

**Division of Finance & Management**

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TO: South Dakota Railroad Board
FROM: Jack Dokken, Office of Air, Rail and Transit
DATE: May 21, 2025
SUBJECT: State Rail Plan

In the coming months, the South Dakota Department of Transportation (SDDOT) will begin the process of procuring consulting services for the development of the 2026 State Rail Plan. The current plan was approved by the Federal Railroad Administration (FRA) on November 9, 2022, and is set to expire in December 2026. Because the process of selecting a consultant, completing the plan, and obtaining federal and state approvals typically takes 18 months, it is necessary to begin this work soon. The 2022 plan was completed at a cost of \$548,569.67.

The State Rail Plan is a long-range planning document that establishes a strategic framework for managing and developing South Dakota's freight and passenger rail systems. Required under 49 U.S.C. §§ 22701–22706, these plans must be updated every four years and must align with national rail policy objectives to maintain eligibility for key federal rail funding programs, including the Special Transportation Circumstance (STC) grants.

The current plan provides an overview of South Dakota's 1,800-mile rail network, including both publicly and privately owned lines. It addresses major issues such as rail access for agricultural producers, infrastructure condition and capacity, and opportunities for economic growth. It prioritizes investments in areas like rail line rehabilitation, bridge improvements, and the development of transload and terminal facilities. Notably, the 2022 plan also included a Rail Investment Guide, which is a supplemental document not required by the FRA that helps define eligible project types, clarify evaluation criteria, and improve transparency around the use of the State Railroad Trust Fund.

The full 2022 State Rail Plan is available online at:
<https://dot.sd.gov/transportation/railroads/state-rail-plans/>

As we prepare to develop the next plan, SDDOT would like to hear from the Railroad Board about any specific topics, issues, or enhancements you would like to see included beyond the federal requirements. Your feedback will help ensure the 2026 State Rail Plan not only meets FRA compliance but also reflects the strategic priorities of the Board and the unique needs of South Dakota's rail system.