

# IRON RANGE REGIONAL RAIL INITIATIVE

## What is it?

A public/private coalition working to improve rail infrastructure for existing and potential industries in Northeast Minnesota.

## Who supports it?

Resolutions and letters of support for the initiative have been received from the following:

- City of Grand Rapids
- ArcelorMittal Minorca
- United States Steel
- Boise Paper
- Minnesota Power
- City of Cohasset
- Itasca Economic Development Corporation
- Itasca County
- Magnetation
- Polymet
- Verso
- UPM Blandin

## Why is it important?

- Iron Range bulk commodity exports are vital to Minnesota's economic success and are most efficiently shipped by rail.
- Taconite and forest products make up most of the commodities exported from Northeast Minnesota.

## What are the problems with the current rail system?

- In most cases the Iron Range industries have access to only one Class 1 railroad.
- This creates a "captive shipper" situation, meaning there is no competition for rail service.

## What are the benefits of competitive rail service?

Historical examples where competitive rail access has been achieved, have resulted in savings of up to 40 percent.\* In Itasca County alone, almost 80,000 carloads (about 8 million tons) of bulk commodities may benefit. The imported and exported commodities include shipments for iron ore, paper, coal and miscellaneous freight. Similar savings may be achieved to the east in St. Louis and Lake counties.

Further opportunities for competitive rail access may be possible within the region and will be considered on a site by site basis throughout the evaluation.

Competitive rail service will help industries using rail shipping to stay viable, retain jobs, and sustain the local communities' tax base.

## What steps are being taken?

- An engineering evaluation of the alternatives to encourage competitive rail service is underway.
- The preliminary engineering for the overall Iron Range Regional Rail Initiative is estimated to be approximately \$6 million.
- The first phase of the overall effort will focus on a West Connector Project in Itasca County.

