

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No.: 10A
Meeting Date: November 5, 2024

DATE: October 28, 2024
TO: Managing Members
FROM: John Wolfe, CEO
Sponsor: Don Esterbrook, Deputy CEO
Steve Balaski, Director of Business Development
SUBJECT: Inland Rail Hub Strategic Initiative Update

A. SYNOPSIS

This summary is a progress update on the NWSA's Strategic Initiative to support the development of Inland Rail Hubs. Progress items include key results and benefits achieved by the initiative. Future plans and action items to advance the initiative are also identified.

B. BACKGROUND

In 2019, the NWSA launched a strategic initiative to evaluate the viability of inland rail hubs and short haul rail service to the NWSA from non-traditional origin points including Eastern Washington. A key objective of this initiative is to support containerized export volume growth at the NW Seaport Alliance.

The NWSA's primary role has been focused on collaboration and coordination with all stakeholders to help influence engagement and commitments, resulting in the launch of new facilities.

C. CURRENT STATUS

To date the inland rail hub initiative has been a success, achieving many of its objectives. The NWSA's efforts, along with key stakeholders, have resulted in substantial positive benefits for the NWSA.

Since 2019, three new inland hub facilities have opened, providing regular containerized rail service for exporters using the NWSA and opening new transportation capacity for U.S. agricultural exports. The first location to launch was in Minot, ND, followed by Pocatello, ID. These services have moved over 42,000 export loads through the NWSA. The third facility is located in Wallula WA, near the Tri Cities. As a result, exports now have an option in Eastern Washington to move via rail, as well as truck, to the NWSA.

Notably, The Minot Area Chamber EDC was recognized by the International Economic Development Council with an award for its Minot facility. This

coincided with the 100th train from Minot to the NWSA since its opening in 2019. Attached to this memo is a copy of the press release with information about this award.

D. NEXT STEPS

Going forward the NWSA will continue its support by providing staff resources to sustain and grow existing hub operations. Our role will also include facilitating issue resolution to overcome implementation and operational hurdles. We continue efforts to support development of an inland port operation in Eastern Washington. This working includes attracting import activity, enabling round-trip rail transportation models which will help ensure sustainable growth.

E. ATTACHMENTS

- Attachment 1: Press Release **MACEDC Earns Gold Award for Intermodal Facility from IEDC**

F. PREVIOUS ACTIONS OR BRIEFINGS

- October 19, 2019: Inland Rail Hub Initiative Hub Update
- November 3, 2020: Inland Rail Hub Initiative Hub Update
- April 6, 2021: Inland Rail Hub Initiative Hub Update

MACEDC Earns Gold Award for Intermodal Facility from IEDC

Posted: Sep 23 2024



The Minot Area Chamber EDC (MACEDC) is pleased to receive recognition this month for the Minot Intermodal Facility. The International Economic Development Council (IEDC) selected the facility as a finalist for the “Best in Show” award during the 2024 IEDC Conference. To be placed in the Top 14 out of more than 500 submissions, the Minot Intermodal Facility first earned a Gold Award this summer in the category of Public-Private Partnerships for communities with populations between 25,000-200,000.

“Congratulations to the Minot Area Chamber EDC on this well-deserved award for their successful efforts to bring consistent, reliable intermodal service as an option to producers and shippers in the state,” said North Dakota Governor Doug Burgum. “Our office and many other state agencies worked together with local and national businesses for years to make the Minot Intermodal Facility a reality. Earning a Gold Award from the International Economic Development Council and being a finalist for the Best in Show Award are testaments to the value of public-private partnerships in improving our economic standing in the region and across the country.”

“We are proud to provide this logistics solution and option for our producers and shippers throughout the region and state, by means of the successful Minot Intermodal Facility. It is an

added bonus to be recognized by our peers at IEDC with both the Gold Award for public-private partnerships and as a Best in Show nominated project,” said Brekka Kramer, President | CEO of Minot Area Chamber EDC. “We truly wouldn’t be able to pull off a project of this size and impact without the many business partners in our community and across the country, as well as the local and state governments that have seen and support our vision for transportation and logistics.”

“BNSF Railway appreciates the ongoing partnerships we have with the state of North Dakota and Minot Area Chamber EDC as we expand rail service to our customers who are developing new and emerging commodities for container shipments to export markets,” said Justin Pearson, Regional Manager of Economic Development, BNSF Railway. “In addition to the intermodal site, Minot hosts the only BNSF certified site in the state, allowing a faster-to-market location for businesses looking for rail service. Minot Area Chamber EDC is an instrumental partner in making these rail options available.”

“Rail Modal Group, operating the Minot Intermodal Facility at the Logistics Park of North Dakota, has successfully introduced the state’s first intermodal facility, streamlining U.S. export logistics across North Dakota and into Canada,” said Monica Oberting, Esq. and Vice President Business Development at RMG. “The new Minot Intermodal Facility provides farmers, producers, manufacturers, and exporters with more efficient and environmentally friendly transportation options. At Rail Modal Group, we are proud to be a part of this transformation, which greatly benefits North Dakota’s agriculture and manufacturing industries.”

