



Appendix G

Why Manly, Iowa?

Lead applicant

Iowa Department of Transportation

Partnering agency

Minnesota Department of Transportation

Why Manly, Iowa?

Manly, Iowa is a rural location that is an approximate mid-point between Des Moines and Cedar Rapids, Iowa and the Twin Cities. This unconventional and innovative intermodal transportation development will provide a new hub for commerce in a broad *region* that lacks competitive intermodal service.



- An intermodal terminal at Manly would be an independent, *regional* facility, not just an Iowa facility. It would also become a major trucking center, with high potential for major warehousing and distribution centers nearby and support a wide region of Iowa and Minnesota, potentially extending as well into South Dakota and Wisconsin. It would provide access to the entire North American rail system.
- A major *regional* intermodal facility at Manly provides an innovative, positive regional approach to solving the container imbalance situation.
- UMTH would provide competitive access through IANR to all connecting lines, providing a unique option to shippers, receivers and consumers to access the strengths of the various Class I rail carriers connecting to IANR.
- Located near the northern border of Iowa (16 miles from the Minnesota border), Manly is at the geographical center of major manufacturing, production and consumption in the region, primarily composed of the northern half of Iowa and southern third of Minnesota. A substantial volume of commerce exists in the 150-mile radius surrounding Manly.
- Manly is near the North American Free Trade Agreement (NAFTA) corridor, primarily based along I-35 with high growth potential for greater volumes of commodities to be handled between the Upper Midwest and Texas-Mexico. Currently, Texas-Mexico markets receive a significant amount of food products from the Midwest and “near-shoring” (manufacturing work that is being relocated from Asia to Mexico) is growing rapidly. Many manufacturers are not shutting down their Asian plants but are moving their incremental growth back to Mexico, in part to reduce transportation costs.
- Nearly 60 percent of all distiller grains and nearly half of all corn oil produced in the United States are produced within 150 miles of Manly, providing a very large export product base along with the corn, soybeans, edible beans and other crops that are important to US trade.
- The project will allow Upper Midwestern grains to be shipped to new markets in containers. According to the USDA Grain Transportation Report dated March 14, 2013, 7 percent of

total US waterborne grain exports were shipped in containers, up 2 percent from 2010. Asia is the top destination for US containerized grain exports (96 percent) in 2011.

- Expansion of the Panama Canal will increase ship sizes and open Asian trade to more Gulf and Eastern Seaboard ports. Increased use of independent inland ports, like UMTH will take advantage of these new market routes and expected reduction in ocean shipping costs. Ocean lines can leverage the east and west coast options to reduce rail costs to fill the larger ships and provide greater product values to Upper Midwest shippers.
- New hours of service regulations reduce the feasible distance to efficiently dray containers to major intermodal hubs, so more regional intermodal facilities will be needed to offset these reductions in intermodal facility access and increases in costs.
- Manly is approximately mid-way between Cedar Rapids, Des Moines and the Twin Cities (about 125-130 miles to each). The overlap into both states is critical to get the necessary volume of business and balance of international trade.
- The *less than 130 miles* from both Des Moines and Minneapolis to Manly is significantly less than highway (dray) miles to Chicago. (Des Moines to Chicago is 335 miles; Minneapolis to Chicago is 410 miles).
- Working through a Manly based container yard, ocean lines can position or reposition empty containers within reasonable reach for a predominant number of Iowa and Minnesota shippers at far less cost.
- Planned UMTH intermodal operations would be open 24 hours per day, 7 days per week to insure that all customers have timely access to the facility when they need it.
- UMTH has room for growth and resides in a rural area that would provide little disruption to the area and can be accessed in a non-congested environment for truck movements. Growth can be encouraged instead of discouraged, as it often is in more urban areas.
- The region has access to a skilled workforce that is willing to live and work in a rural environment. The jobs provided with the UMTH facility and support functions can allow the youth of Iowa and Minnesota to obtain good jobs at home.
- Truck bases at Manly can be developed at lower cost than the current services provided in larger cities.
- UMTH could become the prototype for an innovative approach for similar regional facilities nationwide.

Very few other locations could be built quickly, on available property, adjacent to or connecting with major Class I lines and with much of the required rail and highway infrastructure already in place.