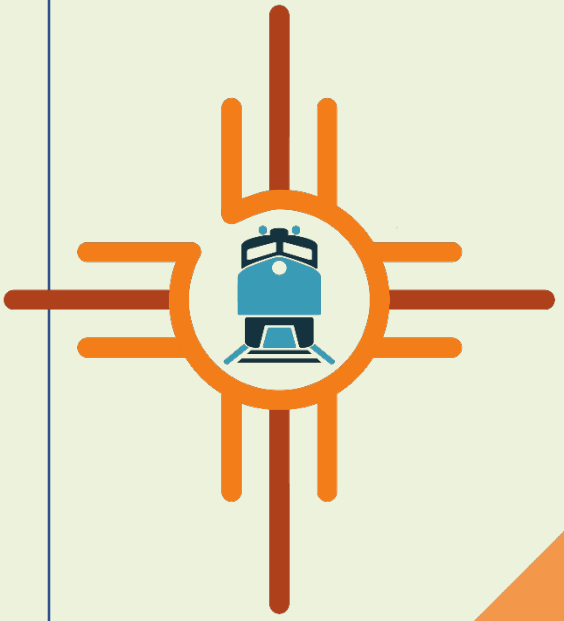


# Freight Rail Line Feasibility Study San Juan County, New Mexico

“Opening the doors of economic opportunity”



**4 Corners Freight**  
Feasibility Study

# Why is this so important?

- High Systemic Poverty (Pre-Covid Statistics)
  - Poverty is 4 times the national mean.
  - Median Household income of \$20,000, National Poverty Level is \$27,500.
  - Per capita income of \$7,269.
  - More than 75% of Navajo School Age Children live in poverty.
  - Unemployment rate 70%.
- Combined loss of up to 3,000 direct and indirect jobs for San Juan Generating Station – direct jobs are high-wage @ \$80,000/year – jobs that support extended families of 15+ people.

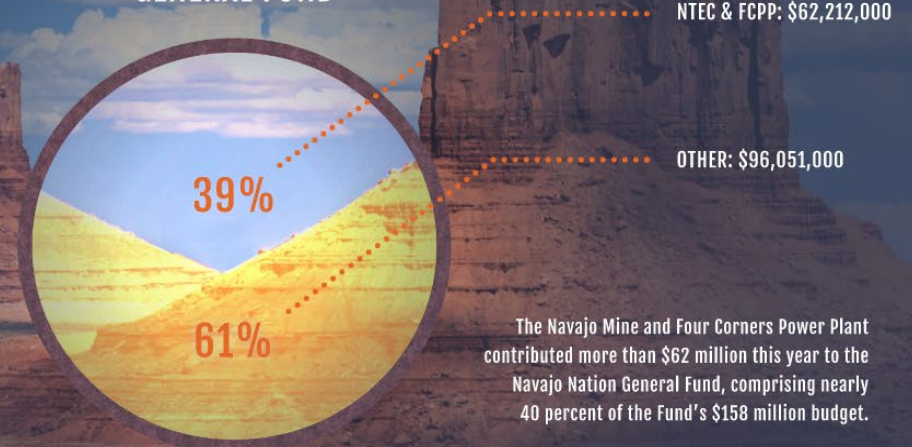


# Statistics From the Navajo Transitional Energy Company (NTEC)

## ECONOMIC CONTRIBUTION TO THE NAVAJO NATION

NTEC has continued to grow its total economic and financial contribution to the Navajo Nation. As detailed below, NTEC's total economic contribution to the Navajo Nation in 2021 exceeded \$124 million. This annual contribution is comprised of the taxes and royalties paid by NTEC and the Navajo Mine as well as the overall payroll to employees on the Nation, contracts with qualified Navajo contractors, and charitable contributions.

## NAVAJO NATION GENERAL FUND



SUPPORT	TOTAL NTEC AMOUNT*	NAVAJO MINE	FOUR CORNERS POWER PLANT
Taxes & Royalties	\$49,181,000	\$48,200,000	\$14,012,000
Employment Wages	\$58,445,000	\$55,444,000	\$42,871,000
Navajo Vendors	\$8,019,000	\$5,124,000	\$41,354,000
Navajo Sales Tax	\$4,721,000		
Helium Taxes & Royalties	\$1,000,000		
Community Benefit Fund	\$250,000		
Scholarships, Education & Other Community Giving	\$192,000		
CHRP	\$2,500,000		
<b>TOTAL</b>	<b>\$124,308,000</b>		

NATION MEMBER EMPLOYEES BY SITE	
<b>318 OF 370</b>	<b>230 OF 268</b>

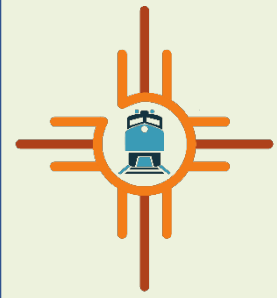
A combined 86% of employees at Navajo Mine (left) and Four Corners Power Plant (right) are members of the Navajo Nation.

