

**Executive Summary  
RAILPLAN  
SOUTH DAKOTA  
1980**



**Department of Transportation  
Division of Railroads**

**SEPTEMBER 1980**

## EXECUTIVE SUMMARY

### INTRODUCTION

The State of South Dakota, having recognized the possible threat to its economic development potential arising from the further loss of rail services, is working through its Department of Transportation, Division of Railroads, to develop and implement a comprehensive rail assistance program. This program is designed to identify and maintain essential rail services and facilities through the application of available resources, including those of federal, state, and local governments, railroads, and shippers. This report provides a summary of the update of the 1978 RAILPLAN SOUTH DAKOTA, and focuses on the immediate efforts needed to stop the cycle of line deterioration on essential state rail lines while alleviating the effects of abandonment of nonessential rail lines. The action plan recommended by this report describes the initial steps that the State should take to assure itself of continued rail service accessibility. The drastic events of the past few years, culminating in the 853-mile rail line embargo by the Milwaukee Road, call for decisive responses. The recommended program of projects will provide an affirmative response to the current crisis and will place the State in a strong position from which to protect the public interest concerned with the provision of rail service.

The South Dakota Department of Transportation welcomes comments on this report, as part of the State's efforts to continually update and improve its RAILPLAN. These should be addressed to:

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South Dakota Department of  
Transportation  
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## BACKGROUND

South Dakota is facing a railroad crisis. Inadequate traffic levels, unsafe track conditions, and carrier bankruptcies have resulted in the abandonment of over 1,700 miles of track since January 1976. The 1,707 miles of rail line still operated in South Dakota represent a 61 percent reduction from the all-time high of 4,420 miles once operated in the State. Although the Milwaukee bankruptcy is responsible for the majority of this reduction, the trend is expected to continue.

Four railroads currently operate in South Dakota. These include the Milwaukee Road (347.2 miles), the Chicago and North Western (C&NW) (826.6 miles - 74.0 miles via trackage rights over the abandoned Milwaukee line from Aberdeen to Wolsey), the Burlington Northern (BN) (466.5 miles - 7.7 miles via track acquired from the Milwaukee between Madison and Wentworth), and the Soo Line (66.3 miles). The Illinois Central Gulf (ICG) is in the process of abandoning its remaining track in South Dakota. Exhibit A shows track that each railroad has designated as either potentially subject to abandonment within 3 years (Category 1), pending abandonment approval (Category 3), and all other rail lines operating in the State (Category 2 and Category 5). Of the rail mileage in South Dakota, 25 percent is Category 1, 2 percent is Category 2, 2 percent is Category 3, and 71 percent is Category 5.

When the Milwaukee Road's bankruptcy petition was filed on December 19, 1977, they operated one half of the State's rail mileage. The Court-appointed Trustee submitted a reorganization plan on April 23, 1979, proposing limiting operations to 1,722 miles of track. None of this system was located in South Dakota, which meant that service would cease on nearly 1,400 miles of railroad in the State.

Governor William J. Janklow met with the Milwaukee's Trustee and recommended that the railroad add the Miles City extension to its proposed system. In consideration for keeping this 681-mile extension in the operating system, the Governor pledged to raise \$2.3 million to be applied to the immediate rehabilitation of specified segments of this line. The Milwaukee Trustee accepted the Governor's proposal. Application was made and the FRA approved the use of \$1,860,000 of federal monies from the entitlements available to the States of South Dakota, North Dakota and Minnesota. Rail users on the line provided the required match for the project which was completed during the 1979 construction season.

Even though service has been retained on the Miles City extension, nearly 1,000 miles of the remaining Milwaukee Road track in South Dakota was embargoed and service has ceased. Subsequently, the embargoed lines have been approved for abandonment.



The State of South Dakota supports the reorganization effort of the Milwaukee Road and endorses the Milwaukee II structure. The State is currently pursuing methods of restoring service to some former Milwaukee Road lines recently approved for abandonment.

#### ORGANIZATIONAL STRUCTURE

The South Dakota Division of Railroads is one of the four divisions reporting to the Secretary of Transportation, as shown on the organizational chart of the following page (Exhibit B).

Three appointed organizational bodies contribute to the institutional objectives of the Railroad Division. The Railroad Advisory Commission provides the initial public participation and input to the planning process. The Railroad Authority is a semi-autonomous publicly-owned enterprise empowered to own and/or maintain railroad facilities. The Railroad Board is the governing authority for the Division in matters of operation, management, finance, marketing, and development of State controlled rail service.

The Division is responsible for performing the actual planning and analysis functions involved in maintaining an up-to-date State rail plan, and supporting the functions of the Rail Authority. This includes the collection, analysis, and evaluation of data pertaining to rail lines and services in South Dakota. The South Dakota Division of Railroads is the state agency designated by the Governor to receive and expend federal funds for rail related planning and projects.

