alleviate the emergency. The provisions for "temporary emergency service" are not intended to provide alternative routes for all persons who desire to ship maximum allowable vehicle loads. To permit any or all commodities to be moved on routes designated for "temporary emergency service" could provide unfair economic disadvantage to other shippers that are located on seasonally restricted routes that are not designated to provide "temporary emergency service". In addition, restricting shipments to those products or commodities needed to alleviate the effect of natural disaster will limit the extent of heavy truck travel occurring on seasonally restricted trunk highways that are designated for "temporary emergency service". This will

reduce pavement damages and related maintenance and improvement costs.

Item E. states that "temporary emergency service" will be provided only when to do so does not create an undue hazard to traffic safety. The inclusion of this language is necessary to protect the safety of the traveling public. Its inclusion is reasonable and consistent with the commissioner's powers and duties identified in Minnesota Statutes, section 169.832, subdivision 11. That section gives the commissioner the authority to designate routes to carry the gross vehicle weights permitted under state law. The section also states that, "A route may not be designated if the commissioner finds that designation (a) creates an undue hazard to traffic safety".

During public information meetings, several concerns were expressed regarding the proposed definition of "temporary emergency service".

First, several individuals requested that the definition of "temporary emergency service" be expanded so that seasonal weight restrictions could be temporarily waived for the shipment of fertilizer and seed potatoes. It was argued that allowing heavier fertilizer and seed potato trucks would reduce the total number of trips required to deliver these goods, thereby reducing the costs for receivers of the goods.

Shipments of fertilizer and other products necessary for planting are particularly vulnerable to seasonal weight restrictions because those products are shipped in the spring when roads are weakest due to moisture in subgrade soils from thawing and spring rains. After careful analysis, it was determined that fertilizer and seed shipments do not represent emergencies in the traditional meaning of the term. Emergencies are most often defined as unpredictable situations for which there are few alternatives to an immediate course of action. In contrast, fertilizer and seed shipments are predictable shipments, which can be addressed by alternatives other than providing "temporary emergency service". For example, fertilizer can be shipped in the fall and stored on the farm for spring use. Seed and other products can be broken down into smaller shipments that comply with seasonal weight restrictions.

The potential for cost savings by waiving seasonal weight restrictions on trunk highways may be diminished by the large number of seasonal weight restrictions which still exist on a majority of county and local roads. It appears that truckers must still use alternatives, such as early delivery and divisible loads, to ship goods to the large number of producers and receivers located off the state trunk highway system.

During the public meetings, it was suggested that the definition of "temporary emergency service" should be expanded to allow vehicle loads which exceed the maximum allowable weight limits specified in Minnesota Statutes, section 169.825. Provisions to address shipments in excess of statutory maximum allowable loads were not included for two reasons. First, Minnesota Statutes, section 169.832, subdivision 13, which authorizes this rulemaking, is specifically intended to address the elimination of seasonal weight restrictions on trunk highways which are designated as market artery routes. It does not authorize the commissioner to use this section to eliminate the maximum allowed vehicle weights prescribed in Minnesota Statutes, section 169.825. The second reason is the availability of other procedures to address the issue. Minnesota Statutes, section 169.86 specifies the provisions for obtaining special permits for shipments which exceed the maximum allowable vehicle loads authorized under Minnesota Statutes, section 169.825. Minnesota Statutes, section 169.86, states:

"Subdivision 1. **Application for permit.** The commissioner, with respect to highways under the commissioner's jurisdiction, and local authorities, with respect to highways under their jurisdiction, may, in their discretion, upon application in writing and good cause being shown therefor, issue a special permit, in writing, authorizing the applicant to move a vehicle or combination of vehicles of a size or weight of vehicle or load exceeding the maximum specified in this chapter, or otherwise not in conformity with the provisions of this chapter, upon any highway under the jurisdiction of the party granting such permit and for the maintenance of which such party is responsible."

