



Importance of Freight Rail

Wisconsin Department of Transportation Deputy Secretary Mike Berg
Midwest Association of Rail Shippers
July 15, 2014





Overview of presentation

- ▶ Commitment to freight rail
- ▶ Wisconsin's freight rail system
- ▶ State investments in freight rail
- ▶ Long-term planning/vision
- ▶ Strengthening public/private partnerships





Commitment to freight rail

- ▶ Governor's Fourth Annual Freight Industry Summit
 - August 14, 2014 in Appleton, WI

- ▶ Annual WisDOT Fall Freight Rail Conference
 - Nov. 12 in Madison, WI

- ▶ Creating a “freight-friendly” Wisconsin

- ▶ Understanding business needs



July 2014

Wisconsin Department of Transportation MAPSS Performance Scorecard



Goal has been met



Performance is trending in a favorable direction



Trend is holding



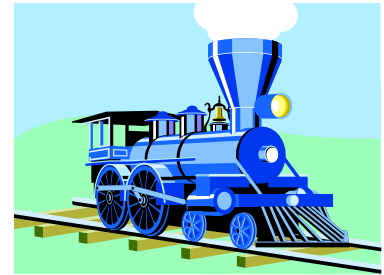
Performance is trending in an unfavorable direction

Performance measure	How we measure it	Current report period	Goal	Goal met	Trend	Comments
Preservation: Protecting, maintaining and operating Wisconsin's transportation system efficiently by making sound investments that preserve and extend the life of our infrastructure, while protecting our natural environment.						
<u>State highway pavement condition</u> Calendar year 2012	Percent of state highway pavement rated fair or above	92.97 IHS 89.36 Non-IHS	90.0		↓	Pavement condition data provides a barometer of system condition trends.
<u>State bridge condition</u> Calendar year 2013	Percent of state bridges rated fair or above	96.8	95.0	✓	↔	State bridge conditions are holding steady and exceeding the goal.
<u>State-owned rail line condition</u> Calendar year 2013	Percent of state-owned rail line meeting FRA Class 2 Standard (>10 MPH).	56.2	100.0		↔	The department has a number of projects that started in 2013 but won't be completed in 2014.
<u>Airport pavement condition</u> Calendar year 2013	Percent of airport pavement rated fair or above	88.0	90.0		↓	There was a 2 percent decrease compared to last year as a result of a change in calculation methodology.
<u>State highway maintenance</u> Calendar year 2013	Grade point for the maintenance condition of state highways	2.57	3.0		↑	Conditions improved slightly in 2013, with routine maintenance agreements and improvement projects funding highway maintenance needs.
<u>Material recycling</u> State fiscal year 2013	Tons of recycled materials used in projects	1.89 mil.	2.0 mil.		↓	The department is committed to the recycling effort and continues to research materials and methods to expand the recycling program.



