

**Rail Service Competition Council (RSCC)  
Meeting Minutes**

**February 10, 2016  
Helena, Montana**

**RSCC Members Present:**

- Jerry Jimison, Chairman
- Walt Ainsworth
- Eric Doheny
- Todd O’Hair
- Senator Tom Facey
- Mike Tooley, Director, Department of Transportation
- Ron de Yong, Director, Department of Agriculture
- John Rogers, Governor's Office of Economic Development (GOED)

**Other Attendees:**

- Chris Dorrington, Montana Department of Transportation (MDT)
- Diane Myers, Montana Department of Transportation (MDT)
- Lynn Zanto, Montana Department of Transportation (MDT)
- John Althof, Montana Department of Transportation (MDT)
- Kim Falcon, Montana Department of Agriculture
- Ben Tiller, Montana Department of Agriculture
- Greg Stordahl, Montana Department of Agriculture
- Mike O’Hara, District 4 Director, Montana Wheat and Barley Committee
- Barbara Ranf, BNSF Railway (BNSF)
- Jim Lewis, Montana Rail Link (MRL)
- Nathan Anderson, Union Pacific (via conference line)
- Melissa Shannon, RSCC Administrator

**Call To Order, Introductions**

Chairman Jimison called the meeting to order and attendees introduced themselves. Senator Tom Facey stated that he will be replacing Senator Lea Whitford on the RSCC.

**Approval of the September 23 RSCC Meeting Minutes**

Walt Ainsworth made a motion to approve the minutes from the last meeting, seconded by Todd O’Hair. The motion was approved.

**Financial Report**

Diane Myers presented the financial report. The RSCC has \$14,000 obligated to the Beckett Group for the West Coast Ports Study, which leaves \$15,787 left in the budget for this year.

## **Montana Department of Transportation (MDT) Update – Chris Dorrington**

### **FAST Act – Director Mike Tooley, MDT**

Director Tooley gave an overview of the FAST Act, a five-year transportation reauthorization bill recently passed by Congress. Not much has changed with this new spending bill, except that federal appropriations will now be more dependable, due to the 5-year timeframe. The Act identifies \$2 billion for Montana over the five-year period, which is an increase of 5% in 2016 and 2% for the following four years to keep up with inflation. There are also new freight provisions in the bill, including \$12 million for Montana. This program could include interstate maintenance, new construction, or other areas. Specifics will become available through the Federal Highway Administration's rulemaking process. Director Tooley stated system preservation could be a good use of the funds.

Lynn Zanto of MDT explained that there is a planned bill rescission in 2020 but MDT is working to allow states to determine which areas to cut, instead of requiring across-the-board cuts.

### **Freight Plan - Chris Dorrington**

Chris explained that part of the FAST Act is a freight plan that has to be developed by December 2017. MDT will develop the plan internally with work beginning soon and finishing in about a year. MDT will be reaching out to stakeholders in the freight industry to participate in the plan development and the public involvement phase will be noticed at the kick off of the plan.

### **TranPlan MT – Chris Dorrington**

Chris stated that MDT's long-range plan was last updated in 2008 driven by the changes in the last federal transportation bill, so MDT is planning an update to reflect changes in the FAST Act. There are six policy areas in the current plan: economic development, safety, access management and land use, bike and pedestrian, public transportation, and roadway system performance. DOWL is the consultant hired to complete the plan update, which will take about a year. There will be public opportunities for comment to the plan.

### **Rail Grade Separation Study – Chris Dorrington**

Chris stated that MDT is currently reviewing a final draft of the rail grade separation study. This is a feasibility study that examines public rail crossings in Montana and characterizes needs based on train and traffic volumes and other criteria; there is no dedicated funding for potential crossing improvements. The study informs MDT and others of the need for separated crossings and proposed solutions.

Chairman Jimison asked if there is any recent data about rail crossing accidents, and stated that the railroads are eliminating unnecessary crossings and making other crossings safer with markings, lights, signs, etc. John Althof responded that last year Montana had ten incidents and two deaths. This year there has been one incident so far.

