

Colorado State Freight and Passenger Rail Plan

Agriculture Stakeholders Meetings – August 3 and August 29, 2011

August 3 Meeting –

CDOT State Freight and Passenger Rail Plan Project Manager Mehdi Baziar called the meeting to order and thanked every for attending and participating. After self introductions, (copy of sign-in sheets attached) CDOT Executive Director Don Hunt welcomed all in attendance to CDOT and expressed how critical the State Freight and Passenger Rail Plan (SFPRP) was to the Department of Transportation.

Agriculture Commissioner John Salazar thanked CDOT for hosting this meeting to gain agricultural related input on the SFPRP. Commissioner Salazar noted that 905,000 trucks and 32,000 rail cars are moved through the state annually transporting agricultural products and goods.

Randy Grauberger, Parson Brinckerhoff's Deputy Project Manager for the SFPRP, provided a brief PowerPoint presentation highlighting state rail planning requirements and the consultant team's scope of work in completing this 12-month-long project for CDOT.

Evan Kirby, of Felsburg Holt and Ullevig, a sub-consultant on the project, next provided an overview of several pieces of data regarding the transportation of freight by rail in Colorado. Evan noted that CDOT has received the Waybill sample data from the Surface Transportation Board and that the consultant team will be evaluating the data in the near future as it relates to rail freight movement in and through the state.

Following these two presentations the meeting was opened up to a discussion of the issues related to the rail transportation network in the state as well as rail-related service issues. The following comments were made:

- Industry sidings to agricultural facilities are not adequate. Many of them are in a state of disrepair.
- There needs to be more shuttle loading (unit train capability) grain elevators in the state. The railroads need some incentives to load 54-car trains instead of focusing on 110+ car unit grain trains.
- Congestion in the Denver yards caused by coal train traffic is hampering grain traffic in the Commerce City area. Relocating the coal train traffic would benefit these Commerce City grain facilities. The Union Pacific Railroad (UP) refuses to serve these elevators.
- Locations of the shuttle loader facilities in Colorado can be found on the websites of the railroads. A new shuttle loading facility costs approximately \$18 million.
- There are \$300 million in inputs (fertilizers, pesticides, etc) required by the agricultural industry in Colorado.
- The dairy industry is a \$500 million business in Colorado and that figure is expected to grow to \$800 million in the near future due to the new Leprino cheese plant in the Greely area. An additional 50,000 to 60,000 head of dairy cattle will be necessary in the state to

- supply this cheese facility with milk. This will require a significant amount of corn, soy bean meal and cotton seed oil to be shipped into the state by rail to supply these dairy farms.
- There is an issue with rail shipping rates for those shippers who are captive to one Class I railroad.
 - Car supply is a problem at times, especially during the peak of a bumper harvest.
 - Smaller elevators are actually trucking their grain to shuttle loaders at various locations in the state.
 - The State of Colorado will probably receive a \$9 million payment for selling the Towner Line to the Victoria and Southern Railroad. If the railroad at some point determines that it wants to salvage that line, the State has a right-of-first refusal to buy it back for \$14 million.
 - Grain was exported to Asia in containers prior to 2008. Since that time, there are no excess containers that can be used for this purpose.
 - There is a real concern about the federal weight limits for federal highways; heavier loads are moving on state and local roads that aren't designed to handle these loads. This is putting a huge maintenance burden on state and local roadway officials.
 - Colorado is implementing a new initiative to move fresh potatoes from the San Luis valley to Southern Texas and into Mexico.
 - Class I railroads deal with large markets and Short Line railroads deal more with niche markets. There will always be commercial stress points between Class I and Short Line railroads.
 - The Department of Agriculture completed a study in September of 2007 entitled "Transportation and Colorado's Agribusiness Industry". That study noted that there are 20,000 outbound rail cars carrying agricultural products and 10,000 inbound rail cars per year in Colorado.
 - Colorado is currently a net importer of corn. Corn will be an increasing market due to the increases in dairy cattle and ethanol production in the state. Also, corn is getting better yields due to new hybrids that have been developed which require less water.
 - The acreage of wheat in the state is about 80 percent of what it used to be. The current price is about \$7.00 per bushel.
 - The 2007 CDOT Rail Relocation Study completed in early 2009 is a negative issue to farmers and ranchers who would be impacted by such a new rail alignment. Splitting up private property doesn't benefit these land owners.
 - The top ten agricultural commodities account for \$6 billion in business for the state.
 - The San Luis and Rio Grande Railroad in the San Luis Valley lost 20 percent of their business to trucks in 2010 because of revised truck-weight legislation passed by the Colorado legislature. There needs to be a statewide dialogue related to truck size and weight issues.
 - Colorado needs to have a balanced transportation system and CDOT should push for this in its planning efforts.

August 29 Meeting -

An additional meeting was requested by the Department of Agriculture to meet with the corn industry representative. CDOT State Freight and Passenger Rail Plan Project Manager Mehdi Baziar and Parsons Brinckerhoff Deputy Project Manager Randy Grauberger joined the Department of Agriculture's Tim Burleigh and Tim Larsen as well as Mark Sponsler, CEO of Colorado Corn, to get input on the State Freight and Passenger Rail Plan from the corn industry.

Randy provided a brief overview of the state rail planning requirements and the consultant team's scope of work in completing this 12-month-long project for CDOT. This was followed by an open discussion and the following comments were made:

- **Two comments were made on the map identifying grain elevators and agricultural production around the state. 1) It would be useful to have significant town names added to the map. 2) The two colors (shades of yellow) representing 'urban locations' and 'dry land agriculture' are too similar. A different color other than yellow should be used.**
- **Existing ethanol plants served by rail should also be shown on this map. These are located in Yuma, Sterling and Windsor. Before ethanol plants existed in Colorado, the state imported 40 million bushels of corn. Post-ethanol, the state imports an additional 45 million bushels.**
- **Agri-tourism could provide additional ridership to various rail passenger services in various locations around the state at some point in the future.**

Attendance
 Freight and Passenger State Rail Plan
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 August 3, 2011

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