A third area of concern, identified at the public information meetings, concerned the length of time required to administratively designate trunk highways for "temporary emergency service". The department agrees with the need for expeditious application and response procedures in keeping with the emergency circumstances that generate the need for "temporary emergency service" provisions. At the public meetings, the department promised to develop procedures which minimize administrative burdens for applicants. In addition, the department promised meeting attendees that it will respond within twenty-four hours to all requests for "temporary emergency service".

8815.0300 SIGNIFICANT CENTERS OF POPULATION AND COMMERCE

This part describes the factors and threshold values used to determine which cities are "significant centers of population and commerce" for the purposes of Minnesota Statutes, section 169.832, subdivision 13. That section establishes four criteria for determining market artery routes.

Subdivision 13(a)(i) introduces the concept of "significant centers of population and commerce":

"Subd. 13,(a) For purposes of this section, a "market artery" is a trunk highway or segment thereof that:

- (i) connects significant centers of population and commerce;"

"Significant centers of population and commerce" are the most important cities in the state for the shipment and receipt of products and commodities moved by trucks. Market artery connections between "significant centers of population and commerce" will be priority routes for the elimination of seasonal weight restrictions.

Each of Minnesota's 855 cities contributes to the economy of the state, and each is important to its residents. However, some cities have grown to overshadow others, dominating commercial activities within their regions. These larger, more significant cities tend to have larger and faster growing populations. They offer more diverse products and services, and they generally serve as regional hubs for retail, wholesale and manufacturing activities.

Insufficient financial resources exist to upgrade all trunk highways so that seasonal weight restrictions are no longer required. The proposed criteria for defining "significant centers of population and commerce" are necessary to focus limited state resources by identifying routes that provide connections between important centers.

For many years, geographers and urban planners have attempted to classify cities to aid in describing settlement, land use and economic relationships. The criteria used in this rule to define "significant centers of population and commerce", draw on the findings and conclusions of two key studies conducted in Minnesota.

- 1) In 1963, John Borchert, Regent's Professor of Geography at the University of Minnesota, made a notable and classic study of the hierarchy of

trade centers in the Upper Midwest. The classification system used was based on the idea that urban places are arranged in a hierarchical order according to their size and the diversity of retail and wholesale functions they perform. This system suggests that higher order centers provide more specialized and diverse retail and wholesale products and services than lower order centers. The degree of diversity and specialization was measured by both the number of establishments and the dollar value of wholesale and retail sales.

The criteria used by Dr. Borchert to classify centers are included in Appendix A of this document.

- 2) In 1970, John Borchert developed an urban clusters concept that evolved from his previous study on the hierarchy of centers. In this study, Dr. Borchert suggested that in future years most of the population of the Upper Midwest would be concentrated in Minneapolis - St. Paul and other low density urban clusters located in Greater Minnesota. Urban clusters were defined as areas which contain multiple shopping and service centers with large numbers of low-order retail and service centers, industrial and wholesale zones, public higher education facilities, public hospitals and newspapers and broadcasting stations. Dr. Borchert suggested that urban clusters are the result of advances in transportation and communication networks and are formed by linkages between clusters. As with previous studies, the amount or degree of diversity in retail and wholesale functions was used to establish a relative ranking of urban clusters in the Upper Midwest region.

In addition to reviewing studies, department staff met with the following individuals to discuss possible criteria and numerical values for defining "significant centers of population and commerce":

- 1) Representatives of the Minnesota Department of Trade and Economic Development (DTED).

DTED has not attempted to classify cities in Minnesota on the basis of population and commercial activities. However, staff suggested that retail sales, wholesale sales and

manufacturing employment are the most readily available and logical indicators of a city's economic level and diversity.

- 2) Tom Baerwald, former Geographer for the Minnesota Science Museum.

Mr. Baerwald studied under John Borchert and is familiar with studies on the hierarchy of cities. He also has knowledge about Minnesota population and business development patterns. Mr. Baerwald suggested using a population of 5,000 or more persons to define significant centers. He also agreed that retail and wholesale sales and manufacturing employment are good criteria to measure the significance of commercial activities within cities.

- 3) John Borchert, Regent's Professor, University of Minnesota.

