



FRIENDS OF **SMART**

To: SMART Board of Directors:

Friends of SMART (FoS) Freight Group recommends that the following items be added to the Freight section of the 2025 SMART draft budget. The transportation of freight is a business function of the railroad and as such has different issues and requirements than does the passenger side of the operation.

There is an obsolete and what many call a misleading study from 2021 now posted in the Documents section of the SMART website. People with knowledge of the study, question whether the company (person) conducting the study actually did have “boots on the ground” in Sonoma County when the study was conducted. Therefore, we recommend the following be included as “Actions” or “Goals” in the Draft.

- 1) As an Action, authorize a new freight by rail business study to include the new Windsor extension and the future extensions to Lytton Station Road and Cloverdale. The business potential via transloading of freight also needs to also be included in this new study. The new study is best performed by an outside consultancy that is well versed in the railroad transportation business, (not the one employed previously). Because of the negativity included in the 2021 study, this action needs to be listed as a priority in advance of the sales tax extension initiative.
- 2) As originating outbound freight by rail is more profitable than inbound rail freight, it is essential for a profitable business. Thus, securing these types of customers should be listed as a “Goal”.
- 3) As another Goal SMART needs to develop a policy and financial plan to invest in the addition of switches and spurs in order to serve new freight customers with the expectation of recovering the cost of installation in shipping fees. This is how the rail industry operates.
- 4) As an Action, to achieve these goals a dedicated Freight business salesperson needs to be employed. Good salespeople are more effectively incentivized by healthy commissions rather than large salaries.

A possible alternative action to maintaining the freight business in house, is for SMART to partner or subcontract this business to a separate company with experience marketing freight services. Given this possibility, then the area under study for the freight business (Item 1) should be extended to include potential business opportunities created by the restoration of the old NWP line from Cloverdale to Willits. Such a study of this area was a recommendation included in SB 1029 and it would be financially wise for SMART to have such a study in hand. Friends of SMART is on record as supporting “Rails with Trail” north to Willits as is our local State Assemblyman.



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For clarity purposes, the usage of the terms “Goals” and “Actions” need to be reviewed. A “Goal” per Wikipedia, is an idea of the future or desired result that a person or a group of people envision, plan, and commit to achieve. This is very applicable to this document. “Actions” are programs or group work issues that are established to reach certain specified goals.

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