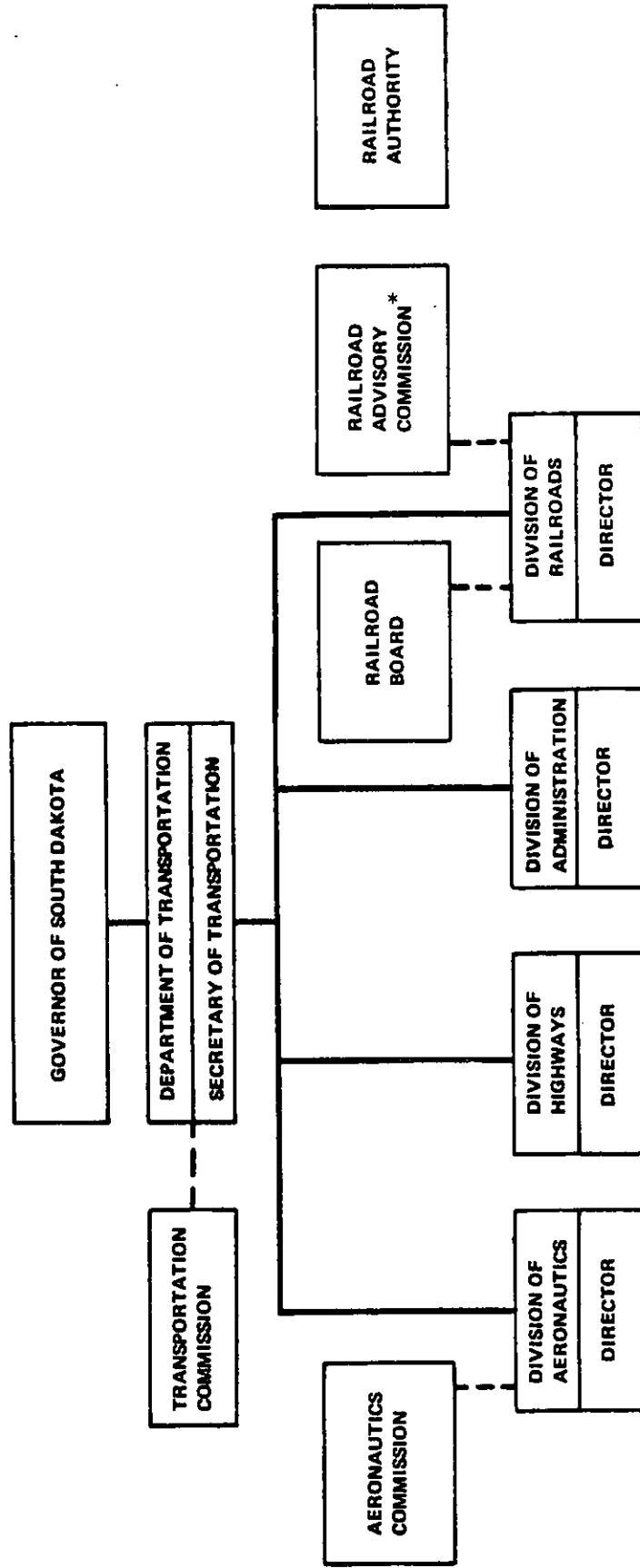
#### RAIL TRAFFIC VOLUMES

Exhibit C lists the total number of carloads, originating and terminating in South Dakota, by railroad and commodity for 1979. Milwaukee traffic represents 50 percent of the total origins and terminations with 54,277 carloads. Chicago & North Western, Burlington Northern, Soo Line, and Illinois Central Gulf accounted for 31 percent, 15 percent, 2 percent and 2 percent respectively.

The major commodities moving by rail to or from South Dakota shippers include farm products, coal, non-metallic minerals, food and kindred products, lumber and wood products, and stone, clay, and glass products. In 1979, as was the case in 1978, more than 55% of the total commodities were farm products and coal. Coal carloads have expanded markedly since 1973 with the opening of the Big Stone Power Plant at Big Stone City. The volume of farm products reflects the drought period in the mid 1970's decreasing from 49,231 carloads in 1973 to 17,307 in 1976 before rebounding to 30,450 carloads in 1979.

EXHIBIT B

ORGANIZATIONAL CHART  
SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION



\* Commission members:  
 Mr. Lawrence Lawrenson - Beresford  
 Mr. LaVerne Maher - Huron  
 Mr. William Nash - Rapid City  
 Mr. George Nikolas - Aberdeen  
 Mr. Michael Vehle - Mitchell

EXHIBIT C

TOTAL NUMBER OF CARLOADS BY COMMODITY AND RAILROAD  
ORIGINATING AND TERMINATING IN SOUTH DAKOTA  
1979

STCC CODE	COMMODITY DESCRIPTION	MILW RD	CB&N	BN	SOO	ICG	TOTAL	
							CARS	% OF TOTAL
01	Farm Products	13,747	8,577	5,814	2,422	90	30,450	28%
09	Fresh Fish & Marine Products	-	-	8	-	-	6	-
10	Metallic Ores	-	-	1	-	-	1	-
11	Coal	27,523	87	2,088	1	-	29,699	27
14	Non-metallic Minerals except Fuels	3,597	2,875	950	-	89	7,491	7
19	Ordance & Accessories	2	2	1	-	2	7	-
20	Food & Kindred Products	1,224	2,413	1,703	-	-	5,340	5
21	Tobacco Products	3	6	-	-	-	9	-
22	Basic Textiles	9	8	21	19	-	57	-
23	Apparel & Other Textiles	2	-	-	-	-	2	-
24	Lumber & Wood Products	1,435	8,112	897	1	38	7,483	7
25	Furniture & Fixtures	115	144	118	-	3	378	-
26	Pulp, Paper & Allied Products	401	414	602	-	6	1,423	1
27	Printed Matter	-	1	-	-	-	1	-
28	Chemicals & Allied Products	1,630	841	812	107	58	3,449	3
29	Petroleum & Coal Products	379	975	1,018	4	2	2,378	2
30	Rubber & Miscellaneous	38	139	118	-	-	295	-
31	Leather Products	-	1	-	-	-	1	-
32	Stone, Clay & Glass Products	2,179	11,222	449	1	3	13,904	13
33	Primary Metal Products	583	306	435	74	2	1,399	1
34	Fabricated Metal Products	50	22	44	4	-	120	-
35	Machinery Except Electrical	294	281	130	3	-	678	1
36	Electrical Machinery & Supplies	25	93	30	-	14	162	-
37	Transportation Equipment	131	12	247	-	2	392	-
38	Instrument Photo & Optical Goods	-	-	-	-	-	-	-
39	Miscellaneous Manufacturing Products	-	30	-	-	-	30	-
40	Waste & Scrap Materials	654	332	75	-	-	1,061	1
41	Miscellaneous Freight Shipments	29	7	3	-	-	39	-
42	Containers	45	18	4	-	7	74	-
44	Freight Forwarder Traffic	-	-	8	-	242	250	-
45	Shipper Association Traffic	48	8	298	-	558	883	1
46	Miscellaneous Mixed Shipments	184	213	195	1	598	1,173	1
<b>GRAND TOTAL</b>		<b>54,277</b>	<b>34,138</b>	<b>15,885</b>	<b>2,837</b>	<b>1,898</b>	<b>108,633</b>	<b>100%</b>

SOURCE: Annual Reports of the Railroads to the Interstate Commerce Commission.