Dr. Borchert reviewed what has historically occurred in the development of Minnesota cities and commercial places. Economic activities are clearly becoming more concentrated in the Twin Cities metro area and several large regional centers, such as St. Cloud, Mankato and Rochester. Despite these concentrations, other Minnesota cities continue to hang on as "significant" places by maintaining their populations, serving as regional shopping areas or by sustaining a level of manufacturing or wholesaling activities.

Dr. Borchert reaffirmed many of the findings from his previous studies. He believes that retail and wholesale trade continue to be appropriate indicators of a city's diversity and importance to the regional or state economy.

The Minnesota Department of Transportation used the data from the studies and contacts identified above to assess what criteria and numerical values should be used to define "significant centers of population and commerce". Department staff studied truck travel patterns, reviewed where commercial activities occur and looked at how regions are served by major cities in the state. This analysis included an extensive review of census data on population and commercial activities. This analysis revealed how population and commercial activities are distributed among cities in the state. It also showed how the relative strength or importance of population and commercial activities varies among

different regions. For example, the average population of cities in southeastern Minnesota is higher than the average population of cities located in northwestern Minnesota.

Based on the analysis that was undertaken, the department developed several alternative definitions for "significant centers of population and commerce". Those alternative definitions were discussed at twelve public information meetings held at various locations around the state in fall 1987. The meetings were held in the cities of:

Appleton	Mora	Staples
Bemidji	Olivia	Thief River Falls
Duluth	Rochester	St. Paul (2)
Mankato	Slayton	

Nearly 260 individuals attended the twelve public information meetings, representing:

- local, county and regional governments
- manufacturing, retailing and wholesaling businesses
- truckers, shippers and other highway users
- agricultural product producers
- concerned members of the public

The comments received at the public meetings supported the use of population, retail sales, manufacturing employment and wholesale sales to define "significant centers of population and commerce". Individuals attending the meetings also agreed that the numerical values used to describe the criteria should be liberal enough so that when all cities that meet the criteria are added together they include about sixty-six percent (66%) of the state's total population, retail sales, manufacturing employment and wholesale sales.

Based on analysis and public comments, the department developed the criteria and numerical values for defining "significant centers of population and commerce" proposed in Part 8815.0300 of the proposed rule. Part 8815.0300 states that "significant centers of population and commerce" means:

- A. cities inside Minnesota that have any one of the following:
 - (1) population of 5,000 or more persons;
 - (2) \$50,000,000 or more in annual retail sales;

(3) 450 or more manufacturing employees; or

(4) \$50,000,000 or more in annual wholesale sales

B. cities in surrounding states or Canadian provinces that have populations of 50,000 or more persons.

Item A. of the proposed rule is necessary to state the numerical values for population and commercial activities that will be used to determine which cities in Minnesota will be defined as "significant centers of population and commerce" for the purposes of Minnesota Statutes, section 169.832, subdivision 13.

In Item A., population was identified as a criteria because it was specifically stated in the phrase "significant centers of population and commerce". (Emphasis added) In addition, population is generally considered to be an excellent measure of the importance and relative economic strength of cities.

The term population refers to the number of inhabitants living within corporate city boundaries. This is reasonable because it reflects the standard format for reporting population data in the Census of Population.

The numerical value for population was set at 5,000 or more persons because it has historically been used for other state transportation programs. For example, Minnesota Statutes, section 162.11 states that: "Nine percent of the net highway user tax distribution fund shall be paid into the municipal state-aid street fund". Minnesota Statutes, section 12.09, establishes a municipal state-aid street system in cities having a population of 5,000 or more.

In addition, the numerical value for population of 5,000 or more persons is reasonable because the sum of the populations of all cities that meet the criteria identified in Item A. represents approximately sixty-four percent (64%) of the state's total population.

The retail sales criteria was retained from the interim definition of "significant centers of population and commerce" in Minnesota Statutes, section 169.832, subdivision 13, which authorizes this rulemaking. That section states:

"Subd.13,(c) Between July 1, 1986, and the effective date of the rule, "significant centers of population and commerce" means all home rule charter or statutory cities that had total retail sales of at least

\$50,000,000 as reported in the 1982 census of retail trade of the United States Department of Commerce."

