

NORTH DAKOTA SENATE

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Senator Karen K. Krebsbach

District 40
P.O. Box 1767
Minot, ND 58702-1767

R: 701-838-0211
C: 701-720-1291
F: 701-838-0211
kkrebsbach@nd.gov

COMMITTEES:
Appropriations

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Mr. Chairman and House Appropriations Committee Members:

SB2245 the Intermodal Transportation Assistance Program has quite a history and those involved are looking forward to the stable operation of this mode of transportation. In the last session, 1.3 million was committed and authorized by the legislature for a Pilot Project that began this past October has proved successful. The 1.3 million was a financial backstop if the facility was forced to ship empty containers out of the port due to lack of shipping demand, this was not needed, nor was it utilized.

The Rail Modal Group (RMG) was contracted to operate the Pilot Project. They have experience and have developed a network of intermodal facilities - (two others) one in Fremont, Nebraska and one in Amarillo, Texas, this was done in cooperation with the railroad who is the railway of RMG's two other facilities. RMG has access to multiple ocean rail containers which is essential to the project and the other important element is their connection with overseas shipping lines. We cannot overlook the assistance of the railroad in obtaining the RMG group for operations and getting this off the ground so to speak.

This facility is currently shipping one unit train per week, and this includes approximately 220 forty-foot equivalent container units. Thru January the facility has shipped 11 full unit trains carrying over 2,000 containers. Department of Commerce testimony stated that shipping a unit train a week there is a minimum savings of \$137,500 per week, this is money going to the farmers — not going to the operator.

Currently over 15 industrial shippers and commercial processors are already shipping out of the port, in addition farmers and small businesses throughout the state are utilizing the site to ship ND goods and commodities.

The key to value added products is the ability to move the goods from origin to destination and to maintain the (P) or Identity Preserve of the product. (This can't be emphasized enough). A value added pulse company stated that without the Intermodal facility it makes it challenging to invest in further production at their plant. An

ethanol plant near Underwood shared they are currently shipping dried distillers grains and this facility has provided access to markets that they would have limited access to. A commodity company, on behalf of their farmer clients has sold over \$12 million dollars of grain through the facility in the first 3+ months of operation and their farmer clients benefit greatly from the expanded market the facility offers. Testimony of others could be added but I'll stop at this point about the users

Why this bill??????

-The City of Minot has invested approximately \$12 million over the past 15 years in establishing the inland port and are owners of the land it is located on.

-Currently there is an amount of over \$8 million owed to the owners of the assets that exist which are being purchased, and the railroad is requiring an extension of the rail to Gavin Yard in the amount of \$2 million.

-The railroad has approved a provisional contract of operation to RMG and this provisional contract will need to be changed to permanent and the rail needs to be completed by August of 2021.

Mr. Chairman, this is why the bill is here, we need to face the deadlines to further progress this facility which can continue to bring benefit to the citizens, businesses and industry in North Dakota which has been proven to enhance that are and can potentially be of value to many. Thank you for the attention offered today.

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