\*Total NTEC amount includes value of NTEC's seven-percent ownership of FCPP.

# Other important considerations?

- Have no commercial transportation in the four corners area.
- One of the largest Metropolitan Statistical Area (MSA) nationwide with no freight rail line.
- The only MSA in the state without freight rail line, interstate and commercial air.





# ABOUT THE PROJECT

During the feasibility study, the project team will identify and evaluate potential route alignments, transloading facilities, and rights-of-way. Environmental impacts will be studied, as well as the integration of railroad project development.

Research by the New Mexico Economic Development Department and the City of Farmington found nearly \$20 billion worth of products in projected demand for transport by the railroad industry. A Four Corners rail line could capture a high percentage of the demand when connected to the present BNSF railroad that runs east and west in the southern portion of the Navajo Nation.

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# Project Benefits

The new connection to the BNSF freight rail network, one of the largest freight railroads in North America, will improve the efficiency of the overall freight transportation system in the Four Corners region. It will also expand economic opportunities for the region, including the Navajo Nation.

- The project will provide an attractive resource for businesses considering locating to or expanding in the Four Corners region.
- A freight rail connection to the Four Corners region would reduce the cost of shipping goods to and from the Four Corners region. The project supports the efficient movement of freight and people by making connections to the existing BNSF freight network. It also makes the region competitive by decreasing shipping costs.
- The project will reduce the amount of freight traffic on U.S. 491, U.S. 550 and other regional collector and local roads thus decreasing the potential for accidents and providing a less congested and safer transportation system.
- Reduction of truck traffic on these roads furthers the goals of stretching road construction and maintenance expenditures.
- Moving freight by rail rather than trucks reduces greenhouse gas emissions by 75%.

**4CornersFreightRail.com**



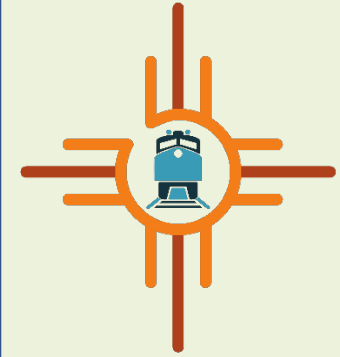
## **Funding Source: U.S. DoT's BUILD Transportation Grant**

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United States Department of Transportation Better Utilizing Investments to Leverage Development Transportation Grant

The FY 2019 BUILD program will give special consideration to projects which emphasize improved access to reliable, safe, and affordable transportation for communities in rural areas, such as projects that improve infrastructure condition, address public health and safety, promote regional connectivity or facilitate economic growth or competitiveness





# WHY FREIGHT RAIL?

- About 40% of U.S. freight is shipped by railway, more than any other mode of transportation<sup>1</sup>
- Rail accounts for only 2.1% of total U.S. greenhouse gas emissions<sup>2</sup>. In contrast, idling trucks contribute approximately 20% of annual U.S. carbon emissions.
- Railroads are the most fuel-efficient way to move freight over land, moving an average of one ton of freight more than 480 miles per gallon
- On average, railroads are three to four times more fuel-efficient than trucks. A single freight train can carry the freight of several hundred trucks<sup>3</sup>
- Moving freight by rail rather than trucks lowers greenhouse gas emissions by up to 75%
- If 50% of truck traffic moving at least 750 miles went by rail instead, GHGs would fall by ~26.2 million tons

<sup>1</sup>- FHWA, Freight Analysis Framework, Version 4.5.1, <sup>2</sup>- U.S. EPA data, <sup>3</sup>- Texas Highway Transportation Institute's 2019 Urban Mobility Report

Source- Association of American Railroads



# Federal Railroad Administration's Process



May  
2022

Detailed Project Work Plan, Budget and Schedule

Preliminary Purpose & Need and Public Involvement/ Agency Coordination Plan

- Preliminary Purpose & Need Statement
- Public Involvement/ Agency Coordination Plan
- Freight Demand Forecast