For retail activities, the dollar value of annual sales was selected as the most reasonable measure of overall activity. The Census of Retail Trade also reports the number of establishments, the annual payroll and the number of employees. The use of annual sales data is preferable to using data on the other indicators because it tends to be a better measure of the amount of goods being shipped. The volume of goods being shipped in turn shows the need for year-around truck service and the elimination of seasonal weight restrictions.

The numerical value of \$50,000,000 or more in retail sales is reasonable. When all cities in Minnesota that meet the criteria in Item A. for defining "significant centers of population and commerce" are added together, they represent eighty-two percent (82%) of all retail sales in the state.

Additional criteria for wholesale sales and manufacturing employment were added for two reasons. First, it became apparent that there are cities in Minnesota that are unable to meet the interim criteria of \$50,000,000 in retail sales. Many of these cities, nonetheless, have relatively substantial wholesale and manufacturing business activities.

A second reason for including wholesale and manufacturing criteria is that they are good indicators of a city's need for year-around heavy truck service. For example, manufacturing includes the state's food and kindred products, lumber and wood products, paper, printing and publishing, chemicals, primary metals, fabricated metals, machinery, electric and electronic equipment and transportation equipment industries. Wholesaling includes all establishments which sell goods such as groceries, furniture and home furnishings, lumber and construction materials and farm-product raw materials to industrial, commercial, institutional or professional users, to government, or to farmers for farm use.

The number of employees is believed to be the most reasonable indicator of the relative importance of manufacturing activities for the purposes of this rule. The number of manufacturing employees is used as a criterion because the department believes it is a reasonable measure of the volume of goods being shipped and of the consequent need for truck access to year-around unrestricted highways. This assumption is based on the idea that manufacturing is generally perceived as a labor intensive activity. The volume of goods produced by manufacturing establishments has historically been linked to the number of production workers employed.

In addition to employment, the Census of Manufactures lists the number of establishments, annual payroll, production worker hours and wages, the value added by manufacture, the cost of materials, the value of shipments and new capital expenditures. Using the number of employees was preferable to using the number of establishments because number of establishments does not always reflect the actual amount of goods being produced or shipped. It may also result in the exclusion of cities which have very large single employers. Using the dollar values for payroll, wages, materials, goods or shipments may not reflect the amount of goods being shipped or produced by particular manufacturing establishments. Lastly, it is easier to obtain data on employment than it is to obtain financial data because of data privacy concerns.

The definition states that "manufacturing employees" means the number of full-time, non-seasonal employees. This language was added to exclude businesses which may be hiring significant numbers of part-time, seasonal workers during times of the year when seasonal (spring) weight restrictions do not influence shipping activities.

The numerical value of 450 employees is reasonable for determining significant levels of manufacturing employment. The Census of Manufactures, which is used to determine the number of manufacturing employees, only reports statistics for places with more than 450 employees. As a result, it is extremely difficult to obtain reliable, consistent and readily available data for cities which have fewer than 450 manufacturing employees. In addition, the sum of all cities meeting the criteria in Item A. includes seventy-eight percent (78%) of total manufacturing employment in Minnesota.

For wholesale establishments, the dollar value of annual sales was selected as the most reasonable measure of overall activity. The Census of Wholesale Trade also reports the number of establishments, the annual payroll, the number of employees, operating expenses and the end of the year inventories. The department elected to use annual sales because it tends to be a better measure of the actual amount of goods being shipped.

In Minnesota, wholesale sales activities tend to be concentrated in a smaller number of cities than either retail sales or manufacturing employment. In addition, wholesale sales data does not reflect an even distribution of high to low volumes. Instead, the data indicates that the sales volumes for cities tend to be clustered with sizable variances or breaks in values in between the clusters. The numerical value of \$50,000,000 or more in wholesale sales is reasonable because it represents a logical break in the distribution of wholesale sales volumes. In

addition, the sum of all cities that meet the criteria in Item A. represents nearly eighty-eight percent (88%) of all wholesale sales in the state.