Nathan Anderson asked if the study would be available to the public, and Chris responded that it would be published in about a month. Diane Myers stated that it would be posted on the MDT website.

Nathan Anderson stated that Union Pacific takes rail-crossing safety extremely seriously and they are constantly looking at ways to enhance safety. He further stated that all of Union Pacific's crossings that are maintained to their standards are safe, but if there is something they can do to improve them, they are happy to do that.

### **West Coast Ports Study – Chris Dorrington and Ben Tiller**

The RSCC funded a study via consultant contract on recent issues at west coast ports. The process started in July of last year. The study was delivered in its final form from the consultant in November. The content from the consultant was not of a high enough quality to be published so Chris, Ben and Diane have been working on it internally, specifically providing more data about Montana exports, including what crops are leaving Montana and what the economic impact is. This will greatly improve the final product, which should be completed in the next two weeks.

Mayor Jimison asked if the study looked at the attempts by coal, oil and grain industries to establish a port for exports. Chris responded that the study focused on agriculture and that including energy would make the report too complex.

Director de Yong asked if the study looks at how the Port of Portland ships pulse crops. He explained that wheat is shipped in bulk, but it is very generic. For pulse crops there is a lot of variety. It is cheaper to ship in bulk but it is very hard to get empty containers into Montana. In the future, ocean vessels may be filled in six parts, and can be loaded with different products in each compartment. Director de Yong noted that reverse DTS could be used to help get a better shipping rate since the ocean vessels will go to one place.

Ben stated that the study is really focused on containers and the service disruption at the Port of Portland. He said that at the Port of Portland the entrenched nature of the union prohibits progress and he sees no resolution on the horizon. Portland is the only west coast port without a union solution. Oregon is advancing legislation to change the way the Port of Portland is managed and to potentially create an Oregon shipping authority via proposed legislation.

Walt Ainsworth stated that after the labor disputes are resolved it would still take a couple years to have the infrastructure set up to handle the shipments.

Ben stated that we are already moving a lot of pulse crops now; the container size shipments are already there and that would open the Snake and Columbia River route up again.

Walt asked if this steam ship line was economically advantageous to producers. Ben responded that at 80% capacity the steam ships makes money.

Walt asked if there are alternative ports that we should be looking at that have no labor disputes, and that do not include a 120-mile trip on the Columbia River. Ben responded that the Port of Portland has spent money to fund a backhaul project from the Port of Morrow to the Port of Seattle, and that this costs about the same as the move to the Port of Portland, but this isn't the volume once shipped out of the Port of Portland.

Director de Yong asked if Ben could give the RSCC an intuitive feel for how the pulse crops are being shipped. Ben responded that it is hard to say what percentages are going which way. He estimated that 40 boxes a week are going from Lewiston via the Port of Morrow by barge, and then to Seattle by rail. This is a small deal to keep the Port of Lewiston on life support until we can get something going at the Port of Portland. This fix has helped them maintain the port.

Todd O'Hair stated that as he understands the rail transmission business, it is similar to transmitting electrons by wire, and that you must have a certain amount of volume to make the transmission effective and viable. Todd then asked if there was a reason that the study didn't include an energy component. Chris responded that the agriculture piece is very complex and that the study tries to make it understandable. Chris further stated that he understands the need to add energy, but that would add complexity, and with the funding they had, they could only look at agriculture.

Todd asked if the RSCC has any recourse with the consultant due to the sub-par product. Chris explained that throughout the contract, he and Ben had multiple meetings with the consultant and subject matter experts and they were very clear about the goals of the study. Unfortunately, the first draft was not well written and didn't have enough data. The Beckett Group has not billed the RSCC for the study and Chris said he didn't know if they will, but he has made it clear that we are unhappy with the product.

### **Surface Transportation Board Reauthorization Act of 2015 – Ben Tiller**

Ben gave an update on the Surface Transportation Board Reauthorization Act, SB 808, which passed Congress in December.

