Larson, Brady A.

From: Brandenburg, Michael D.
Sent: Friday, January 20, 2023 9:39 AM
To: Larson, Brady A.
Subject: FW: Data for Short Line Railroad Funding Discussion

From: Tolliver, Denver <denver.tolliver@ndsu.edu>
Sent: Friday, January 20, 2023 4:03 AM
To: Brandenburg, Michael D. <mbrandenburg@ndlegis.gov>; Monson, David C. <dmonson@ndlegis.gov>
Subject: RE: Data for Short Line Railroad Funding Discussion

Representatives Brandenburg and Monson:

We have the preliminary results of a quick study of the potential highway costs that would be incurred without the benefit of regional railroads in North Dakota. In this study, we used the latest year of traffic data for the Northern Plains Railroad and the Red River Valley & Western Railroad. We developed alternative highway routes for the traffic originated and terminated at these stations. For RRVW traffic that is interchanged with the BNSF, we assumed that (in the short run), it would be trucked to Casselton and Breckinridge for transloading and subsequent movement over the BNSF. Westbound traffic would be interchanged at Casselton and move up the KO subdivision to Minot en route to the West Coast. Eastbound traffic would move to Breckenridge for transloading and subsequent movement east (e.g., to Minneapolis or Chicago) or south. We assumed that the traffic on the Northern Plains Railroad (which moves long distances over the CP network once it is interchanged with the CP Railway in Thief River Falls) would be trucked to Thief River Falls and transloaded on to the CP Rail for subsequent movement to its destinations. However, only the highway miles in North Dakota are included in our study.

As is usually the case in a large study like this one, there are a few data issues that need to be examined in more detail. Some of the station names in the traffic and highway files don't match up perfectly. So, we only have about 90% of the regional railroad traffic represented in the preliminary results I am giving you today. Nevertheless, our study indicates that nearly 16.5 million additional loaded truck miles (and probably an equivalent number of empty miles) would result per year. **The estimated highway cost associated with this traffic is $4.73 million per year, which equals $47.3 million over a 10-year period.** The final numbers will be somewhat higher than these initial estimates, when all the traffic is considered. The impacts could be worse in the long run if shippers decide to truck all the way to Minneapolis, for example, instead of trucking to transload stations.

I hope this helps you for today. We will continue to work on the study and hope to have final summary report ready by the end of next week.

Best wishes
Denver

From: Tolliver, Denver
Sent: Thursday, January 19, 2023 7:48 AM
To: mbrandenburg@ndlegis.gov; dmonson@ndlegis.gov
Subject: Data for Short Line Railroad Funding Discussion

Good morning, Representatives Brandenburg and Monson:

I just wanted to let you know that we are working on an update to the short-line railroad study that we discussed on Tuesday. I have the traffic data from the Northern Plains and Red River Valley & Western Railroads and we are in the process of routing the traffic the way it would move by truck if we did not have short-line railroad service in the future. Once we finish the routings, I will estimate the additional highway maintenance impacts that would occur.

I expect to have it finished later this evening or early tomorrow morning and will get it to you before 7 a.m. Friday. If I run into issues, I will send the summary from the old report. But I hope to get this one finished, because it would reflect current highway maintenance costs, which are much higher than in the original study.

Thanks
Denver

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