Other indicators of a city's economic diversity, such as service industries, were not included in the criteria to define "significant centers of population and commerce" because there is not a strong correlation between those activities and the need for year-around heavy truck service. For example, service industries include such business activities as:

- Hotels, rooming houses, camps, lodging places
- Personal services
- Business services
- Automotive repair, services and garages
- Amusement and recreation services
- Health services, except hospitals
- Legal services
- Non-commercial museums and art galleries

Public administration, including government services, and finance, insurance and real estate activities were also not included in the criteria because they are not generally associated with the need for heavy truck service.

Item A. states that cities are "significant centers of population and commerce" if they meet any one of the four population, retail sales, manufacturing employment or wholesale sales criteria. This is a relatively liberal approach for defining "significant centers of population and commerce". The department believes that this liberal approach is reasonable for the following reasons:

- 1) The definition adds population, manufacturing employment and wholesale sales to the interim definition included in Minnesota Statutes, section 169.832, subdivision 13. The interim definition used \$50,000,000 or more in retail sales to define "significant centers of population and commerce". The addition of criteria for population, manufacturing employment and wholesale sales makes the proposed definition more responsive to actual trucking activities and needs.
- 2) The definition establishes numerical values for population, manufacturing employment and wholesale sales which are not more restrictive than the interim definition of \$50,000,000 or more in retail sales. For example, the proposed

definition includes cities which cumulatively represent about sixty-four percent (64%) of the state's population, eighty-two percent (82%) of all retail sales, seventy-eight percent (78%) of total manufacturing employment and eighty-eight percent (88%) of all wholesale sales in Minnesota.

- 3) The definition acknowledges that many significant regional centers in Minnesota are unable to attract or sustain diversity in more than one area of economic activity. For example, a number of significant centers in Minnesota tend to have commercial activities focused in a single area of manufacturing, wholesaling or retailing.
- 4) The definition permits cities that have small populations, but large manufacturing employers to be defined as "significant centers of population and commerce".

In addition to the reasons cited above, the proposed definition was the alternative that received the most favorable response at the public meetings.

Early in drafting the proposed rules, the department proposed to use urbanized area boundaries to define "significant centers of population and commerce" in the state's seven heavily developed urbanized areas. Minnesota's seven urbanized areas include:

Twin Cities	Duluth - Superior
Fargo - Moorhead	LaCrosse - LaCrescent
St. Cloud	Rochester
	Grand Forks - East Grand Forks

Using an urbanized area concept to define "significant centers of population and commerce" was proposed because cities which are part of a larger urbanized area tend to interact more as single unified centers, rather than as independent cities.

The proposal to use urbanized areas to define significant centers was dismissed on the basis of comments made at the public meetings. Persuasive arguments were presented by meeting attendees illustrating the need for consistent treatment of all Minnesota cities, regardless of whether they are included inside urbanized areas.

The public meetings generated a number of other suggestions for defining "significant centers of population and commerce". These suggestions are outlined in the following discussion.

One of the foremost concerns expressed at the public meetings was the apparent inability of the criteria to address the hauling of timber from forest areas and agricultural products from farms. The department struggled with these concerns because of the important role Minnesota timber and agricultural products play in the overall state economy. The problem with addressing trips from farms and forests is that they represent geographically dispersed activities. In contrast, the market artery system focuses on trunk highways in the state which connect concentrated population and business activities occurring in significant centers.

A number of individuals at the public meetings suggested that criteria should be added to further emphasize agricultural shipping needs and/or the actual tonnage or volume of goods shipped. The Minnesota Department of Transportation agrees that agricultural activities should be reflected in the criteria for defining "significant centers of population and commerce". For this reason, the criteria were expanded to include manufacturing and wholesaling activities. Data reported in the Census of Manufactures includes businesses involved in meat packing, poultry dressing, dairy products, preserved and canned fruit and vegetables, grain mill products, pet foods, prepared feed, sugar and confectionary products, beverages and other related food products. Data reported in the Census of Wholesale Trade includes businesses involved in selling farm product raw materials such as grain and livestock to retailers, industrial or commercial users, farmers for farm use, or to other wholesalers. By incorporating manufacturing and wholesaling activities, the department believes that it has adequately addressed the need to reflect agricultural products in the definition of "significant centers of population and commerce".

