

HOUSE BILL NO. HB0085

Railroad services study.

Sponsored by: Representative(s) Illoway, Law, Martin,
McOmie, Miller, Parady and Petersen and
Senator(s) Peck

A BILL

for

1 AN ACT relating to economic development; providing for a
2 study of mineral transportation railroad services;
3 providing for a report; specifying legislative findings;
4 providing an appropriation; and providing for an effective
5 date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** The legislature finds that an adequate and
10 comprehensive system of rail service from Wyoming mineral
11 resources to markets located outside the state is vital for
12 economic development within Wyoming. Competition among rail
13 service providers within the state is in large part
14 nonexistent and without competition services will remain
15 limited and high rail transportation rates will remain a
16 major impediment to full production and exportation of

1 mineral resources. Competitive rail services exist in the
2 Powder River Basin in Wyoming and rail rates for shipping
3 coal produced in the Powder River Basin are as little as
4 one-fifth (1/5) of rail rates for commodity shipments where
5 competitive rail services do not exist. Continued high
6 rail rates will inhibit further production of mineral
7 resources, reducing severance taxes paid to the state,
8 limiting employment and generally stymieing economic growth
9 in the state.

10

11 **Section 2.**

12

13 (a) The Wyoming business council shall:

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15 (i) Study current mineral transportation rail
16 services available within the state;

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18 (ii) Determine means to increase mineral
19 transportation rail service in the state, whether through
20 solely public or solely private undertakings or any
21 combination of joint public and private undertakings. For
22 each proposed method of increasing mineral transportation
23 rail service in the state, the council shall address:

24

1 (A) Anticipated reductions in
2 transportation rates;

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4 (B) Impacts on mineral production at
5 existing facilities in the state;

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7 (C) Potential new mineral production
8 facilities which might result;

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10 (D) Direct and indirect costs to the state,
11 including suggested sources of financing if direct
12 financing by the state is called for;

13

14 (E) Direct and indirect increased revenues
15 and other benefits to the state;

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17 (F) Legal impediments and solutions to any
18 impediments identified.

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20 (iii) Report the results of its study to the
21 joint minerals, business and economic development interim
22 committee on or before November 1, 2004. Based upon the
23 study, the committee shall prepare legislation for the 2005
24 general and budget session as it determines appropriate to

1 provide for increased mineral transportation rail services
2 in this state.

3

4 (b) The Wyoming business council may contract with
5 consultants as necessary or convenient to carry out its
6 duties under this act. State agencies shall assist the
7 council as requested in carrying out its duties under this
8 act.

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10 **Section 3.** There is appropriated five hundred
11 thousand dollars (\$500,000.00) from the budget reserve
12 account to the Wyoming business council to implement this
13 act.

14

15 **Section 4.** This act is effective immediately upon
16 completion of all acts necessary for a bill to become law
17 as provided by Article 4, Section 8 of the Wyoming
18 Constitution.

19

20 (END)