



January 26, 2024

Campaign Finance and Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

RE: Proposed Rules for Lobbyists and Lobbyist Reporting, Revisor's ID Number 4809

Dear Members of the Campaign Finance Board,

On behalf of the Minnesota Regional Railroads Association (MRRA), we are reaching out with concerns about the broad expansion of the definition of lobbying to interactions with local units of governments and the additional tracking and reporting that will be required.

The MRRA is comprised of 18 railroad companies, 4 of which are large national carriers, 2 which operate regionally, and the balance are short lines, which on average run 79 miles. Collectively, our members own and operate 4,373 miles of track in Minnesota, crossing many counties and hundreds of cities. In their course of doing routine business, their interactions with locally-elected and appointed officials can be numerous:

- discussing rail-highway grade crossings with the municipality that serves as the local road authority;
- providing engineering and real estate reviews of municipal plans that abut or take place on railroad property;
- engaging in siting industrial parks, rail spurs, transload facilities, or other economic development opportunities, sometimes as the request of the municipality;
- monitoring drainage and negotiating municipal fees related to stormwater runoff; and
- advising on local response to incidents and providing training to first responders.

Beyond that, some of our short line members operate on track owned by a regional rail authority. As tenants of the line, they are in constant communication with the authority and often provide direction and discuss the finances of the line. Managing these conversations to determine when they crossover from information sharing to lobbying would be extremely cumbersome – as their daily operations are tied to the regional rail authority. Then figuring out when the \$3,000 compensation threshold is hit for each employee who engages in lobbying, would be another operational challenge. None of the employees of these railroads were hired to “lobby.” They are fulfilling other job duties – in sales, safety, operations. Because their business partner is a public entity, they would now be subject to a regulatory scheme that serves no helpful purpose. Since these regional rail authorities are public entities, they must follow open meeting laws and their agendas, attendees, and minutes are publicly available. What

more does the public gain by having the Campaign Finance Board require the railroad employees to register as lobbyists based on their daily duties? What is the benefit of this additional disclosure?

For the Class I railroads, their large employee base makes it less likely that individual employees will hit the compensation requirement triggering the lobbyist registration requirement. However, as lobbyist principles, any dollars spent reviewing technical plans or evaluating real estate impacts – often at the request of local governments - would now have to be tracked and reported to the CFB. Again, the railroads aren't trying to influence development of municipal policy, but attempting to be a good partner and do the due diligence requested of them and make recommendations that may impact an official decision. Having to create a system to track all of this seems completely unwieldy.

Lastly, Minnesota has seen a growing number of passenger and commuter rail lines that do or will operate on railroad property (Northstar, Southwest LRT, and NLX, to name a few.) The development of these projects again involves constant communication between the railroads and local officials. Some of these conversations can be extremely sensitive, for both the railroad and local authority. Monitoring and tracking of all the discussions adds a level of complexity to what can already be a tenuous partnership – and could, in fact, discourage important conversations on tough topics from even happening if the individuals involved are required to now register as lobbyists under the proposed rules. Adding more obstacles to these negotiations only slows project development and construction, adding costs to the system and taxpayers, which is in no one's best interest.

Furthermore, we'd ask how the CFB will enforce this rule if enacted as proposed. The fiscal note on the original bill (House File 1776) references that one new FTE will be hired "to help with registration, communication, and outreach related to the legislation" for the 567 new individuals expected to register as lobbyists "who are paid to influence the actions" of local governments. No mention is made of the extra work to enforce the new rule. And based on recent advisory opinions, the number of people who would be required to register are not just professional lobbyists, but any employee of a company that may interact with a local unit of government and recommend a course of action if they hit the \$3,000 threshold. If compliance is going to be complaint-based, we have more concerns. Our members have already been targets of unfounded complaints to the CFB that resulted in additional, unwarranted scrutiny, when there was absolutely no hint of wrongdoing. That's no way to run a railroad.

In closing, we ask that the proposed rule be scaled back and limited to individuals specifically hired to lobby local governments, as has been practice at the state level for almost 50 years.

Sincerely,



Amber L. Backhaus
Executive Director
Minnesota Regional Railroads Association