Other comments made at the public meetings suggested that the criteria for defining "significant centers of population and commerce" be expanded to include the locations of area vocational technical institutes and/or the annual sales for service industries. These criteria have not been included in the proposed rule because the department believes that they are unrelated to the need for year around heavy truck service.

Several individuals at the public meetings noted that the criteria in the proposed rule describe existing conditions and do not consider potential economic development changes within cities and communities. These individuals suggested that the rules should be expanded to give further consideration to economic development potential. The proposed rule is intended to address existing truck travel needs in significant centers. The criteria in the rules will be updated as new census information becomes available. In this way changes in population and commercial

activities can be addressed. In addition, it is difficult to develop criteria to estimate trucking needs based on what economic development, population or commercial activities may occur in individual Minnesota cities.

It was suggested that the criteria for defining "significant centers of population and commerce" should be written to give preference to communities which have lost rail service. The department agrees that the loss of rail service can create serious transportation problems for businesses dependent on heavy commodity movements. However, the loss of rail service, in and of itself, is not a measure of whether a city or place is a "significant center of population or commerce".

A number of individuals at the public meetings expressed concern that if heavier trucks are allowed on state trunk highways, then they will also travel on county and local roads. The department is authorized to identify a market artery system which connects "significant centers of population and commerce". The market artery system will establish priority routes for the elimination of seasonal weight restrictions. Heavier trucks present enforcement and management issues for local and county road authorities. However, the department is not authorized to address the effect of heavier trucks on local and county roads in this rulemaking.

Lastly, it was suggested that the department should establish criteria for defining significant centers based on the cumulative population and commercial activities occurring within trade areas or in areas where a number of communities reside in close proximity to each other. The department considered this suggestion. It was not acted on for two reasons. First, the legislation authorizing the rulemaking specifically focuses on the concept of significant centers. Second, the federal population and economic censuses do not report information for trade areas. In addition, the Census of Retail Trade and the Census of Wholesale Trade do not report statistics for places with fewer than 2,500 persons and the Census of Manufactures does not include data for cities with fewer than 450 manufacturing employees. As a result, the department could not identify a consistent, uniform and readily reported source for obtaining information on trade areas or the smaller cities located in trade areas.

Based on the criteria and numerical values in Item A., eighty-two (82) cities in Greater Minnesota and sixty-seven (67) cities in the Twin Cities metropolitan area would qualify as significant centers of population and commerce.

Cities in Greater Minnesota which meet the criteria for "significant centers of population and commerce" are identified in Appendix B. More specific data on population, retail sales, manufacturing employment and wholesale sales are included in Appendix C of this document.

Cities in the Twin Cities metropolitan area which meet the criteria for "significant centers of population and commerce" are identified in Appendix D. More specific data on population, retail sales, manufacturing employment and wholesale sales are included in Appendix E of this document.

Item B. of the proposed rule 8815.0300 states that significant centers of population and commerce also include cities in surrounding states or Canadian provinces with a population of 50,000 or more persons. Item B. was added to address concerns expressed at the public meetings regarding the need for year around unrestricted highway service on important trunk highway connections between major cities in surrounding states and Canadian provinces. Population is the only criterion used in this definition because of the difficulty in obtaining data on commercial activities for Canadian cities. The numerical value of 50,000 is reasonable for two major reasons. First, the department is most interested in using the definition to extend the network including cities in surrounding states or provinces that are major generators or receivers of five-axle trucks. Analysis indicates that longer distance truck travel tends to reflect trips primarily between cities of 50,000 or more persons. The second reason is because it includes the cities, such as Thunder Bay, Eau Claire, Winnipeg, Sioux Falls and Des Moines, which were mentioned at the public meetings.

Date: November 30, 1988