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	COMMISSION POLICY	IDENTIFIER	EFFECTIVE DATE		
		10012	03-29-07		
		SUPERCEDES	DATED		
		10012	08-10-04		
RESPONSIBLE ORGANIZATION:		Bureau of Aeronautics and Freight Services – Freight Services and Safety Division			
SUBJECT:	State Rail Freight Policy				

In accordance with 1976 Public Act (PA) 295, as amended, the Department of Transportation shall divest itself of the segments of state-owned rail property described in Section 474.60(2) of the act. The Department shall not enter into any agreement or arrangement where the state has or will have the potential to own or control additional active freight rail lines, except where the facility in question is directly connected to an existing state-owned rail facility with active rail service, enhances the value and/or marketability of the existing state-owned rail system, and the agreement or arrangement is approved by the State Transportation Commission.

The Department shall maintain an ongoing effort to preserve, support and improve essential and viable rail service through a program of technical assistance, loans, and grants for rail infrastructure. For economic development projects or for the purchase of a rail facility, the Department may grant and/or loan up to 50 percent of the total project cost to transportation companies, other private companies, local units of government, or community-based economic development organizations. For infrastructure improvement projects, the Department may loan up to 90 percent of the total project cost to local governments, railroads, and users of freight railroad services. All loans/grants shall be approved by the State Transportation Commission.

Department-owned rail corridors that do not have existing operating contracts shall be preserved for future rail use or other transportation purposes, including interim use as trails, in accordance with P.A. 295, or disposed of according to state statutes, State Transportation Commission policies, and Department procedures.

Adopted by the State Transportation Commission on March 29, 2007.