



2009 Minnesota Comprehensive Statewide Freight and Passenger Rail Plan

December 2009

The Minnesota Comprehensive Statewide Freight and Passenger Rail Plan responds to a 2008 Legislative mandate, the U.S. Passenger Rail Improvement and Investment Act (PRIIA) of 2008, and the Governor's directives to prepare a data-driven, federally compliant State Rail Plan, to be amended to the State Transportation Plan upon adoption, in order to qualify Minnesota for significant new sources of federal passenger and freight funding contained in PRIIA, the Stimulus act, and the expected federal transportation re-authorization. The planning process extended over nine months with an unprecedented level of public outreach, involvement and transparency incorporated.

Vision

- Freight rail system capacity and access are essential to the state's economy, and must be maintained regardless of passenger rail development.
- Maintaining short line services and expanding intermodal container access for shippers are key strategies.
- A high-speed and intercity passenger rail system as identified is beneficial and desirable for Minnesota and the region, linking with other modes, regional rail and the national system.
- The core intercity passenger rail service between Chicago and the Twin Cities, in cooperation with the Mid-West Regional Rail Initiative (MWRRI or 'Chicago Hub'), and connections for Duluth and Rochester, should be developed for 110 mph initially, and potentially higher speeds in the future.
- Additional frequent, fast passenger rail services to St. Cloud/Moorhead, Mankato and Eau Claire should be pursued, with speeds of 79-110 mph. Other corridors are named for future development beyond 2030 or as part of national system expansion, such as Albert Lea, Willmar and Winnipeg.
- Passenger services are envisioned as a system, with interoperable equipment, schedules and routes. Both downtowns and all corridors would be fully connected. This increases efficiency, utility and ridership significantly, and decreases capital and operating costs.
- System is to be developed incrementally with a goal of implementing key passenger services in a timely manner, with corridors pursued simultaneously. Plan is opportunistic, preparing projects for federal funding as it becomes available, deferring to federal guidelines and analysis, and compliant with federal requirements, models and standards.

For More
Information
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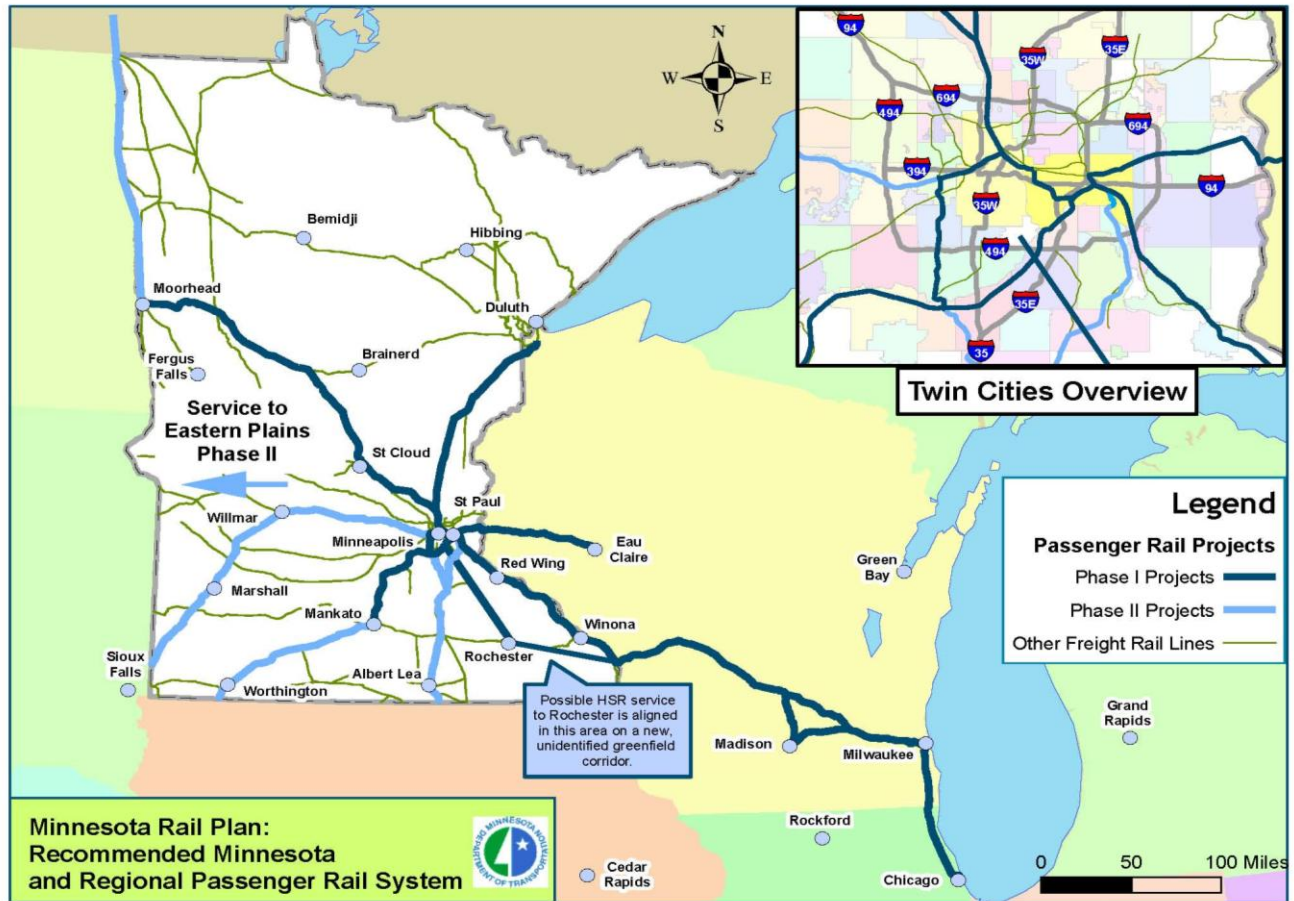
Costs