The Gold Award and being a finalist for the “Best in Show” 2024 Excellence in Economic Development Award join other recent awards that the Minot Intermodal Facility has earned, including the Economic Development Association of North Dakota (EDND) 2022 Project of the Year and the 2024 North Dakota Main Street Summit Economic Diversification Award.

Minot Intermodal Facility

The Logistics Park North Dakota (LPND) is 800+ acres situated in Minot, North Dakota and includes an inland, intermodal port transfer facility (Minot Intermodal Facility) spanning 136 acres and featuring more than three miles of rail track serviced by BNSF Railway. The facility, operated by Rail Modal Group, organizes containerization and shipment for regional exporters of various products and commodities. The Minot Intermodal Facility is strategically located in northcentral North Dakota and serves as a central hub for shippers that would otherwise transport goods by truck over exceedingly long road and highway distances.

The purpose of the Minot Intermodal Facility is to facilitate improved access for agricultural and manufactured products from North Dakota and throughout the Upper Midwest to more lucrative, larger international markets. The effort by MACEDC, the State of North Dakota, and the private sector to accomplish this goal has been underway for nearly two decades. This goal was accomplished when MACEDC removed barriers, purchased the assets and entered into a long-term lease with an operator. For nearly two decades, parties worked to build intermodal service out of North Dakota. After financial challenges and years of no containerized movement, MACEDC established relationships with BNSF Railway and The Northwest Seaport Alliance (Ports of Tacoma and Seattle) to identify an operator and bring together the project. The Minot Intermodal Facility is

now nearly four years into the successful, on-going delivery of unit trains to West Coast terminals for delivery around the world.

Partnerships

Earning an award under the IEDC category of Public Private Partnerships requires a detailed explanation of the participants in, and the promoters of, the Minot Intermodal Facility. This included the following entities: Bank of North Dakota, BNSF Railway, City of Minot, North Dakota Governor's Office, North Dakota Department of Agriculture, North Dakota Department of Commerce, North Dakota State Legislature, North Dakota Trade Office, Rail Modal Group, The Northwest Seaport Alliance, and many others.

Timeline of Award Recognition

The Minot Intermodal Facility earned a Gold Award in the category of Public-Private Partnerships for communities with a population between 25,000-200,000, as one of 64 gold winners out of more than 500 submissions. MACEDC was then notified in mid-August about becoming a finalist for the "Best in Show" award, given annually to the top economic development project across all IEDC-submitted nominations. 14 projects were listed as top finalists for the award. During the IEDC Annual Conference, MACEDC staff and partner organizations provided an extra spotlight on the Minot Intermodal Facility.

PHOTO: Mark Lyman (right), Economic Development Specialist, Minot Area Chamber EDC and Justin Pearson (left), Regional Manager of Economic Development, BNSF Railway pose with the Gold Award in the Public-Private Partnership category for the Minot Intermodal Facility project, as received from International Economic Development Council in September 2024.

[MACEDC Earns Gold Award for Intermodal Facility from IEDC | Minot Area Chamber EDC](#)

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Inland Rail Hub Initiative Update



**THE NORTHWEST
SEAPORT ALLIANCE**

SEATTLE + TACOMA

Steve Balaski, Director of Business Development, Commercial Team

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NWSA Strategic Initiative: Inland Rail Hub Development

Objectives:

- Support export volume growth through expanded capacity and services
- Leverage inland hubs to establish import volume and two-way rail service



NWSA Roles and Activities

- Collaborate and coordinate with all stakeholders
- Help secure commitments to support programs
- Engagement with key service providers
- Extensive outreach to shippers
- Assist with business plan development and feasibility analysis
- Identify, help facilitate pursuit of funding/grant opportunities

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Results: Rail Facilities Launched since 2019

Minot, ND

- **Service Launch: October 2020**
- **Rail Service Provider:** BNSF Railroad
- **Ramp/Service Operator:** Rail Modal Group



Pocatello, ID

- **Service Launch: June 2021**
- **Rail Service Provider:** Union Pacific Railroad
- **Ramp/Service Operator:** Savage Services



Wallula, WA

- **Service Launch: February 2024**
- **Rail Service Provider:** Union Pacific Railroad
- **Ramp/Service Operator:** Tri-Cities Intermodal



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Highlights and Impacts

- Over **42,000 export loads** moved through the NWSA
- The facility in Pocatello is Idaho's **first** intermodal rail terminal
- The **100th train** was released from Minot, ND to the NWSA in October, 2024.
- Tri-Cities Intermodal has secured **import** shipments moving to Wallula.
- New volume opportunities for the NWSA
- Participation by 7 ocean carriers
- Expanded export transportation capacity for U.S. agriculture
- Establishes infrastructure to support import activity



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Commodities Served

- Peas, Beans and Lentils
- Hay
- Dried Distillers Grain
- Wheat
- Dehydrated Potatoes
- Dehydrated Milk
- Oil Seeds
- Animal Hides
- Cattle Feed Ingredients



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Going Forward– Next Steps

- Continued resource support to sustain and grow existing hub operations. NWSA name adds credibility.
- Facilitate issue resolution to overcome implementation, operational hurdles.
- Support efforts to secure grants or other funding opportunities to reduce costs.
- Support development of an inland port operation in Eastern Washington.
- Attract import activity to create round-trip models and ensure sustainable growth.



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