The bill made substantial changes to the Surface Transportation Board, including:

- New time restrictions for litigation – due to complaints that rate cases take such a long time, discovery in rate cases must be completed in 180 days. However, this provision has no teeth since the Surface Transportation Board (STB) can extend that time limit.
- New investigatory powers - must have a region wide, or system wide effect on the rail industry.
- Issue preclusion
- New arbitration mandate – if rates are not in line with sound rail economic principals, then they can be appealed. The term “sound rail economic principles” is not well defined. This could open up a lot of appeals and arbitration could be just a first step in a long legal battle. The Surface Transportation Board (STB)

will do rulemaking on this and the Department of Agriculture will be commenting if appropriate and necessary

There was a discussion about the data that the STB uses and Ben mentioned that the Department of Agriculture has purchased software called Rail Rate Checker Plus, which allows them to determine the shippers' Uniform Rail Costing System shipping costs. It pulls waybill samples so shipments can be compared and costs to ship from one point to another can be determined.

Ben also explained that the recent TRB report and its recommendations are contradictory to SB 808.

Director de Yong asked how the differences between the TRB report and SB 808 would be resolved. Ben responded that Congress would not take more action on STB legislation for at least another five years, so the differences will be worked out in the rulemaking process to implement SB 808.

Jim Lewis asked if the RSCC felt rail rates were out of line. He said that in the 1970's, the rail industry was going out of business and wasn't investing in their infrastructure, which led to the Staggers Rail Act being passed and the industry deregulated. He further stated that the rail industry is now market based and they have competition from the trucking industry. He further stated that the way rate disputes are resolved, the railroads can oftentimes make a strong case of why their rates are what they are. He said there is now a huge focus on safety and infrastructure investment with new state of the art technology and equipment with private capital being invested in order to provide the service shippers demand.

Director de Yong stated that whole system we are using is based on a historical context that has changed dramatically. He further stated it has been assumed that railroads can ship cheaper than trucks and that the system was set up to make sure the railroads survived. Today is new era with strong computer capability and complex data, and Ron asked if we can find out the true costs of the railroads so that we can give them a fair profit but then set up a system so that there is real recourse to address unfairness. Ben responded that the recommendation from the TRB report was that they utilize all data collected by the railroads and put it into a database so then they could rewrite the entire system to compare shipment costs.

Eric Doheny asked if SB 808 was good for farmers in the Golden Triangle. Ben responded that it is hard to say at this point until the rulemaking is done. Ben further stated that the arbitration provisions could bring the costs of disputes down, but he thinks that a better way is to do what the Department of Agriculture is doing in Montana, which is directly communicating with the railroads and looking at rates to make sure they are not exorbitant.

Eric Doheny asked what percentages of shipments were overcharged. Ben responded a case cannot be brought unless shippers are being charged >180% of variable cost, but

there have been cases where the rate was 260% of variable cost and the railroads have made their case and the shippers lost. Ben further stated that he felt 320% is where it would make sense to bring a case.

Senator Facey asked how a person is able to get knowledge of variable costs. Ben responded that there is a public database and that the Rail Rate Checker Plus software can also determine that information. Director de Yong stated that the Department of Agriculture just got this software, so in the past we were at a real disadvantage to check into any of this.

Chairman Jimison asked if the Public Service Commission (PSC) had any authority over rail shipments. Ben responded that federal law governs rail, with the FRA regulating safety.

Todd O'Hair asked what the State of Montana uses the Rail Rate Checker Plus for. Ben responded that it was for educational purposes, and it is good to have that background information when we have discussions with the railroads. He further stated that it makes those conversations more productive and when the next rate increase comes along it helps them identify what that means for shipments and their costs.

Senator Facey stated that he was in the House of Representatives on the Tax Committee in 2005 and BNSF was asked why it costs a farmer from the Golden Triangle to ship his crops to Seattle twice as much as it does a farmer from Nebraska and the answer was that BNSF wanted everyone to be treated the same in Seattle.