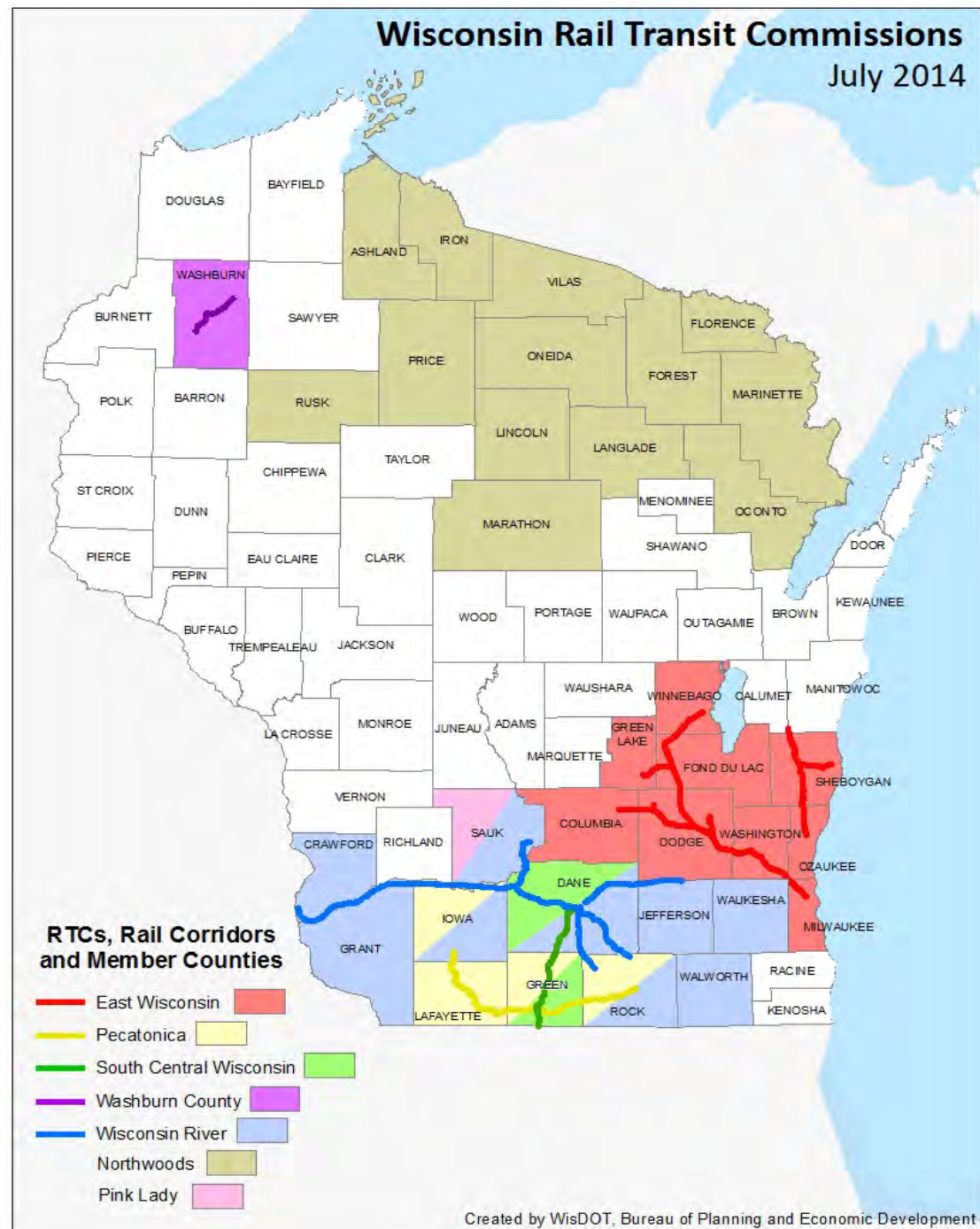
Rail history...in brief

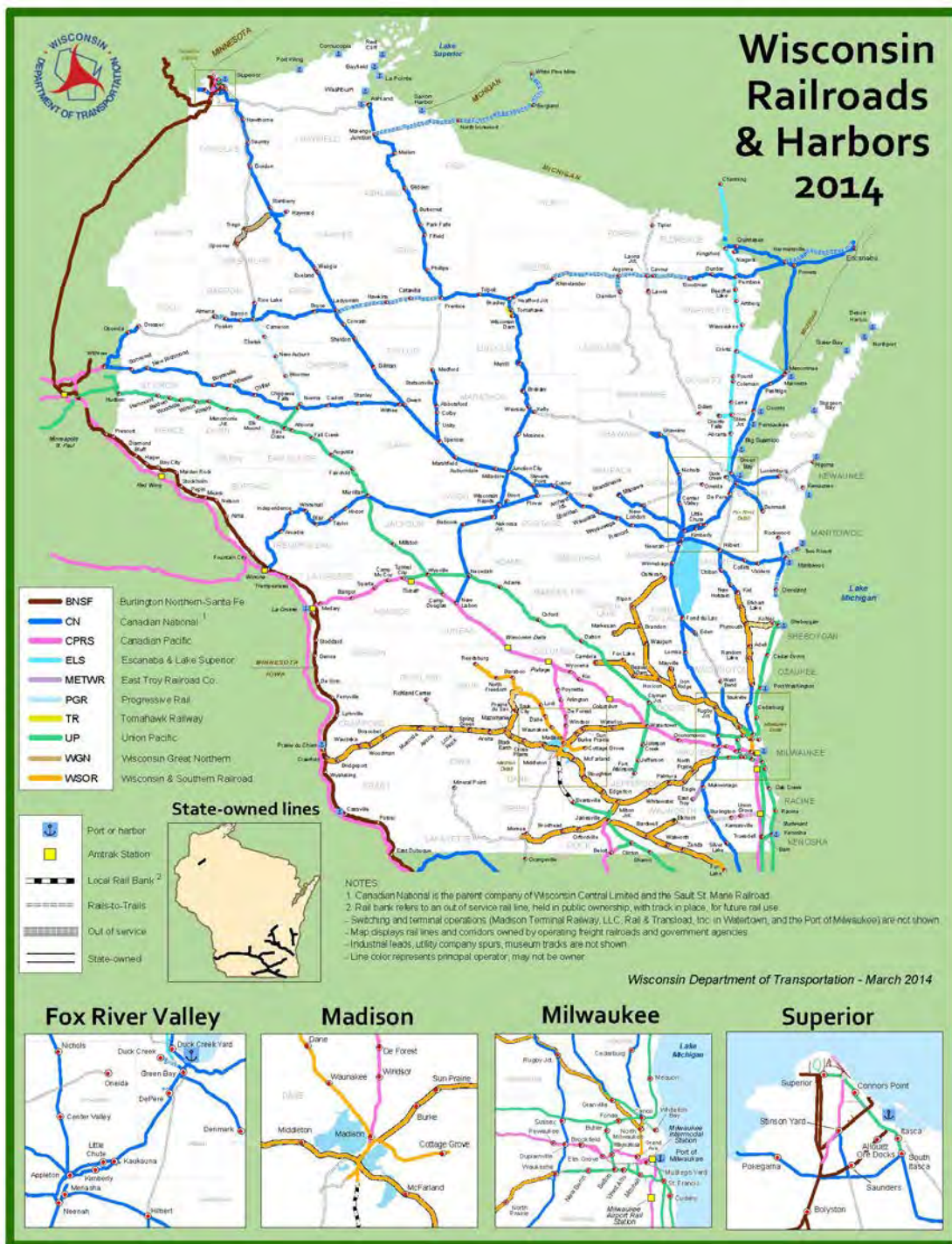
- ▶ WI 1848 constitution prohibited state investment in railroads and canals
- ▶ Local Rail Transit Commissions formed to allow public investment/acquisition in freight rail service