When comparing originating to terminating carloads by railroad by 1973 through 1979 (Exhibit D), it is apparent that in 1979 the total traffic for all railroad carriers was evenly split. Since 1973, the percent of originating carloads has decreased from a rate of 66 percent of the total traffic to 51 percent in 1979. This is due primarily to the continuing diversion of originating grain movements to motor carriers and the significant increase in terminating coal traffic destined for the Big Stone Power Plant.

#### RECENT STATE ACTION

Legislative action at the state level has provided significant opportunities for solving the railroad problems affecting South Dakota. The 1978 South Dakota State Legislature passed two important and timely pieces of legislation to aid railroads. The first bill was patterned after the "Iowa Plan." This set the mechanism whereby the state could invest monies in a cooperative rehabilitation program upon which the state, shippers and railroad each share 1/3 of the cost incurred in rehabilitating a line. The second bill made it possible for local units of government to form regional railroad authorities enabling them to share in the "Iowa Plan" or to enter into a project on their own.

The 1979 State Legislature was instrumental in increasing the manpower allocation and budget for the Division of Railroads. Further, the legislature transferred certain railroad regulatory functions involving the statutory authority to intervene in railroad matters from the Public Utilities Commission to the Department of Transportation. This legislation provides the Department of Transportation with the planning, project implementation, and legal authority to address railroad matters in South Dakota.

The 1980 State Legislature created the South Dakota Railroad Authority whose duties are to plan, establish, acquire, develop, construct, purchase, enlarge, maintain, equip, and protect railroad facilities deemed necessary to the State. The appropriation of \$25 million being raised by a 1 percent sales tax increment, was authorized for the Authority to implement the purchase plan. This tax will to be rescinded by July 1, 1981, or upon collection of the necessary funds, not to exceed \$25 million.

A core system of 429 miles and local option lines of 825 miles were identified as the maximum mileage that could be acquired. The Authority will purchase the lines in the fall of 1980, with service restoration on the core system beginning in the spring of 1981. Legislative approval is required before operations can be restored.

The 1980 legislation empowered the Division of Railroads to provide planning assistance to the Authority and arrange and coordinate rail service on lines acquired, leased or controlled by the State. It also created the South Dakota State Railroad Board, composed of seven members, to manage the purchased system.



EXHIBIT D

NUMBER OF CARLOADS OF COMMODITIES ORIGINATING AND TERMINATING IN SOUTH DAKOTA

RAILROAD	1973	1974	1975	1976	1977	1978	1979
<u>MILWAUKEE ROAD</u>							
Originating	29,360	27,360	17,851	13,032	15,459	19,623	20,186
Terminating	14,174	12,773	26,492	30,861	30,728	36,823	34,081
Total	<u>43,534</u>	<u>40,133</u>	<u>44,443</u>	<u>43,893</u>	<u>46,187</u>	<u>56,446</u>	<u>54,277</u>
<u>CHICAGO AND NORTH WESTERN</u>							
Originating	39,203	35,389	25,198	21,316	20,247	22,920	24,717
Terminating	17,045	15,829	13,352	11,679	11,184	9,654	9,421
Total	<u>56,248</u>	<u>51,218</u>	<u>38,550</u>	<u>32,995</u>	<u>31,431</u>	<u>32,574</u>	<u>34,138</u>
<u>BURLINGTON NORTHERN</u>							
Originating	10,834	8,977	6,589	5,781	5,355	7,013	7,458
Terminating	10,877	10,419	9,086	9,900	8,496	8,506	8,427
Total	<u>21,711</u>	<u>19,396</u>	<u>15,684</u>	<u>15,681</u>	<u>13,851</u>	<u>15,519</u>	<u>15,885</u>
<u>SOO LINE</u>							
Originating	3,453	2,528	1,854	1,280	1,235	2,171	2,424
Terminating	211	85	106	108	107	109	213
Total	<u>3,664</u>	<u>2,623</u>	<u>2,060</u>	<u>1,396</u>	<u>1,342</u>	<u>2,280</u>	<u>2,637</u>
<u>ILLINOIS CENTRAL GULF</u>							
Originating	1,816	3,625	2,316	1,891	1,346	74	112
Terminating	1,803	2,389	1,803	1,374	1,579	1,610	1,584
Total	<u>3,619</u>	<u>6,014</u>	<u>4,119</u>	<u>3,265</u>	<u>2,925</u>	<u>1,694</u>	<u>1,696</u>
<u>TOTAL ALL COMPANIES</u>							
Originating	84,666	77,879	54,008	43,310	43,642	51,801	54,807
Terminating	44,110	41,505	50,948	53,920	52,094	56,702	53,728
Total	<u>128,776</u>	<u>119,384</u>	<u>104,956</u>	<u>97,230</u>	<u>95,736</u>	<u>108,503</u>	<u>108,533</u>

SOURCE: Annual Reports of the Railroads to the Interstate Commerce Commission.