Mike O'Hara stated that in the beginning the RSCC focused mostly on service issues. He further stated that no shippers want a weak railroad, and that it should be fair. The RSCC has had a great open dialogue with the railroads and we are in a lot better place than we were a few years ago due to the transparency and open dialogue.

Chairman Jimison stated that one industry depends on the other with agriculture and the railroads and that during his time on the RSCC we haven't discussed rates much but with SB 808 passing, it was good to discuss this issue.

### **Subcommittee Reports**

#### **Agriculture Subcommittee - Eric Doheny**

Eric stated that the five local elevators he has reached out to are all very pleased. The standard complaint is dirty single cars although this has improved and generally everyone is happy. Producers indicate they have good communication with the local BNSF representative, which results in problems being easy to solve. There currently aren't many agriculture crops moving, except pulse crops and they are moving via truck. 60% of wheat is unsold and not moving (on-farm storage).

### **Energy Shipping Subcommittee – Todd O’Hair**

Todd reported that coal shipments are down and will be down throughout 2016. Cloud Peak was shipping coal to South Korea and they exited that market this year due to decreasing prices. There is also uncertainty around taxes as the Department of Interior contemplates a rule change involving the calculation of royalties on coal, which could change the tax burden. Todd explained that this could be a \$15 to \$20 million impact on Montana.

Todd also reported that oil by rail is down as well and explained that the energy sector is pretty bleak right now. Todd explained that a growing and expanding economy requires more electricity, which requires more coal, but as long as the economy remains flat electricity demand will be down. He also explained how we have had mild summers and winters throughout the country, which demands less energy/less coal.

Chris asked Jim if there is an indirect impact to Montana from coal shipments. Jim responded that MRL’s coal shipments have been cut in half since 2014, with 70,000 car loads in 2015 compared to the peak in 2014, which was 140,000 car loads. He further explained that there is an impact in terms of worker furloughs, and MRL has furloughed 24 employees. Todd responded that Cloud Peak has transferred 24 employees in Montana to other mines. Barbara Ranf stated that BNSF has seen this impact across their system, and they have furloughed 4800 employees in 28 states.

Walt Ainsworth asked if the coal volume decrease is due to diversion to the highline or is it traffic that no longer exists. Jim responded that it is due to the impact from the decreasing export market as well the low cost of natural gas.

Chairman Jimison stated that oil shipments in the Bakken are down but production has been over a million barrels a day, and that he expects that production will decline due to the low prices.

Chris asked if Arch Coal’s bankruptcy and restructuring would have an impact on Montana. Todd responded that he didn’t know.

### **Economic Development Subcommittee – Walt Ainsworth**

Walt explained that the Economic Development Subcommittee met and discussed intermodal transportation. Kathy Fasso shared the World Trade Center Container Freight Study with the Subcommittee and despite the data being fairly old, from 2008, and the Subcommittee came to the conclusion that the ability for Montana to consolidate in one location and provide intermodal transportation in and out of Montana was not realistic.

Jim stated that his recommendation to the Subcommittee was to look at opportunities in transloading, which is when products are shipped to a location, stored in a warehouse and then third parties deliver the goods to the final destination (usually via mix of transportation modes). Currently there are transloading facilities located on MRL in Billings, Bozeman, Helena, Missoula, and Bonner. Transload services are also available

on BNSF and UP in Shelby and Butte. Jim thinks there is great economic development potential for transloading in Montana.

Chairman Jimison asked if Shelby was an example of this. Jim responded that they were and they focus on oil, agriculture, and wind energy.

Walt stated that as the Subcommittee continued the discussion, it was decided that we should open this discussion to see if the RSCC had any suggestions on what the Subcommittee should focus on.

Chairman Jimison said there are 4 or 5 economic development councils in eastern Montana and although rail hasn't been mentioned at these meetings it could and should be. Barbara Ranf stated that she sees a lot of activity in those groups and they tend to work regionally and they are looking at increasing transloading. She also mentioned Billings and Kalispell economic development groups have been involved in new rail parks.

