

NEWS from DM&E

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DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

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FOR IMMEDIATE RELEASE

Mayo Position Endangers Public and Patients

32 derailments on 52 miles of Rochester rail vs. 0 derailments on 169 miles of new DM&E rail

(Sioux Falls, SD) – In a letter to Mayo Clinic today, DM&E President and Chief Executive Officer Kevin V. Schieffer said Mayo Clinic was “irresponsible” in simultaneously opposing efforts to make the rail line in Rochester safer, while misleading the public by falsely suggesting DM&E’s project increases hazardous material spill exposure. “Mayo’s actions in fact increase chances of a hazardous material spill in Rochester,” Schieffer said in a letter backed by findings of the federal Surface Transportation Board (STB), which specifically investigated and rejected Mayo’s claims.

The STB concluded in 2001 that a successful DM&E project “would reduce the risk of a spill” in Rochester (attached). Mayo continues to oppose the project, claiming the exact opposite of the federal findings. Statistics released today prove the federal findings accurate. “The plain truth of the matter is that a great deal of hazardous material is moved into and out of and through Rochester every day,” said Schieffer. “Much of that is hazardous material generated by Mayo Clinic. It all needs to move safely.”

Statistically, the case is compelling. According to AAR, it is 16 times safer to move hazardous materials by rail vs. truck. Of the hazardous material that moves through Rochester today, it is safer on the DM&E rail line than it is on trucks. “But we could make it much safer,” said Schieffer.

“Most of the rail in Rochester was made in the 1930’s, before controlled cooling techniques that greatly minimized the potential for internal defects in the steel,” Schieffer explained. “While this older jointed rail is much safer than the trucking alternative today, it would be immeasurably safer if we could replace that rail with new steel.”

Schieffer provided Mayo documentation showing there have been 36 derailments on the 52 miles of rail on the DM&E system that is similar to the rail in Rochester, compared to 0 derailments over 169 miles of new track similar to that which the DM&E wants to install in Rochester (*see attached Track statistics*). “Obviously, it is impossible to upgrade this track without the traffic base necessary to pay for it,” said Schieffer. “The hazardous material spill of which you speak is possible,” Schieffer wrote to Mayo CEO Glenn Forbes. “If it happens on the old rail we have been trying to replace for the past 8 years, Mayo should be held accountable to its patients to explain why it has gone to such extraordinary lengths to endanger them and mislead the public.”

ATTACHMENTS: (1) Rochester rail fact sheet; (2) STB excerpt.

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DM&E Track Conditions and Derailment Potential Rochester, MN

“36 derailments on 52 miles old rail vs. 0 derailments on 169 miles of new rail”

- **Rochester’s 80-year old track. Current Track Conditions through Rochester safer than truck, but could be much safer.**
 - Rail Conditions as they exist today are comprised of 2 sizes:
 - 70% is 11025 OH Rail rolled [fabricated] between 1926 – 1928
 - 30% is 9035 OH Rail rolled [fabricated] around 1925

Note: OH stands for Open Hearth fabrication, this methodology frequently results in the inclusion of many rail steel impurities which contribute to the formation of rail defects that can result in derailments.
 - DM&E has 52 miles of track with rail of this size, similar traffic patterns, and similar track conditions. During the past 10 years this track has experienced 36 track-caused derailments.
 - 36 track caused derailments over 52.5 miles equates to 69% of the track miles have experienced a track caused derailment over the last 10 years.
 - However, even pre-1930 steel rail is safer than highway transportation of Hazardous Material, which would require heavy volumes of truck traffic through Rochester to move it.
- **New Rail Dramatically Safer. Track Reconstruction History, DM&E’s past history of track reconstruction across our system.**
 - DM&E has installed 169 miles of new (rolled in 1994 or later), jointless CWR (Continuously Welded Rail) within the past 10 years DM&E.

Note: CC Rail (Control Cooling) virtually eliminates the inclusions that were prevalent in the OH (Open Hearth) rail fabrication method.
 - On the 169 miles of new rail (which is over triple the amount of the 52 miles of Rochester-like rail), there has been ZERO (0) track-caused derailments.
- **No significant or additional hazardous material is expected to move as a result of the DM&E upgrade. If any does, it will reduce the more dangerous truck traffic.**

FINAL ENVIRONMENTAL IMPACT STATEMENT

Final EIS Booklet No. 2001-001, Dakota, Minnesota & Eastern Railroad Corporation

Chapter 9

Rochester, Minnesota

November, 2001

Operational impacts associated with Alternative R-4 are related to the predicted potential accident frequency at each crossing. The predicted accident frequencies for each level of operation were presented in Chapter 3 of the Draft EIS. None of the proposed grade crossings along Alternative R-4 was predicted to have an accident frequency above SEA's level of significance. Because no grade crossings currently exist, an increase in accident frequency is not available for these crossings. Therefore, the projected accident frequency at these crossing would represent the potential for vehicle/rail accidents resulting solely from operation of Alternative R-4.

9.3.12 HAZARDOUS MATERIALS

SEA received numerous comments related to health risks associated with the transport of hazardous materials and the potential impact should a derailment occur. Additional explanation of the potential effects from hazardous materials, related to this project is provided below.

Transportation of Hazardous Materials

As discussed in Chapter 3 of the Draft EIS, DM&E currently transports approximately 200-250 cars of hazardous materials per year. These materials include liquified petroleum gas (LPG), anhydrous ammonia, phosphoric acid, ferric chloride, fuel oil, and ethylene acetyl (flammable gas). The majority of these materials are received from other rail carriers or loaded in the Winona, Minnesota area and are transported westward through Rochester.

Alternative R-2: Reconstruction of Existing Rail Line

The Federal Medical Center (FMC) in Rochester is located directly adjacent to the existing DM&E rail line. The FMC's administration expressed concerns about the impact that a derailment resulting in a hazardous chemical spill would have on the FMC. Their position is that because of the condition of the inmates at the facility, in the event of a chemical spill, FMC would be unable to evacuate inmates or staff, putting both at risk. Mayo expressed similar concerns related to evacuation of patients. SEA also received numerous comments from citizens in Rochester concerned about the dangers posed by a derailment of hazardous material occur.

Construction and operation of Alternative R-2 is not anticipated to increase the amount of hazardous materials that DM&E would transport. Therefore, the PRB Expansion Project should not cause adverse impacts. Moreover, should DM&E be granted approval to reconstruct its existing rail line, and expand into the Powder River Basin, it would replace the existing line with new upgraded lines, which would reduce the risk of a spill.