



# Wisconsin & Southern Railroad Co.

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February 20, 2007

Honorable Governor James Doyle  
115 East State Capital  
Madison, WI 53707  
Fax # (608) 267-8983

RE: **Rail Restoration "15" (RR15) – Funding for Restoring Freight Rail Service to Rural Communities, including Congestion/Safety Mitigation Measures in SE WI.**

Dear Governor James Doyle,

It has been 20 years since the Plymouth to Sheboygan Falls, WI rail corridor has been in active freight rail service, and almost 30 years since the last freight train serviced the communities of Browntown, South Wayne, Gratiot, Darlington & Mineral Point in Southwest Wisconsin. To follow up, the last time rail service was provided to the Shullsburg area was in 1956. County officials tell me that ever since these communities lost their rail service many years ago, it has been extremely difficult to attract industrial and manufacturing employment to their regions.

In Southeast Wisconsin, where nearly 80% of all freight traffic enters our state, concerns are growing over rail gridlock and vehicular safety. For the past 10 years, railroads have been undertaking aggressive infrastructure upgrade programs to increase capacity and to safeguard the traveling public. Promoting interstate commerce and protecting it from unnecessary barriers strengthens economic vitality in a region and throughout our state. For the past 25 years, Wisconsin & Southern Railroad Co. and the State of Wisconsin have shared this view and I am confident that together we will continue to foster a partnership that has proven to be a success.

It is without a doubt that your commitment to freight rail preservation has been the right choice for enhancing the state and local economies through your "*Grow Wisconsin*" initiative. Looking into the future of rail and the opportunities here in Wisconsin, **Rail Restoration 15 (RR15)** is a proposal to foster economic development initiatives in areas of the state that typically feel "isolated" as a result of the lack of railroad access. Reinstalling rail infrastructure to these areas, I am told by local officials, would be a tremendous boost to the local economies but more importantly would connect these areas to national and world markets that otherwise don't exist.

For example, I have been approached by a number of business groups willing to invest millions of dollars in agricultural industrial facilities in Southwest Wisconsin communities if there was the presence of rail. And as you already know, investors in Sheboygan County are planning industrial expansion efforts that will create new markets for grain, ethanol and ethanol-related commodities once the rail is reinstalled between Plymouth and Sheboygan Falls, WI. In today's economy, it is absolutely essential for agriculturally-related businesses to ship by rail.

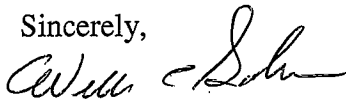
Restoring rail service to these areas is being supported by local and state officials as well as the communities in these areas. I understand the City of Sheboygan Falls has already undertaken planning efforts to attract rail-based shippers to its industrial park and I know that county officials

in the 5-county region of the Southwest Wisconsin Regional Planning Commission are very excited about the potential re-introduction of rail and the economic impact that could result, but are also excited that a rail operator shares this same enthusiasm.

The state-owned railroad system has evolved greatly over the past 25 years as a result of the state acquiring rail corridors that would have otherwise been abandoned. In 1980, this system began with only 150 miles of railroad corridors and only 5,000 annual carloadings between North Milwaukee and Oshkosh, WI. Today, this system contains more than 600 miles of state-owned rail corridors that generates over 55,000 carloads and is responsible for retaining more than **19,400 jobs statewide**. The 180 rail shippers that we currently serve generate over \$21.6 Million annually in real property taxes and help save the State of Wisconsin taxpayers over \$12 Million annually in highway maintenance costs. And, these numbers are growing as each year new industries invest millions and millions of dollars on the state-owned railroad system to take advantage that rail shipping offers. I expect **500 new jobs to be created in the next 5 years** as a result of new industrial development along state-owned railroad system in Wisconsin.

With your help, the Wisconsin & Southern Railroad Co. will continue to help build Wisconsin by bringing new jobs and helping to enhance business, industrial & agricultural tax bases. The Wisconsin & Southern Railroad Co. asks for your support on this very important initiative by including RR15 funding in the upcoming 2007 / 2009 Biennial Budget.

Sincerely,



William E. Gardner, President  
Wisconsin & Southern Railroad Co.

cc: Secretary Frank Busalacchi  
Secretary Rod Nilsestuen  
Secretary Mary Burke  
Senator Joe Leibham  
Senator Dale Schultz  
Senator Jon Erpenbach  
Senator Luther Olsen  
Representative Steve Kestell  
Representative Don Pridemore  
Representative Brett Davis  
Representative Steve Hilgenberg  
Members of Joint Finance Committee  
Members of East Wisconsin Counties Railroad Consortium  
William Goehring, Sheboygan County Chairman  
Members of Pecatonica Rail Transit Commission  
SWWRPC Board

# RAIL RESTORATION 15 (RR15)

## Funding to restore freight rail service to Rural Communities, including Congestion/Safety Mitigation Measures in SE WI.

Proposed by: Wisconsin & Southern Railroad Co.

State Biennial Budget(s): **Yrs. 2007 / 2009**  
 Yrs. 2009 / 2011

Funding Source: Bonding Authority

Rail Restoration 15 or RR15 is a multi-year rail program, not to get confused with 8+3 Plan, that will be before the legislature this coming 2007 / 2009 biennial budget. RR15 is set to accomplish the reinstallation of railroad corridors that have been abandoned for several years that will spur economic development initiatives in various areas here in WI. If signed into law, RR15 will also fund a project in Washington County that will increase rail/vehicular safety, reduce crossing delays, and enhance the flow of commerce into and out of the State of Wisconsin. The 15 stands for \$15 Million each year over the course of the next 2 biennial budgets for a total of \$60 Million. State funding will be leveraged with private and other public funding sources amounting to \$8 Million for this upcoming biennium or \$16 Million over the next 2 bienniums. RR15 will fund projects in key areas throughout Wisconsin that will undoubtedly increase the flow of commerce into the State of Wisconsin by utilizing one of the most efficient and environmentally friendly forms of transportation - railroads.

\$15 Million a year is targeted for rail restoration efforts in southern WI that will bring rail back to areas that are in absolute need of it. The key areas targeted for RR15 include 1). Plymouth, WI to Sheboygan Falls, WI, 2). Monroe, WI to Mineral Point with branch line reinstallation to Shullsburg, and 3). Congestion & Safety mitigation at Rugby Junction, Washington County, WI. RR15 will adhere to the following scope and timeframe:

Timeframe		Project	Est. Cost	State Share (80%)	Local Match (20%)
<b>BUDGET 2007 / 2009</b>					
July 1, 2007	June 30, 2008	Rugby Jct. Safety Mitigation	\$ 6,500,000	\$ 5,000,000	\$ 1,500,000
		Plymouth/Sheboygan Falls Rebuild	\$ 12,500,000	\$ 10,000,000	\$ 2,500,000
July 1, 2008	June 30, 2009	Monroe to Gratiot, WI Rebuilding	\$ 19,000,000	\$ 15,000,000	\$ 4,000,000
<b>TOTALS</b>			<b>\$ 38,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 8,000,000</b>
<b>BUDGET 2009 / 2011</b>					
July 1, 2009	June 30, 2010	Gratiot to Shullsburg Rebuild	\$ 19,000,000	\$ 15,000,000	\$ 4,000,000
July 1, 2010	June 30, 2011	Gratiot to Mineral Point Rebuild	\$ 19,000,000	\$ 15,000,000	\$ 4,000,000
<b>TOTALS</b>			<b>\$ 38,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 8,000,000</b>