- All Minnesota rail system needs and deficiencies were identified and conservatively priced in order to establish plan components for federal eligibility. Corridor-level planning is expected to refine and re-estimate project or corridor components in cooperation with local stakeholders, operators and railroads.
- 20-year system capital costs, freight and passenger combined, are \$6.2 billion-\$9.5 billion. Of this, \$2.2 billion-\$4.5 billion is for freight, and \$4 billion-\$5.1 billion for passenger (2009 dollars; inflated costs are \$12 billion-\$19 billion).
- Annual operating subsidies are estimated at \$41 million-\$95 million per year at full build out of passenger system (from 49-71 percent fare box recovery). Chicago corridor is expected to pay its full operating costs and cross-subsidize other corridors.
- Annualized non-federal capital costs range from \$78 million (80 percent federal share) to \$360 million (0 percent federal share).

State and Mn/DOT responsibilities

- Organize the state's response to federal rail grant programs to maximize the opportunities for federal funding.
- Coordinate negotiation of actual operating agreements with the freight railroads.
- Actively coordinate and manage intercity passenger system development and implementation.
- Facilitate continued partnerships with stakeholders through system planning and formalized advisory groups for freight and passenger interests, including the Passenger Rail Forum.
- Analyze public/private benefit/cost allocation for each passenger rail corridor to better position corridors for FRA grants:
 - Ensure third party due diligence of each corridor investment.
 - Clarify capital/operating costs, revenues, financial plan and project management plan.
 - Provide for legislative review/acceptance.
- Adopt the following principles in moving forward:
 - Assume capital cost sharing of freight investments with railroads in 'shared' (freight and passenger) corridors – actual state capital costs will depend on benefit/cost allocation with freight rail owner.
 - Have public sector pay for passenger-related capital costs.
 - Continue to have stand-alone freight improvements be the primary responsibility of the private freight railroads, with public participation only for priority projects where clear public benefits can be identified and where such improvements are consistent with a publicly adopted plan, such as this State Rail Plan. Projects involving grade crossing safety that facilitate passenger rail projects, or that clearly support local economic development efforts, are logical candidates for expanded public investment.





Phase 1 – Projects are scheduled between 2010-2030

Phase 2 – Projects are post-2030