RAIL SERVICE AND PLANNING POLICIES,  
OBJECTIVES, AND GOALS

The direction of SOUTH DAKOTA RAILPLAN 1980 is defined by the plan's policies, objectives, and goals for rail service and planning. These policies, objectives, and goals reflect the rail issues affecting South Dakota and the consensus of the Division of Railroads and the Railroad Advisory Commission. The policies define general statements of direction for rail service and planning for South Dakota.

Rail Service and Planning Policies

- . Rail users, railroad companies, local governments, and the State need to coordinate their efforts to solve transportation problems in South Dakota.
- . The South Dakota DOT encourages the continuation of financially solvent, privately owned and operated rail services in the State. Therefore, the South Dakota DOT will not openly oppose all railroad abandonment applications, but first will consider the potential viability of the line, the social and economic impacts of line abandonment, the local interest in the line, the potential for substitute service, and other factors which may be unique to the line or its service area.
- . The South Dakota DOT will support essential rail services which are threatened by abandonment through the use of available public and private funds, where the public interest justifies such assistance. Possible assistance includes acquisition, service continuation, rehabilitation, rail banking, operations improvement, or substitute service.
- . The South Dakota DOT will foster the coordination and consolidation of rail services in the State where opportunities exist for improving the efficiency of rail operations.
- . The South Dakota DOT will strive to increase the public awareness of rail service issues as they affect the State and to facilitate public involvement in the on-going State rail planning process.

The objectives define more specific courses of action relating to the operation of the South Dakota DOT and the Division of Railroads.

Rail Service and Planning Objectives

- . To foster adequate, safe, efficient, and economic transportation services for the movement of persons and goods in South Dakota.

- . To integrate the State's transportation system with that of neighboring states and with the national transportation system in order to facilitate interstate and nationwide travel, while also considering state and local needs, desires, and the inherent social, economic, environmental, and land use impacts.
- . To integrate the various carriers and modes of transportation in order that they might safely, efficiently, and economically supplement and complement each other in the movement of persons and goods, recognizing the inherent advantages of each mode.
- . To maintain essential rail services and facilities in South Dakota which serve the public interest but which cannot otherwise be profitably continued by private carriers.
- . To coordinate the available resources of rail users, railroad carriers, and governments (local, state, and federal) for the purpose of maintaining essential transportation accessibility within South Dakota.

Established, workable goals are necessary for the state rail planning process to outline courses of action and to define the desired future characteristics of the railroad system within the State of South Dakota.

#### Rail Service and Planning Goals

- . To identify the essential rail system for South Dakota which is needed to serve the State's current and potential agricultural, natural resource, industrial and energy-related activities.
- . To retain a viable core rail system to serve South Dakota made up of essential lines which serve the primary traffic-producing areas of the State and which provide accessibility to the State and national markets.
- . To encourage the elimination of non-profitable rail lines which are non-essential and whose services could be more economically provided by an alternative rail line or transportation mode.
- . To develop competitive transportation options for those communities which lose rail service.
- . To promote increased use of rail service in those ways in which it is best suited.

- . To provide for the transportation needs of communities where the loss of current rail service will cause severe economic or socio-economic hardships.
- . To promote financial stability and operational efficiency within the rail system serving South Dakota.
- . To develop, maintain, and improve the institutional capability for implementing State railroad policy by legislation, funding, program administration, and project implementation.

#### ESSENTIAL RAIL SYSTEM DESCRIPTION

The crisis nature of rail issues facing the State of South Dakota makes it imperative that assistance efforts be directed where the greatest benefit to the State can be achieved. This requires the State to identify which rail lines are essential to its transportation and economic development needs, and to direct available resources to those lines. The poor condition of much of South Dakota's rail network makes rehabilitation and maintenance of all lines in the State financially unrealistic. By focusing on a subset of essential rail lines, the State can apply its scarce resources more effectively.

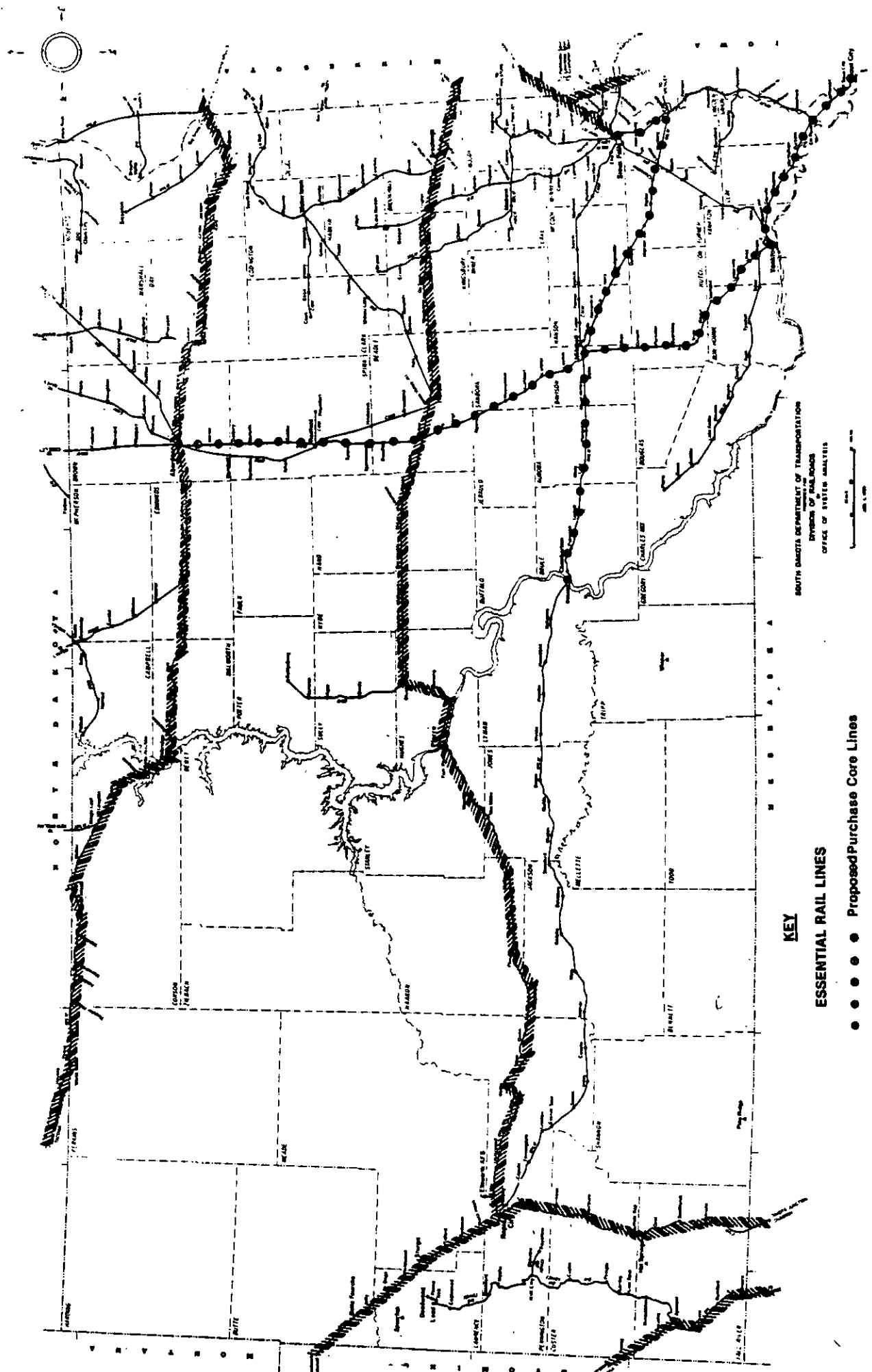
For the purposes of this study, essential rail lines are defined by several characteristics including:

- . current and projected traffic volumes;
- . access to the major grain producing parts of the State;
- . access to the national rail transportation network;
- . access to natural resource areas, particularly coal deposits; and
- . expected local impacts of service loss, including shipper cost, highway cost, and rehabilitation cost.

Based upon the previous information and study results, the essential rail system for South Dakota is defined as illustrated in Exhibit E. These lines form a basic skeletal rail network of feeder lines serving the agricultural producing areas of the State; main lines linking the shippers in South Dakota with local, national, and international markets; and secondary lines which connect the feeder lines to the main lines. Extensions beyond this essential rail system may be possible where sufficient local interest and commitment exists or where the lines are maintained by a private rail carrier.

EXHIBIT E

ESSENTIAL RAIL SYSTEM OF SOUTH DAKOTA  
(CORE SYSTEM CONCEPT)



KEY

ESSENTIAL RAIL LINES

- • • • • Proposed Purchase Core Lines
- ▨▨▨▨▨ Private Sector Core Lines

Defining the essential rail system for South Dakota provides an important basis for the remainder of this plan, particularly the analysis of intensive study lines. Future planning and assistance efforts can now be directed toward ensuring that the essential rail system is maintained.

Considering the lines identified as essential, the Railroad Authority is negotiating with the Milwaukee Road to buy 795 miles of abandoned lines in South Dakota. Also being considered is the leasing of 55 miles of Milwaukee Road lines along the southeastern border of South Dakota between Canton, SD and Sioux City, IA and the purchasing of 19 miles of the Chicago & North Western line between Hawarden, IA and Beresford, SD. This acquisition plan, illustrated in Exhibit F, includes all of the essential rail lines that are abandoned, plus several extensions (such as the Napa to Platte branch line) that might be operated as local option lines. These acquired lines will connect with existing railroads at Sioux City, Sioux Falls, Wolsey, and Aberdeen, and will be operated either by a Class I or Class II railroad.

By identifying an essential rail system and purchasing those portions threatened by abandonment, the Division, through the Railroad Authority, can ensure that the most needed rail transportation services are maintained for the long-term benefit of South Dakota.

#### RAIL ASSISTANCE PROGRAM

This year's rail assistance program for South Dakota is aimed at alleviating problems on lines eligible for immediate assistance. This excludes the abandoned Milwaukee Road lines that the Railroad Authority is currently negotiating to purchase. Until the disposition of these lines is determined, the State of South Dakota will not apply assistance funds to these lines.