Chris reminded the RSCC that state statute created the RSCC with a focus on rail competition and service so we are limited in what we can do. Most of the economic development work across the state is looking for funding, so we should be cautious of our message when engaging economic development groups. Sending letters of support from the Council would be OK. Jim indicated that the railroads work closely with economic development people already.

Mike O'Hara stated that he agreed with Jim's comments on transloading and that he could see development of the smaller ports for transloading and there could be a lot of potential.

Director de Yong stated that he'd like to see to the Economic Development Subcommittee look at the industrial parks, where they are at with transloading and what BNSF's economic development staffer's involvement is in projects.

Barbara stated that the railroads are just one of the players and that it might be better to talk to those who are developing those industrial parks.

Chris stated that this could be problematic because some of those parks are not zoned, and others are zoned but they don't have rail service.

Jim stated that BNSF has a great map on their website that shows their transloaders and that MRL has given information to MDT about their facilities. Billings, Bozeman, Helena, and Missoula all have transloading capabilities. Jim stated he thought it would be great exercise to look at a pea and lentil transload facilities in Montana.

Director Tooley asked how freight is priced if you put a shuttle train together with multiple products. Jim responded that in the petroleum coke business MRL has done it when volume is high and volume is low, sometimes it takes some time to build up to a

certain length of train. Once the desired quantity is reached, then it is shipped. Jim stated that he thinks that model could be duplicated for agriculture, but it will take some skin in the game by the farmers; they might have to invest in some rail equipment. He further stated it would take some coordination by an association or a cooperative but that the pricing and shipping model is there and available.

Chairman Jimison stated that most of the unit train elevators have paid for their own infrastructure. Jim responded that BNSF has a model that works for them, but MRL is a little more flexible and can entertain the possibility of building two unit trains.

## **Railroad Reports**

### **BNSF – Barbara Ranf**

Barbara stated that in the 2016 capital plan for BNSF expenditures will be \$4.3 billion, down from \$5.8 billion last year. This reduction is due decreasing rail transport volume. Barbara gave a further breakdown of the capital plan, including:

- \$2.8 billion to replace and maintain core network for safety;
- \$300 million for train control;
- \$600 million for train equipment acquisition; and
- \$500 million for expansion.

Barbara also explained that in Montana BNSF spent \$450 million from 2013- 2015, but the breakdown for projects in 2016 is not yet available.

Barbara stated that Maia LaSalle has reinstated quarterly calls with Department of Agriculture to deal with issues.

Director de Yong stated that the wheat and barley committee has a rail subcommittee and they have been invited to the call, and the pulse advisory committee will also have two people joining the call.

Barbara reported the fleet performance on agriculture from the February 8 report included:

- 0 cars past due in Montana
- 2015 – 4985 grain cars loaded
- 2016 – 2867 grain cars loaded

Barbara stated that BNSF will meet the 2018 deadline to achieve Positive Train Control (PTC).

In regard to the PSC's railroad safety audit, Barbara said that BNSF filed comments and that they were very encouraged and pleased about the process and how it is going. BNSF is committed to moving products as safely as possible.

Chris asked if BNSF has looked at other states similar to Montana by volume and compared safety measures within those States to Montana. Barbara responded that they

have and that they provided comments to the PSC about states that are doing risk assessment studies.

Chairman Jimison asked if there were any statistics about oil and gas loadings over last year. Barbara responded that she knows they are down nationally but didn't have the information with her.

Chairman Jimison asked about the 2018 deadline to Positive Train Control (PTC) and if there will be people running the trains. Barbara responded that there would still be staff on the trains.

Chairman Jimison commented that a couple of the big accidents on the east coast had been because of a lack of PTC. Barbara responded that that was some of the impetus for achieving PTC, that technology can help combat human error.

John Althof asked what percent of Montana has PTC. Barbara responded that she would get that information for John.

