



August 23, 2006  
For Immediate Release

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**IT'S TIME FOR ROCHESTER TO STOP THE MONOLOGUE  
AND BEGIN A DIALOGUE ON THE DM&E UPGRADE  
*Better Electricity Rates & Rural Development at Stake***

Rochester, MN – Civic leaders of Rochester should openly initiate a public dialogue with DM&E Railroad about its proposed rail upgrade instead of rehashing arguments the city has already lost before federal agencies and the U.S. courts, leaders of GOTRAC, a coalition of communities, agriculture and economic development organizations supporting the rail upgrade, said today.

"If they are serious about 'tracking the truth,' they should be willing to have an open dialogue with the railroad so the public can hear what the truth is," said Randy Rieke, General Manager of the Farmers Coop of Hanska and Minnesota Chairman of GOTRAC, New Ulm. "They refuse to do that. They are not tracking the truth. They are hiding from it. We invite the leaders of the Rochester Coalition to sit down with us in an open public dialogue. For the good of all 56 communities on the line, they should accept the offer."

Brian Krambeer, CEO of Tri-County Electric Co-op of Rushford Minn., and Frank Welter, CEO of People's Cooperative Services in Rochester, commented today after a rally held in Rochester about the DM&E upgrade.

"The railroads today can't keep up with the demand for coal deliveries to the power plants. The shortfalls could cost as much as \$2.6 billion a year for consumers. We need a third railroad out of the Powder River Basin to meet that demand," Krambeer said. "Fifty-five other cities agree to the upgrade. Federal agencies have detailed its benefits in terms of safety, energy and agriculture. The DM&E project is not an option, it's a necessity. I would hope the two sides could have a public dialogue get it done for the benefit of Minnesota's consumers."

Welter said: "There's too much good at stake for Minnesotans for the rail upgrade to be blocked. The irony is that the leaders of Rochester are standing in the way of a project that will help keep electricity bills down for people right here—and will bring safety improvements. Rochester is rehashing arguments it has already lost before the federal Surface Transportation Board, the Federal Railroad Administration, the courts and other federal agencies. Every objective independent party agrees that the DM&E upgrade will improve safety. It is a fact that the tracks exist in Rochester today, and it's a fact that Rochester is the biggest user of this coal on DM&E's line. This upgrade will install new track and signaling, which will be safer for everyone than 80-year-old track without signaling."

## Project Background

The DM&E Railroad's upgrade project will rebuild 600 miles of DM&E track and add 260 new miles of main line construction to clean, low-sulfur coal mines in the Powder River Basin of Wyoming. DM&E will privately fund two-thirds of the project, and has applied for a loan from the Federal Railroad Administration – fully backed by the railroad's assets – to finance the remaining portion, or \$2.4 billion. The \$6 billion project would create an estimated 10,000 direct and indirect jobs. The DM&E plans to begin construction in 2007 and to be operational by 2010.

The loan will be used to modernize DM&E's track by replacing 80-year-old tracks with a new continuous welded rail that is quieter and will greatly reduce the risk of train accidents. The loan also will help DM&E pay for a new signaling system that will enable train operators to quickly identify broken rails or misaligned switches.

The Federal Surface Transportation Board (STB) granted DM&E regulatory approval to proceed with the upgrade and expansion process. The eight-year Environmental Impact Statement process concluded that the upgrade would improve safety across the line, including in Rochester.

Fifty-five of 56 cities along the route – every city except Rochester – support the project and have made agreements with the DM&E to address community-specific needs. Each of the 55 communities supports the DM&E project. In addition, DM&E has agreed to 147 regulatory mitigation requirements, including reducing train and whistle noise, implementing emergency response plans, adhering to strict environmental protections, and helping farmers address any track issues that affect their land.

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