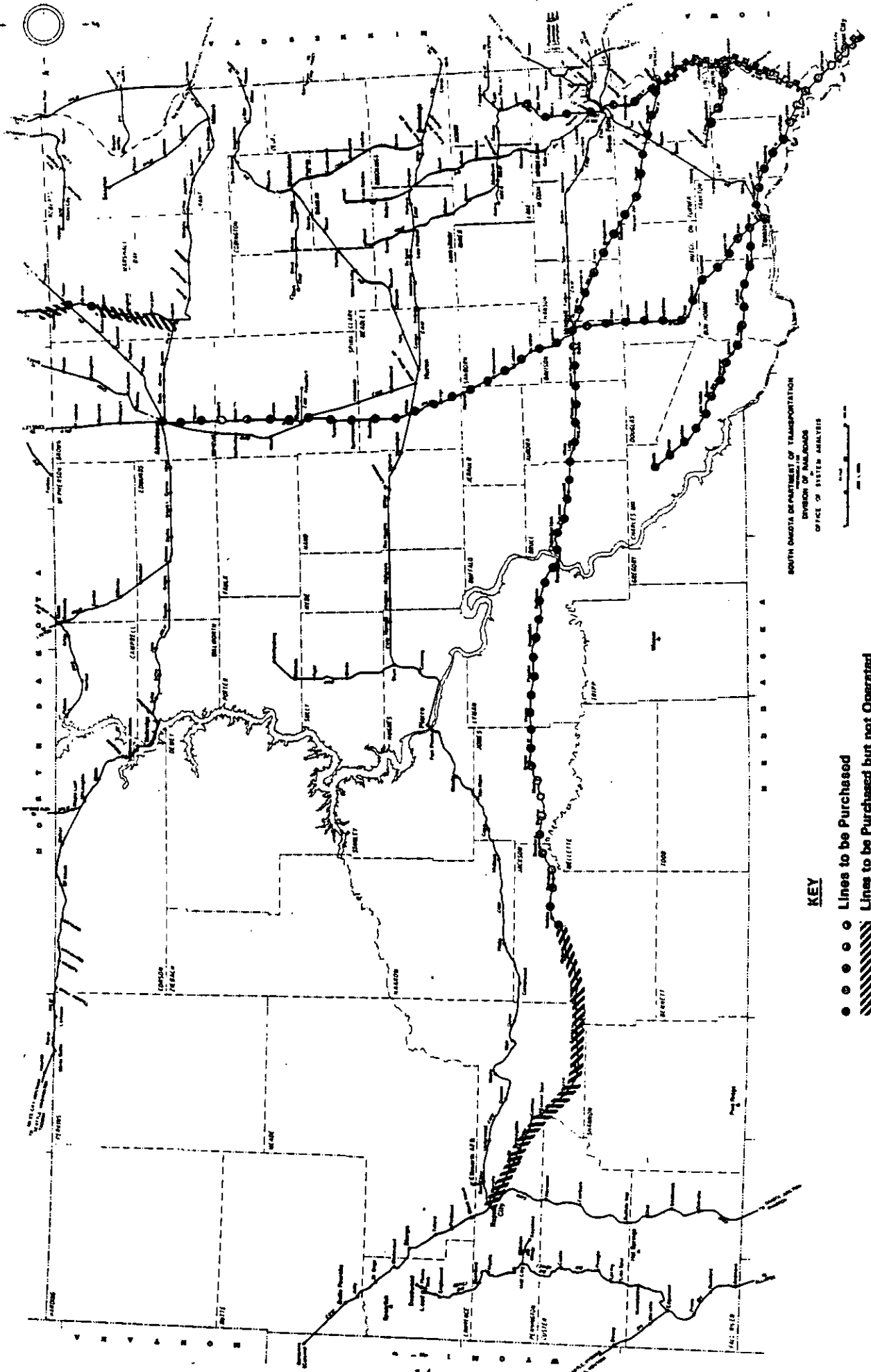
In anticipation of these lines becoming eligible for assistance in early 1981, the Division has decided to focus its current assistance program on rail lines with immediate needs that can be met through defined and specific assistance efforts.

The large number of eligible rail lines in South Dakota and their general state of deterioration provides the Division with many candidates for possible project assistance. Because the assistance program funds are limited, some mechanism is needed to select those rail lines most in need of assistance. In considering which lines to select, the Division adopted the following criteria:

- A. non-embargoed Milwaukee Road lines, since assistance for lines to be purchased by the South Dakota Railroad Authority will be sought at a later date;
- B. abandoned lines with potentially significant shipper/community impacts of abandonment in South Dakota;

EXHIBIT F

SOUTH DAKOTA PURCHASE PLAN



KEY

- ● ● ● Lines to be Purchased
- //// Lines to be Purchased but not Operated
- - - - Lines to be Leased

- C. light density lines threatened by physical deterioration, or requiring rehabilitation to permit more efficient operations involving heavier loaded cars or unit trains;
- D. abandoned or light density lines which contribute at least moderately to the traffic base of connecting viable lines;
- E. abandoned or light density lines providing accessibility to the regional and national railroad network; and
- F. project locations where significant railroad and shipper interests are demonstrated in improving local rail operations or accessibility.

These criteria focus the State's efforts on lines that have significant abandonment impacts, and on lines that are part of the essential South Dakota rail system. Application of these criteria to the current rail lines in South Dakota produce the intensive study lines or project sites shown in Exhibit G. Shown in Exhibit H are the criteria used to select the lines and the types of assistance projects being considered for each line or site.

