

WSOR PROPOSES 8+3 FUNDING PLAN

As local and regional economies grow and as fuel prices remain high here in the State of Wisconsin, the state's railroad corridors are getting used beyond their useful capacity. The physical demands on today's railroad infrastructure in terms of larger cars and additional tonnage is much more considerable than back in the mid to late 1800's, when much of our railroad infrastructure was built. This holds critically true for the state-owned railroad system in which Wisconsin & Southern Railroad operates.



WSOR crews conduct superstructure repairs to bridge at Orfordville, WI to meet 286,000 pound industry standards.

In order to begin to address this infrastructure crisis, it is important to identify our needs. A recent report conducted by Westbrook Associated Engineers and paid for by the Wisconsin Dept. of Transportation, identifies more than \$24 Million in anticipated upgrades to our railroad bridges in order for them to be industry compliant. Industry complaint means capable of handling today's railcar loads not those of 100 years ago. Accordingly and at this time, the State of Wisconsin is considering the acquisition of two rail lines – one in Sheboygan County and one in Barron County, both of which will require capital upgrades prior to commencing operations. Aside from these two

acquisitions, the State Department of Transportation has identified approximately 1,500 miles of railroad corridors that will be candidates for abandonment by the year 2020.

The state's current funding program—the Freight Railroad Preservation Program (FRPP), which requires a 80/20 funding split between grant funding and local match (other public and/or private funding sources)—was responsive to our infrastructure needs 25 years ago, but is not addressing today's needs. Each year, existing industries expand or new industries locate in our state and it is important they can count on a viable and responsive railroad system to meet their growing needs. In order to address the continued shortcomings of FRPP, the WSOR has developed a budget proposal called the “**8+3 Plan**” which reflects necessary upgrades in order to be 286k compliant by the year 2015. This plan calls for \$8 Million per year to be expended on railroad upgrades such as track infrastructure and bridge reconstruction and \$3 Million for acquisitions. *“Recognizing the impacts of today's economy on our current railroad infrastructure is an important step forward in safeguarding our role in the transportation industry. Making appropriate and strategic investments in our infrastructure is the next step,”* stated Bill Gardner, President and CEO of Wisconsin & Southern Railroad Co.

The 8+3 Plan Funding Proposal will be presented to members of the Wisconsin Legislature and to Governor Doyle and his administration for admittance in the 2007/2009 Biennial Budget.