



Testimony of L. John MacMartin
President Minot Area Chamber EDC

In Support of SB 2245

January 26, 2021

Chair Holmberg and members of the Senate Appropriations committee:

In order to have sustained intermodal service in North Dakota, a total of approximately \$10 million is needed to fund the purchase of infrastructure assets from financial institutions (~\$8 M) and the expansion of the intermodal site infrastructure into BNSF Railway's Gavin Yard (~\$2 M). The assets are being purchased by the Minot Area Chamber EDC to ensure that the site and its infrastructure will be used for sustained intermodal service.

FISCAL RESPONSIBILITY

The legislature appropriated \$1.3 million in the 2019 session to assist in establishing a pilot program for intermodal container service at Minot. The \$1.3 million subsidy was in the form of a financial backstop that would be used in the event that the facility was forced to ship empty containers out of the port due to lack of shipping demand. The use of this subsidy was not necessary.

INITIATION OF AN INTERMODAL WITH PROVISIONAL APPROVAL

In October 2020, intermodal service was again initiated in the State of North Dakota at Minot. Burlington Northern Santa Fe Railway is providing the rail service and the intermodal operations are being conducted by Rail Modal Group, who operates similar facilities in Nebraska and Texas. Rail Modal Group is currently shipping approximately 220 forty-foot equivalent container units (i.e., one unit train) out of Minot per week. The initial focus is on providing access to new, more cost-effective markets for agricultural products.

INFRASTRUCTURE EXPANSION REQUIRED

To sustain intermodal service at the present site, BNSF Railway is requiring an expansion of the existing infrastructure be completed by August 2021.

SIGNIFICANT MINOT INVESTMENT FOR STATEWIDE BENEFIT

The City of Minot has invested approximately \$12 million over the past 15 years in establishing an inland port. The largest beneficiaries of establishing the port are agricultural producers, processors, and shippers across the State, where significant reduction in drayage (trucking) costs will benefit the North Dakota economy. While the facility is located at Minot, the benefits of the strategic Minot location serve the entire state and region. Depending on the location of the export, trucking savings are estimated to be as high as \$950 per container. (see graphic at right) At one unit train per week (220 containers per week), that's roughly \$10 million annually in trucking savings to North Dakota shippers. As the service grows, the savings to North Dakota shippers grows.

Thank you for your hard work and commitment to keeping North Dakota globally competitive. This is a great opportunity to diversify the state's economy and bring a sustainable intermodal program to our state. Thank you for the opportunity to show our support for SB 2245.

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