

November 29, 2018

Mr. Tim Hoeffner, Director  
MDOT Office of Rail  
425 W. Ottawa St.  
P.O. Box 30050  
Lansing, MI 48909

Dear Director Hoeffner,

In recent months the Michigan Railroads Association has been in discussions with rail shippers concerning possible changes to the Freight Economic Development Program (FEDP). The 1995 initiated program has worked relatively well, but experts in the transportation delivery system believe some changes could greatly improve the program.

The rationale for making modifications to the FEDP is to make the program more attainable for rail shippers, to move more freight off of Michigan's highways and bridges, help relieve congestion on roadways and to help improve air quality. By strengthening rail capabilities, we will help make industries here in Michigan more competitive.

The key alterations to improve the program we recommend are as follows:

- Include "other site features" language in the program specifications related to eligible items. This will allow MDOT to consider additional projects that would promote economic development.
- Make certain that mainline rail switches are eligible under the program. This would enhance the program and help move more freight by rail.
- Change the 50% loan-to-grant stipulation to 75%. At times the 50% number is prohibitive for smaller companies looking to connect with the rail network.
- Emphasize in the program application scoring how many trucks would be taken off highways (congestion relief and maintenance savings) and air quality improvements by moving freight carloads to rail from truck.

Growing the FEDP will help rail shippers move more freight efficiently, safely and in an environmentally friendly manner. We look forward to meeting with you soon in partnership with rail shippers to review these proposed changes.

Kind Regards,



John Rickoff, Chairman  
Michigan Railroads Association



Jon Cool, President  
Michigan Railroads Association



Jim Byrum  
Michigan Agribusiness Association



Paul Strpko  
Port Fischer



Scott Robbins  
Michigan Forest Products Council



Douglas E. Needham, P.E.  
Michigan Aggregates Association

# **LOCAL TRAX** Rail Overpass Program

The Local TRAX rail overpass program will provide grants to cities, towns and counties bodies for grade separation, crossing closure and other safety enhancement projects at rail-highway intersections on local roads. Funding for this program is provided through changes in HEA 1002 effective July, 2017. This is not a revolving grant fund. The Indiana Finance Authority (IFA) will issue and distribute bonds once, then this program will close.

Local TRAX presents a partnership with INDOT, local communities, businesses, industry and railroads to improve the quality of life for residents through large scale rail related transportation projects. INDOT is excited to offer another state-funded source to improve safety and mobility at rail-highway intersections.

## **Who is eligible to apply?**

Indiana cities, towns and counties who want a grade separation project on a local road.

## **What is the maximum grant award a project can receive?**

Currently there is not a maximum grant award.

## **What is the local match?**

The local match is 20% of the total project's construction and right-of-way costs. INDOT will fund and manage the design fees. This match can be reached through any local partnerships including funding from the host railroad.

## **Can Federal funds be used as part of the match?**

No, federal funds are not eligible for use as part of the match.

## **If my project is selected to receive a grant, will INDOT manage it?**

Yes, INDOT will manage the project. INDOT will handle everything from requesting proposals, selecting consultants and negotiating fees, to project management through design delivery and letting, to construction inspection and closeout as well as any other tasks along the way. INDOT understands local community involvement is critical to a successful project and will work with the LPA to establish a local involvement plan at the outset of each project.

**When will the grant solicitation open?**

The grant program will open May 1, 2018 and close at 5 p.m. on August 31, 2018. Applications will be reviewed, scored and awarded by late summer, 2018. Projects should be let by January 1, 2022.

**What criteria will be used to evaluate the projects?**

Evaluation criteria will include project viability, financial match, hazard index at the crossing, average daily auto traffic, freight train traffic, number of crossing closures and community population.

**What should be included in the application?**

Detailed scope of work which includes a narrative on the projects' safety, mobility and economic development opportunities, a detailed project budget to include engineering design, and construction costs, and a letter of support from the host railroad.

**What type of project is eligible?**

Grade separation or crossing closure with a new roadway at railroad crossing at a stage of critical need.

**Does INDOT need to approve the project design?**

The grant applicant and railroad will approve the consultants' project design. INDOT will review the final design for viability and cost.

**Will the project follow federal or state environmental regulations?**

Because this is a state-funded program, the intent is for the projects to follow Indiana environmental regulations. However, if a federal decision is necessary, the project may become subject to the requirements set forth in the National Environmental Policy Act.