Rail history...in brief

- ▶ Constitution amended in 1992 to allow state investment in rail
- ▶ State/RTC/private partnerships remain in place
- ▶ Currently seven RTC's





Wisconsin rail network

- ▶ 13 freight railroads operating in the state
- ▶ About 3,300 miles of track
- ▶ About 530 miles state-owned track



Commodities by weight transported by rail in Wisconsin

Commodity	Millions of tons	Percent of total
Coal	43.1	26.6%
Chemicals or Allied Products	20.3	12.6%
Farm Products	15.7	9.7%
Metallic Ores	15.1	9.3%
Food or Kindred Products	11	6.8%
Nonmetallic Minerals	10.9	6.7%
Misc Mixed Shipments	9.6	5.9%
Pulp, Paper or Allied Products	7.8	4.8%
Lumber or Wood Products	7.2	4.5%
Clay, Concrete, Glass or Stone	5.6	3.4%
All other	15.4	9.5%
TOTAL	161.8	100 %

Source: IHS/Global Insight, Transearch freight database 2011



Wisconsin's freight rail programs

- ▶ Freight Railroad Preservation Program (FRPP)
- ▶ Freight Railroad Infrastructure Improvement Program (FRIIP)
- ▶ Transportation Economic Assistance Program (TEA)





Freight Rail Preservation Program

- ▶ FRPP grants help preserve rail service and can cover up to:
 - 100 percent of land acquisition costs
 - 80 percent of improvement acquisition costs, rehabilitation or construction costs
 - Funded through state bonding





Freight Rail Preservation Program

- ▶ Since 1980, about \$175 million in FRPP grants awarded for over 75 rail acquisition/rehabilitation projects
- ▶ Budget: \$52 million in bonding for 2013-15 state budget
- ▶ Local involvement crucial







Freight Rail Infrastructure Improvement Program

- ▶ FRIIP loans are designed to improve rail service and can cover up to 100 percent of project costs to:
 - Connect an industry to the national rail system
 - Enhance efficiency, safety, intermodal movement
 - Line rehabilitation
 - Strengthen the economy





Freight Rail Infrastructure Improvement Program

- ▶ FRIIP low-interest loans repaid within 10 years
- ▶ Since 1992, \$119 million in FRIIP loans for about 100 projects
- ▶ Budget: about \$5.5 million annually based on repayment of prior loans





Didion Milling, near Cambria,
WI





Transportation Economic Assistance Program

- ▶ TEA grants cover up to 50 percent of costs for road, rail, harbor and airport projects that:
 - Help attract new employers to Wisconsin
 - Retain existing businesses
 - Expand new or existing business facilities

- ▶ Since 1987, \$95 million in TEA grants for 338 projects, creating or retaining over 83,000 jobs



Truesdell Crossovers

- ▶ \$7.1 million federally-funded project along Canadian Pacific line in Kenosha and Racine counties
- ▶ Constructed two crossovers to benefit freight traffic and *Hiawatha Service*





Northwoods Rail Study

- ▶ 2011 Gov. Freight Summit indicated interest in additional freight rail service in northern WI
- ▶ WisDOT study team collected freight data for a 10-county region where timber industry is vital
- ▶ Northwoods Rail Transit Commission has applied for \$14 million TIGER grant to purchase rail cars





Long-term vision

Wisconsin Rail Plan 2030

- ▶ Adopted by WisDOT on March 19, 2014
- ▶ State's long-range transportation plan for commuter, freight and passenger rail
- ▶ Meets federal funding eligibility requirements
- ▶ Updates will be made every five years
- ▶ Available on WisDOT's website for download





Wisconsin Rail Plan 2030 - Recommendations

- ▶ Continue to preserve rail corridors for future use
- ▶ Acquire rail lines into public ownership, when appropriate, to preserve essential rail service
- ▶ Ensure appropriate rail service is provided to all shippers statewide





Wisconsin Rail Plan 2030 - Recommendations

- ▶ Fund track upgrades for publicly-owned rail lines to meet changing industry standards
- ▶ Monitor the CREATE Program's progress and partner with Illinois in supporting new federal funding to move the improvements forward





In conclusion...

- ▶ Shared interest in safe, efficient operations
- ▶ Common interest in railroads' ability to operate, grow, succeed
- ▶ Freight rail a major component of freight logistics – vital to economy in Wisconsin the Midwest and U.S.