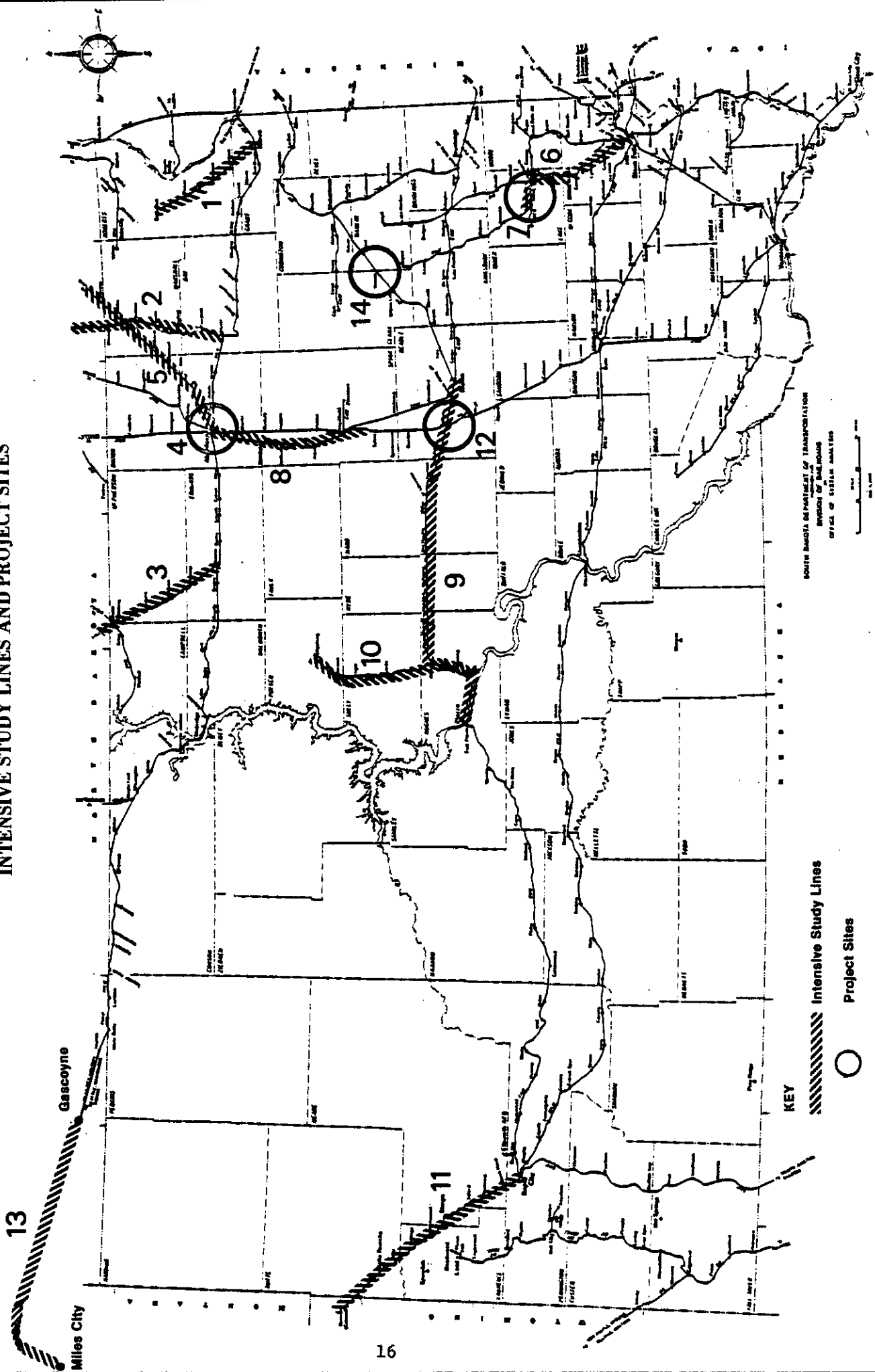
The lines or project sites listed in Exhibit H fall into three general categories: abandoned lines, light density lines, and coordination or operations improvement projects. The two intensive study lines which are currently abandoned are former Milwaukee Road Lines. The remaining light density lines are operated by the Milwaukee Road (2 lines), C&NW (4 lines), and BN (2 lines). The siding installation or expansion projects occur on the Milwaukee Road (1 site) and the BN (2 sites); and the transfer track replacement is on the C&NW Railroad. The line rehabilitation project between Miles City, Montana, and Gascoyne, North Dakota is part of a regional rehabilitation project for Miles City, Montana, to Jonathan, Minnesota. The portion west of Gascoyne, North Dakota was selected for assistance funds because it is the only part of this essential rail line that satisfies the eligibility criteria for project funding of less than 5 million gross tons. The 14 intensive study projects provide a balanced distribution of assistance to each of the major railroads in South Dakota with substantial rail mileage in the State. The projects are also distributed throughout the State to where the major assistance needs exist.

The State of South Dakota is primarily interested in providing one-time assistance which will result in lasting benefits to the railroads, rail users, and the State. Therefore, the types of assistance projects being considered in this plan mainly involve:

- . moving major grain elevators from abandoned branch lines to main lines expected to remain in service;
- . rehabilitating light density lines which can support current operating expenses but not the full capital costs of returning the line to its proper condition through rehabilitation; and



EXHIBIT G  
INTENSIVE STUDY LINES AND PROJECT SITES



KEY  
 ▨ Intensive Study Lines  
 ○ Project Sites

**EXHIBIT H**  
**INTENSIVE STUDY LINES**  
**AND PROJECT ALTERNATIVES**

STUDY NUMBER	STUDY LINES AND PROJECTS	SELECTION CRITERIA **
1.	<p><u>MILBANK TO SISSETON (MILW)</u></p> <ul style="list-style-type: none"> <li>* Continue Rail Service at Class I</li> <li>- Continue Rail Service and Rehabilitate Line to Class II, New Rail</li> <li>- Abandon Rail Service</li> <li>- Abandon Rail Service and Move Elevators to Summit and Construct Public Loading Facility.</li> </ul>	(A),(D),(E),(F)
2.	<p><u>ANDOVER TO BRAMPTON (MILW)</u></p> <ul style="list-style-type: none"> <li>- Restore Rail Service and Rehabilitate Lines to Class I</li> <li>- Restore Rail Service and Rehabilitate Entire Line to Class II, New Rail</li> <li>- Restore Rail Service and Rehabilitate Line to Class II Between Britton and BN Junction, New Rail</li> <li>* Continue Rail Service Abandonment</li> <li>- Continue Rail Service Abandonment and Move Elevator(s) to BN Junction</li> </ul>	(B),(E),(F)
3.	<p><u>ROSCOE TO LINTON (MILW)</u></p> <ul style="list-style-type: none"> <li>- Restore Rail Service and Rehabilitate Line to Class I</li> <li>- Restore Rail Service and Rehabilitate Entire Line to Class II</li> <li>- Restore Rail Service and Rehabilitate Line to Class II From Eureka to Linton, ND</li> <li>- Restore Rail Service and Rehabilitate Line to Class II From Roscoe to Eureka</li> <li>* Continue Rail Service Abandonment</li> <li>- Continue Rail Service Abandonment and Move Elevator to Bowdle</li> <li>- Construct Public Loading Facility at Bowdle or Artes</li> </ul>	(B),(E),(F)
4.	<p><u>ABERDEEN SIDING (MILW)</u></p> <ul style="list-style-type: none"> <li>- Enlarge Siding for Grain Elevator</li> </ul>	(F)
5.	<p><u>ABERDEEN TO RUTLAND (BN)</u></p> <ul style="list-style-type: none"> <li>* Continue Rail Service</li> <li>- Continue Rail Service and Rehabilitate Line</li> </ul>	(C),(E)
6.	<p><u>MADISON TO SIOUX FALLS (BN)</u></p> <ul style="list-style-type: none"> <li>* Continue Rail Service</li> <li>- Continue Rail Service and Rehabilitate Line to Accomodate Unit Trains</li> <li>- Abandon Rail Service</li> </ul>	(C),(E),(F)

**NOTE:**  
 Base cases (existing case) are marked with \*  
 Alternatives studied are marked with -

\*\* See pages 13 and 15.