Alternatives Analysis

- Route Options Analysis
- Investment Options Analysis
- Design Options Analysis

Project Development

- Specification of Detailed Operation Requirements and Data Collection
- Operations Analysis
- Support Facilities and Access Analysis
- Conceptual and Early Preliminary Engineering
- Capital Cost Estimation
- Operations & Maintenance Cost Estimation

June 2023

Environmental Analysis

Complete:  
October  
2024

Economic Feasibility Analysis



# Public Involvement/ Agency Coordination

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- Subcontract with Al Henderson, AHEC and Tom Chee, Consultant
- Identify 32 chapters that will likely be impacted by the project and obtain resolutions
- Contact each chapter for a consultation
- Conduct a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis
- Present to Navajo Nation elected leaders, NNC committees, departments, agencies and other interested parties

## Four Corners Freight Rail Feasibility Study

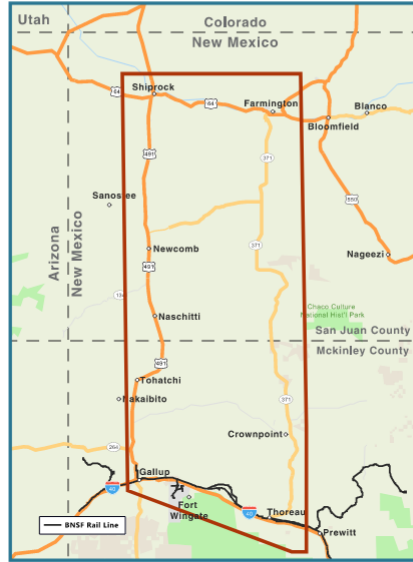


### YOU'RE INVITED!

#### Public Information Meetings on the Four Corners Feasibility Study – September 13-14, 2022

San Juan County, the Navajo Nation, and the Federal Railroad Administration are studying the economic feasibility of freight rail service to the Four Corners region. The addition of this service would not only add freight rail to the region but could also potentially reduce commercial traffic, decrease the potential for traffic accidents, and open up the doors of economic opportunity to the region.

The Four Corners Freight Rail Study Team will be holding Public Information meetings to introduce the study to the community and share information on what the project benefits are, the funding and the study timeline.



**Public Information Meetings**  
**Tuesday, September 13, 4-7 p.m.**  
Phil L. Thomas Performing Arts Center  
US Highway 64  
Shiprock, NM 87420

**Wednesday, September 14, 4-7 p.m.**  
Farmington Civic Center  
200 W. Arrington St.  
Farmington, NM 87401

Persons with disabilities should contact Mike Stark at (505) 334-4271 to arrange for assistance. Individuals who require auxiliary aids or a translator for non-English speaking residents for this meeting should contact San Juan County at least two days before the meeting so that appropriate arrangements can be made.

Learn more at: [www.4cornersfreightrail.com](http://www.4cornersfreightrail.com)

# Public Information Meetings

- Two Public Information Meetings Held in September of 2022.
  - Sept 13<sup>th</sup> in Shiprock
  - Sept 14<sup>th</sup> Farmington
- Two more Public Information Meetings Held in June of 2023.
  - June 21<sup>st</sup> in Newcomb
  - June 22<sup>nd</sup> in Crownpoint
- Meetings were to inform the public about the project and receive feedback on prospective routes and import/export opportunities.

# Potential Goods Shipped By Rail



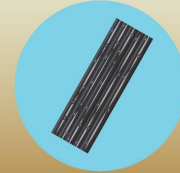
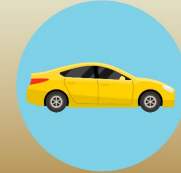
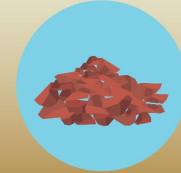
Farm Products      Recyclables      Food Products      Energy      Manufactured Goods



