



November 19, 2006  
For Immediate Release

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## **DM&E Upgrade Project Brings New Business to Rapid City** *Bridge Component Manufacturer will Create as Many as 35 Jobs, Use Local Suppliers*

Sioux Falls, SD – The Dakota, Minnesota & Eastern (DM&E) Railroad has entered into an agreement with Corselab Structures (Omaha), Inc. to build a new bridge component manufacturing plant in Rapid City, SD.

The purpose of the plant is to supply the railroad with prestressed/precast concrete bridge components for its proposed railroad upgrade project. Railroad bridge components will be manufactured in Rapid City and transported by rail or truck to worksites along the line.

“The execution of this agreement represents another significant calculated risk for us,” said DM&E President & CEO Kevin V. Schieffer. “In a perfect world, the project would be fully approved and committed before we made this kind of investment. But because of the size of the Powder River Basin project and the number of component parts required to build the project, plant construction has to begin now in order to be able to produce enough parts to build the line. So, we run the risk of spending several million dollars developing this plant that will be lost if the project is not built.”

The plant will be supplied with cement from GCC Dacotah cement plant of Rapid City, and aggregate from various area producers. Most of the other materials will come from the Rapid City area. DM&E and Corselab also have begun procuring machinery and equipment for the facility, such as cranes and cement batch plant equipment. Construction will begin this year and is expected to be complete and the plant operational by June.

“The bridge component manufacturing facility is just one of many developments that will come with the rail upgrade project,” said Schieffer. “Coreslab agrees that we’ve got a great workforce and business climate in South Dakota. That helps make this happen.”

“We’re excited to expand our reach with Black Hills area businesses to help make the DM&E rail upgrade a reality,” said Mario Franciosa, President of Corselab Structures. “Our product depends upon the highest quality materials and people to meet customer demands. We look forward to meeting those demands in South Dakota.”

“The DM&E rail upgrade holds incredible potential for the whole Black Hills region – not just in terms of the construction phase, but longer term,” said Bob DeMersseman, President of the Rapid City Economic Development Partnership. “We’re excited to have Corselab locate this facility here in Rapid City instead of bringing finished product from out of state. This is what value-added manufacturing is all about. We look forward to more developments like this that will help the Hills tap more of our economic potential.”

"The DM&E upgrade holds so much potential for the Rapid City area and beyond," said Dan Baker Vice President of Logistics for GCC of America. "We appreciate the opportunity to be a part of this project that will lead to investment, jobs and economic growth in South Dakota."

The bridge components will consist of 60 to 80 foot concrete girders and will be used in bridge spans. Each bridge span requires two to four girders, and as an example, the Cheyenne River Bridge in Western South Dakota near Wasta, which has 36 spans. The railroad anticipates using in excess of 750 girders across the rebuild and new build portions of the DM&E upgrade project.

Coreslab expects to start interviewing for new hires after the first of the year and anticipates building a workforce of up to 35 employees by June 2007.

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# DM&E Railroad/Coreslab Structures Rapid City Plant Information

## Rapid City Plant Background

- Owner & Operator: Coreslab Structures (Omaha), Inc.
- Product: 60 - 80 foot precast/prestressed voided box girders used in railroad bridge spans. Coreslab Structures will use local sources for concrete, aggregates, steel rebar and other supplies. Local trucking firms will transport the finished product to the DM&E work sites both for the rebuilt track and new track in Minnesota, South Dakota and Wyoming.
- Plant Location: Rapid City. The plant will also rely upon cement from the GCC Dacotah cement plant in Rapid City, as well as other local suppliers.
- Employment: Up to 35 employees by June 2007. Coreslab is working with the SD Department of Labor's Career Service Center to identify qualified labor.

## Coreslab Background

Coreslab is one of the largest producers of precast/prestressed concrete products in the United States with 19 production facilities located across the country. The company brings more than 30 years of experience in supplying precast concrete products for railroad, structural, architectural and highway projects. For more information visit [www.coreslab.com](http://www.coreslab.com).

## DM&E Background

The Dakota, Minnesota & Eastern (DM&E) Railroad, headquartered in Sioux Falls, SD, along with its sister railroad, the Iowa, Chicago & Eastern (IC&E) Railroad, operate over 2600 miles of track in eight states. The DM&E has proposed an upgrade project to rebuild 600 miles of existing DM&E track and add 260 new miles of main line construction to clean coal mines in the Powder River Basin of Wyoming.

Approximately two-thirds of the \$6 billion project will be funded by private sources. The project has been estimated to create 10,000 direct and indirect jobs. The DM&E hopes to begin construction in 2007 and to be operational by 2010.

For more information, visit [www.dmerail.com](http://www.dmerail.com).

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