



Minnesota Department of Transportation

395 John Ireland Boulevard
Saint Paul, MN 55155

January 7, 2013

The Honorable Frank Hornstein, Chair
House Transportation Finance Committee
471 State Office Building
Saint Paul, MN 55155

The Honorable Michael Beard, GOP Lead
House Transportation Finance Committee
207 State Office Building
Saint Paul, MN 55155

The Honorable Ron Erhardt, Chair
House Transportation Policy Committee
543 State Office Building
Saint Paul, MN 55155

The Honorable Linda Runbeck, GOP Lead
House Transportation Policy Committee
295 State Office Building
Saint Paul, MN 55155

The Honorable Tim Mahoney, Chair
House Jobs and Economic Development
Finance and Policy Committee
591 State Office Building
Saint Paul, MN 55155

The Honorable Bob Gunther, GOP Lead
House Jobs and Economic Development
Finance and Policy Committee
277 State Office Building
Saint Paul, MN 55155

The Honorable Scott Dibble, Chair
Senate Transportation and Public Safety
Division
111 Capitol
Saint Paul, MN 55155

The Honorable John C. Pederson
Ranking Minority Member
Senate Transportation and Public Safety
Division
Saint Paul, MN 55155-1206

The Honorable David J. Tomassoni, Chair
Senate Environment, Economic Development
and Agriculture Division
317 Capitol
Saint Paul, MN 55155

The Honorable Bill Ingebrigtsen, Ranking
Minority Member
Senate Environment, Economic Development
and Agriculture Division
143 State Office Building
Saint Paul, MN 55155

Dear Legislators:

I am pleased to provide this interim progress report on the freight rail economic development study required by Minnesota Statutes 174.03, Subdivision 1d.

In June 2012, the Minnesota Department of Transportation and the Minnesota Department of Employment and Economic Development began a joint effort to define the scope of a study to effectively meet the intent of the legislation. MnDOT and DEED subsequently met with several stakeholder groups, including the Minnesota Freight Advisory Committee and the Minnesota Regional Railroad Association. Based on this input, the partner agencies developed a scope and request for proposals.

The RFP appeared in the State Register in October 2012. A selection committee—three from MnDOT, two from DEED and one from MRRA—reviewed six proposals in December 2012 and chose the preferred consultant team.

An Equal Opportunity Employer



The agencies expect a contract will be in place shortly, pending completion of the administrative process. Consultant tasks will begin in January 2013.

Agreed-upon tasks include:

- Educational narrative on benefits and reasons for rail-oriented business development, including background, characteristics and advantages of rail shipment.
- Peer review of rail-related programs in other states or regions. MnDOT will invite the AASHTO Rail Committee and 10 states with identified programs and best practices to participate in a peer exchange workshop in March 2013.
- Profiles of Minnesota rail-oriented shippers and industries, defining characteristics of industries benefitting from rail service, including costs of transportation, access to markets and logistics of freight movement.
- Evaluation of current levels, strategies and effectiveness of railroad marketing efforts and analysis of performance, including responsiveness to barriers and unmet shipper needs.
- Evaluation of agency coordination of current resources and programs. DEED, MnDOT and other state and local resources will be evaluated to assist efforts to expand, site or otherwise support shipper activities that will positively benefit from rail access and service.
- Shippers' toolkit to include a full spectrum of information, contacts, programs and other resources to evaluate specific industry applications and site development.
- Evaluation of legal, policy, statutory and other benefits and barriers to rail freight shipping.
- Outreach plan to provide/receive information to/from shipper's associations and trade groups, regional development groups, MRRRA, MFAC, agency management and the public.
- Project management and quality control plan, including professional oversight, review and quality control on draft and final reports.

Final deliverables are due September 2013.

This effort will be fully informed by and complementary to the Minnesota State Rail Plan, the State Freight Plan and economic development initiatives and programs. The final report will be amended into the current Minnesota State Rail Plan and carried forward in the federally-required 2015 rewrite of the Minnesota State Rail Plan.

Please contact me or Bill Gardner, Office of Freight and Commercial Vehicles, at 651-366-3665 or william.gardner@state.mn.us with questions or comments.

Sincerely,



Tim Henkel
Assistant Commissioner, Modal Planning and Program Management

An Equal Opportunity Employer