EXHIBIT H (Continued)

7.	<p><u>WENTWORTH SIDING (BN)</u></p> <ul style="list-style-type: none"> <li>- Install New Siding for Unit Trains</li> </ul>	(F)
8.	<p><u>REDFIELD TO ABERDEEN (CNW)</u></p> <ul style="list-style-type: none"> <li>• Continue Rail Service at Class I</li> <li>- Restore Rail Service and Rehabilitate Entire Line to Class II</li> <li>- Continue Rail Service and Rehabilitate Line to Class II from Redfield to Mansfield</li> <li>- Abandon Rail Service</li> <li>- Abandon Rail Service and Move Elevator to Parallel MILW Line</li> </ul>	(C), (E),(F)
9.	<p><u>PIERRE TO HURON (CNW)</u></p> <ul style="list-style-type: none"> <li>• Continue Rail Service</li> <li>- Continue Rail Service and Rehabilitate Entire Line to Class II, and Replace Wolsey Transfer Track</li> <li>- Abandon Rail Service (For Study Purposes Only)</li> <li>- Continue Rail Service, Rehabilitate Entire Line, to Class II, Replace Wolsey Transfer Track, and Replace Rail Between Wolsey and James Valley Junction.</li> </ul>	(C),(D),(E)
10.	<p><u>BLUNT TO GETTYSBURG (CNW)</u></p> <ul style="list-style-type: none"> <li>• Continue Rail Service</li> <li>- Continue Rail Service and Rehabilitate Entire Line to Class II</li> <li>- Continue Rail Service and Rehabilitate Line to Class II from Blunt to Onida.</li> <li>- Truncate and Rehabilitate Line to Class II to Onida, New Rail</li> <li>- Truncate and Rehabilitate Line to Class II to Onida, Existing Rail</li> <li>- Abandon Rail Service</li> </ul>	(C),(E)
11.	<p><u>BENTONITE TO RAPID CITY (CNW)</u></p> <ul style="list-style-type: none"> <li>• Continue Rail Service</li> <li>- Continue Rail Service and Rehabilitate Entire Line to Class II</li> <li>- Abandon Rail Service (For Study Purposes Only)</li> </ul>	(C),(D),(E)
12.	<p><u>WOLSEY TRANSFER TRACK (CNW)</u></p> <ul style="list-style-type: none"> <li>- Replace Transfer Track Between CNW and MILW Lines</li> </ul>	(E),(F)
13.	<p><u>MILES CITY, MT TO GASCOYNE, ND (MILW)</u></p> <ul style="list-style-type: none"> <li>• Continue Rail Service</li> <li>- Continue Rail Service and Rehabilitate Entire Line to Class II</li> <li>- Abandon Rail Service</li> </ul>	(A), (C),(D),(E)
14.	<p><u>VIENNA SIDING (BN)</u></p> <ul style="list-style-type: none"> <li>- Install New Siding for Unit Trains</li> </ul>	(F)

NOTE:  
 Base cases (existing case) are marked with •  
 Alternatives studied are marked with —

- . installing or expanding siding facilities for new or existing elevator or transloading facilities which will serve shippers who have already lost direct rail service through past abandonments.

These types of projects address the specific problems affecting many of the lines in South Dakota without encouraging the continuation of uneconomic rail services that are costly to both the railroad and the user. These problems include poor line conditions, low traffic density and inadequate shipper facilities to take advantage of more efficient jumbo car or unit train operations.

The types of projects being considered are intended to produce maximum long-term benefits to the State, rail users, and the railroads, without committing the State to a long-term obligation. Innovative strategies, such as moving grain elevators and construction of public loading facilities, reflect the variety of solutions being considered by South Dakota for its railroad problems.

The intensive study lines and sites selected for this update deal with lines located on the periphery of the proposed South Dakota purchase. This is intentional because the State wants to be in a position in 1981 to focus its assistance program on the lines that make up the purchased system.

South Dakota's Rail Advisory Commission held a meeting on August 19, and again on August 28, 1980 to consider the results of the benefit-cost analyses and to recommend specific projects for funding under the Rail Service Assistance Program. A final recommendation was made September 3, 1980, and a listing of the projects which were selected, and the priority order in which they were placed by the Commission, appears in Exhibit I. Applications for federal assistance will be filed with the Federal Railroad Administration prior to September 30, 1980, and construction for those projects which are approved is planned for 1981.

**EXHIBIT I**  
**RECOMMENDED RAIL ASSISTANCE PROGRAM**

PRIORITY RANKING	RAIL SEGMENT	PROJECT DESCRIPTION	STUDY NUMBER
1	Miles City -- Gascoyne	Rehabilitation	13
2	Pierre -- Huron	Rehabilitation	9,12
3	Madison -- Sioux Falls	Rehabilitation	6
4	Milbank -- Sisseton	Move Elevators/Public Loading Facility	1
5	Andover -- Brampton	Move Elevator or Truncation	2
6	Blunt -- Gettysburg	Rehabilitation to Onida	10
7	Roscoe -- Linton	Public Loading Facility	3