Chairman Jimison asked if the double tracking from Williston to Glasgow was complete. Barbara responded that a lot of work was done last year and that there will be more done this year. Chris requested and Barbara clarified that double tracking on the Glasgow sub didn't altogether mean investment/double-tracking in Montana (Glasgow).

Walt Ainsworth said that at the last meeting there was discussion about problems with the train cars, and it sounds like that is better, so he thanked BNSF for that. He then asked about demurrage fees for cars on Saturdays and Sundays. Barbara responded that Walt should work with John Miller on that issue during the quarterly calls.

### **Montana Rail Link – Jim Lewis**

Jim Lewis gave an overview of Montana Rail Link with the following information:

- MRL operates 937 route miles from Jones Junction, near Billings, MT to Sandpoint, ID
- 1,200 employees
- Annual Payroll & Profit Sharing: \$80 Million
- Average annual wage: \$75,000
- Property Tax Paid: \$9 Million
- Number of Montana customers served: 150
- Montana goods/services purchased on annual basis: \$70 Million
- 2016 Capital budget: \$40 Million
- 2015 annual Traffic: 360,000 carloads (down 9.5% from 2014)
- 2015 average number of trains per day: 16.8
- Traffic Mix: 70% industrial products, grain and intermodal, 29% coal, and less than 1% - crude

MRL's 2015 volume is down 9.5% with all U.S. railroads down 6.1%. This is because of the corridor MRL operates in, which is dependent on export volume, and exports are down due to strength of the U.S. dollar and a slowing international economy.

Specifically, Jim reported on volume:

- MRL 2015 grain: Up 3.7% due to strong soybean movements from the midwest in Q3-4, corn is still in storage, may move in Q2 2016 due to storage bins being full
- MRL 2015 intermodal: Down 15.45% due to intermodal being routed on the Hi-Line, BNSF new service offerings
- MRL 2015 General Merchandise: Down 10.5% due to many of the factors affecting exports, high international inventories, strong U.S. dollar, less demand due to slowing international economy, low crude prices (also lumber, scrap, steel pipe, frac sand)
- MRL 2015 coal: Down 16.2%, 20,000 car decrease from 2014 peak. Forecasting coal shipments to be down 50% as compared to 2014 (70,000 carloads vs. 140,000).
  - Cloud Peak: not exporting 4 million tons (35,000 carloads)
  - Signal Peak: not exporting 2 million tons (17,000 carloads)
  - Centralia: 7,000 less carloads due to cheap natural gas

Jim further stated that there was not much good news regarding coal and reported that the U.S. Energy Information Administration (EIA) short-term energy outlook report released on January 12, 2016 projects:

- 2016 U.S. coal production being down 15% as compared to 2014
- 2016 U.S. coal exports being down 31% as compared to 2014
- 2016 total U.S. coal consumption being down 11% as compared to 2014
- 2016 total U.S. electric power sector coal inventories being up 13% as compared to 2014

Jim gave an overview of MRL's capital investment stating that MRL has always committed significant capital dollars to maintain and improve the railroad, including: \$50 million in 2014, \$62 million in 2015 and \$40 million planned for 2016. MRL has invested over \$1 billion on network infrastructure since their inception in 1987. This capital is used to replace ties and rail, upgrade signal equipment, upgrade tunnels and bridges, purchase state-of-the-art equipment, and improve efficiency. For example, MRL's 2015 capital plan included replacing 135,000 ties, 23 miles of new rail and resurfacing 245 miles of rail bed and improving service for customers at a time when overall volume was down 10% as compared to 2014. The 2016 maintenance plan includes replacing 133,000 ties, 22 miles of new rail and resurfacing another 245 miles of rail, despite rail volume being on a downward trend.

Jim reported on safety issues and stated that in 2015 MRL had only six reportable accidents and no mainline derailments. Jim explained that during the PSC roundtable on the Rail Safety Plan, he reported that for track inspections MRL has ten Assistant Road Masters whose primary function is to inspect track, that the mainline track is inspected a

minimum of twice per week, and that there are increased inspections in cases of extreme cold or heat or unusual conditions.