Outbound

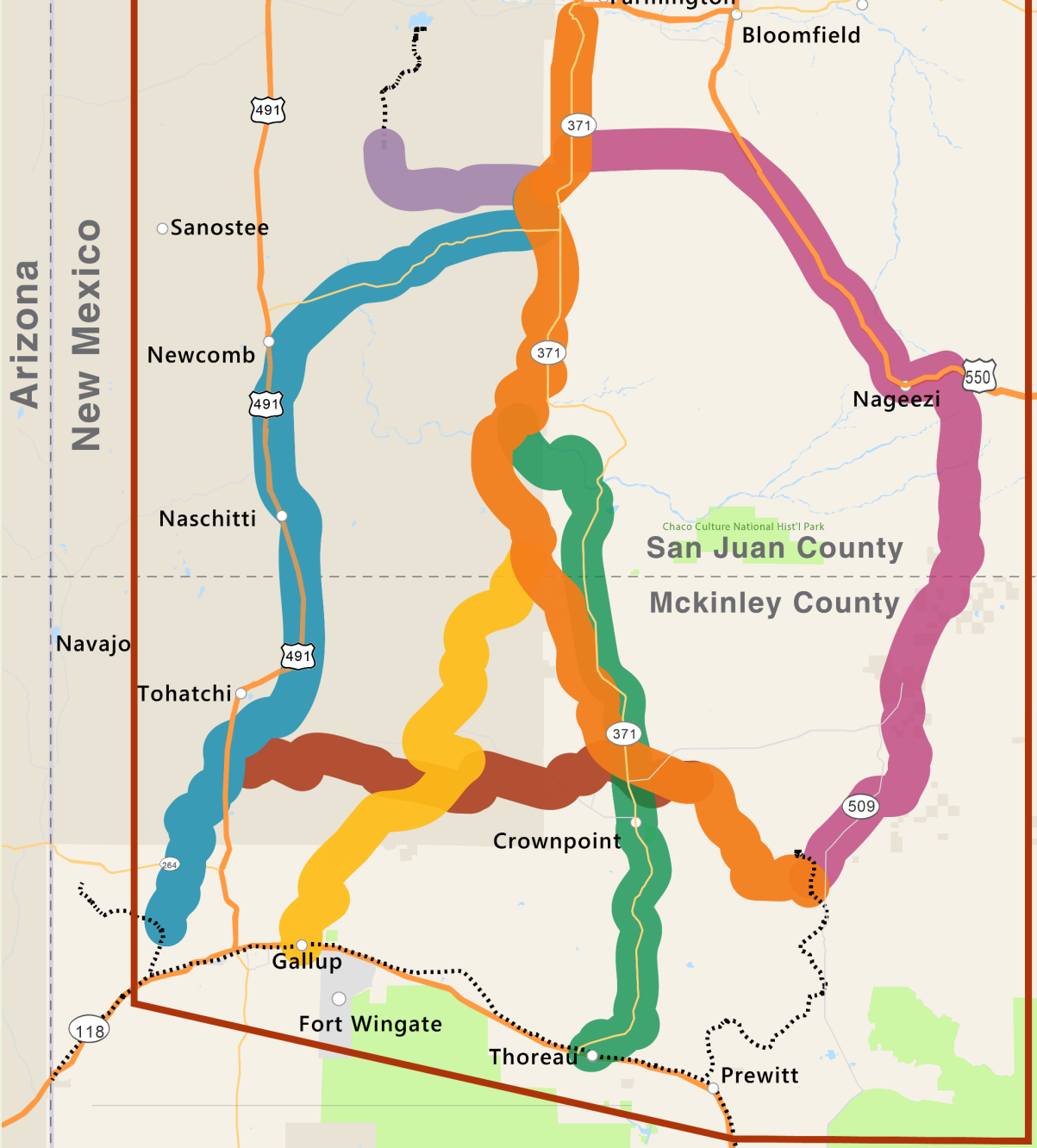


Inbound



Minerals      Forest Products      Fertilizers      Fuel      Metals

# Recommended Alignment Routes



**Four Corners Freight Rail Study - Conceptual Route Options**

	<b>Defiance</b>		<b>El Segundo</b>
	<b>Gallup</b>		<b>Star Lake</b>
	<b>Thoreau</b>		<b>East West Connector</b>
	<b>Navajo Mine Connection</b>		<b>Existing Rail Line</b>



## Tell us what you think & stay connected

- Take a moment to share your thoughts
- Sign up to receive study updates



Fill out a comment card, or just leave us your email address. We'll add you to our contact list and ensure you get the latest updates and information about the Four Corners Freight Rail Line Feasibility Study.

Visit the website: **4CornersFreightRail.com**



**info@4cornersfreightrail.com**

# Questions?



## 4 Corners Freight

Feasibility Study