Chris noted in a freight coalition call that there was talk of triple or quadruple tracking from Spokane through Sand Point. Jim responded that there had been a proposed additional bridge over Lake Pend Oreille but that has been postponed due to declining rail volume.

Chairman Jimison asked what MRL is building West of Laurel. Jim responded that it is a staging area outside the yard to increase efficiency and velocity, constructed following a BNSF review and recommendation for efficiency and Laurel yard improvements.

Chairman Jimison asked if the rail plant in Laurel still up and running. Jim responded that it was.

Chairman Jimison asked if the railroads are still seeing a big delivery for gas and propane cars. Barbara responded that they are but a lot of those cars aren't owned by the railroad.

Chris asked what the peak trains per day have been. Jim responded that it was 17.8 in 2014.

Chairman Jimison asked about crew change points and if making Laurel a focus of that helped. Barbara responded that yes it had.

### **John Althof – Montana Department of Transportation (MDT) Highway-Rail Safety Manager**

John Althof gave an update on MDT's highway-rail grade crossing safety program. This program allocates a little over \$3 million dollars annually to at-grade crossing safety improvement projects across the state. Montana has 1,367 public at-grade crossings. MDT collects field data at all of these crossings to include vehicle counts, digital photos, geometrics of the crossing, number of tracks, sight distance, and other data elements. Railroad specific data elements are provided to MDT by the railroad. All of this data is entered into MDT's Highway-Rail grade crossing database where a priority index value is calculated to determine the relative safety/risk of a vehicle-train collision at a crossing. Based on this risk assessment a Diagnostic Review Team may be assembled to meet on-site at the crossing. This team consists of the Road Authority, MDT, and the operating railroad. This team determines what, if any, safety improvements should be done at the crossing. A typical recommendation is signalization, which costs between \$200,000 and \$400,000 per crossing.

MDT also request railroads to annually submit nominations of existing signalized crossings for upgrades. These nominations are based on the age of the existing signal system, railroad priority, proposed work, MDT's priority index, and availability of funds. Funding for upgrades is on a cost share basis with 80% federal/state funding and 20% railroad.

John explained an update on the recent completion of the MRL stop/yield sign project where the existing signage at public crossings along MRL's lines were replaced with all new signing material, the addition of yield or stop signs and railroad emergency number plaques. This project was implemented in order to meet the new signing requirements of the manual on Uniform Traffic Control Devices for a crossing to improve safety.

Eric Doheny asked if the ranking of the crossings are available online. John responded that typically those are internal numbers but he can make the information available.

Chairman Jimison asked if John had any figures on how many grade crossings have been closed over the years. John responded that there has been a trend to close grade crossings over the years, but he didn't have specific numbers.

Chairman Jimison asked how the grade pedestrian crossing in Missoula happened – was that MRL or the City of Missoula. Senator Facey responded that he thought the City of Missoula paid for it between 20 and 25 years ago.

Eric asked how the 80/20 split happens for funding crossing upgrades. John responded that that is a negotiation between the railroad and MDT.

Chairman Jimison asked if John gets involved in the quiet zone issues. John responded yes and added funding is not provided for quiet zones but diagnostic reviews are conducted at crossings.

Chairman Jimison asked about speed limits and if in places like Forsyth are speed limits still 40 mph through town. Barbara responded that it varies and there is a maximum speed determined by the FRA.

John responded that MDT takes train speed into account in the MDT priority index.

### **Next RSCC Meeting**

Eric Doheny stated that he thinks it is important that the RSCC meet regularly. Walt Ainsworth stated that at the last meeting, the RSCC agreed to meet three times a year. Eric then stated that three was fine, he just didn't want any less.

Melissa Shannon stated she would send a Doodle poll to determine the next meeting date in Helena.

### **Comments from RSCC Members**

No comments.

### **Public Comment**

No public comment.

### **Adjournment**