



WISCONSIN & SOUTHERN RAILROAD

MAKING TRACKS

September 2007

A Newsletter designed to inform interested people on new developments that are taking place on the Railroad that serves their Communities

SERVING THE FOLLOWING COUNTIES

Columbia, Crawford, Dane, Dodge, Fond du Lac, Grant, Green, Green Lake, Iowa, Jefferson, Milwaukee, Ozaukee, Richland, Rock, Sauk, Sheboygan, Walworth, Washington, Waukesha, Winnebago

WSOR HOSTS 9TH ANNUAL STATE OF THE RAILROAD ADDRESS

The Wisconsin & Southern Railroad's 9th Annual State of the Railroad Address was presented by President Bill Gardner to a crowd of nearly 100 people in Madison, WI on August 10, 2007. The purpose of this address was to inform state and county officials, shippers, industry leaders, and other interested people how the railroad is doing today, and to illustrate the steps the railroad is taking, in cooperation with state and local units of government, to conduct improvements to insure its infrastructure will meet future rail shipping demands.

Various topics were presented such as rail equipment availability, car sizes, infrastructure needs, tonnage projections, long-term capital planning, derailments, maintenance of way, emerging grain markets & new business development. President Bill Gardner also stressed the need for the 2007/2009 biennial state budget to

be passed which includes \$22 Million for rail system upgrades as administered through the Freight Railroad Preservation Program. Also mentioned was the widespread local and regional support for Rail Restoration 15 (RR15), which is a multi-county effort to restore freight rail service to rural communities in Wisconsin. Wisconsin & Southern Railroad supports this program and asks that the legislature include state funding that will ultimately be used to leverage nearly \$16 Million in other public and private funding sources.

At the event, President Bill Gardner presented the Board of Directors of United Cooperative with an Award of Innovation due to their continued commitment to Wisconsin Agriculture. Pictured is Bill Gardner on the right and United Cooperative President David Cramer to the left highlighting a number of new expansions and facility developments currently underway in Wisconsin. United Cooperative currently has agricultural facilities located on rail throughout Southern Wisconsin including the counties of Brown, Columbia, Crawford, Dane, Dodge, Fond du Lac, Jefferson, Rock, Sauk, Washington & Winnebago.

Through its partnerships with state and local units of government, the Wisconsin & Southern Railroad has been able to attract over 24 new rail-based industries to Wisconsin just in the last 5 years. These industries have created over 700 new jobs and a property tax base of over \$1.1 Million. For a copy of the 2007 State of the Railroad Annual Address, please contact us at (608) 243-9101, Ext. 207. If you would like more information on Rail Restoration 15 or on Wisconsin & Southern Railroad, please visit us online at www.wsorrailroad.com.



Above: WSOR President Bill Gardner (right) and United Cooperative President & CEO Dave Cramer (left) present aerial photos of new construction and expansion of agricultural facilities in Wisconsin. United Cooperative has 55 branches statewide.

WSOR INSTALLS 14 MILES OF WELDED RAIL

Beginning in July of this year, the WSOR installed over 14 miles of new 115 pound continuous welded rail in our continuing efforts to rebuild the railroad system for 286,000 lb. standards. Continuous welded rail reduces maintenance and provides a safer environment for our employees and the general public. The 2007 Welded Rail Program included the installation of welded rail between Avalon and Walworth, WI on WSOR's Fox Lake Subdivision in Rock and Walworth Counties. This project included the removal of defective, aged & light weight rail that was no longer sustainable for today's carloads and tonnages. The new 115 pound welded rail will be able to handle today's heavier weight cars of 286,000 pounds. Annually, the Fox Lake Subdivision carries over 65,000 cars and nearly 6,000,000 tons of freight, and these numbers continue to grow as Wisconsin's economy grows stronger.

This area, in a much greater scope, represents WSOR's mainline corridor from Wisconsin to the Belt Railway of Chicago, where most of our Chicago traffic is interchanged with Class 1 Railroads. WSOR's operating plan includes daily service between Janesville and Chicago, including three day per week service between Bardwell and Elkhorn, WI. This rail project was the last phase of a larger project which included replacing over 20,000 ties, reconstructing 12 public rail/highway crossings, and upgrading 6 rail bridges. With completion of this project, WSOR will be able to remove numerous



slow orders and increase track speed to 25 mph or more. More importantly, this project will now allow the rail system between Chicago and Janesville to haul today's rail cars and keep commerce rolling into the State of Wisconsin via steel wheels.

Installing welded rail is a critical part of any capital upgrade program in the railroad industry. Welded rail allows for years of reduced maintenance costs and makes the track compliant with larger 286,000 pound rail cars that are now the industry standard. This project could not have been accomplished without the support of the State of Wisconsin and 17 southern Wisconsin counties who regard the publicly-owned railroad system as critical to the growth of state and local economies.

WSOR WORKS TOWARDS SAFE WORK PLACES

Congratulations to WSOR's Southern Division Transportation Department. September 11th marked a full year without a reportable injury. Together, employees of the Transportation Department based out of WSOR's Janesville Terminal worked a total of 366 calendar days without a reportable injury. For the entire WSOR organization, safety has improved greatly. Since 2001, reportable injuries have declined dramatically, from 31 in 2001 to only 10 so far this year. Correspondingly, days lost and restricted duty in hours have declined to unprecedented levels. Days lost have declined by 44% since 2004 on an annualized basis and restricted duty has declined by 55%.

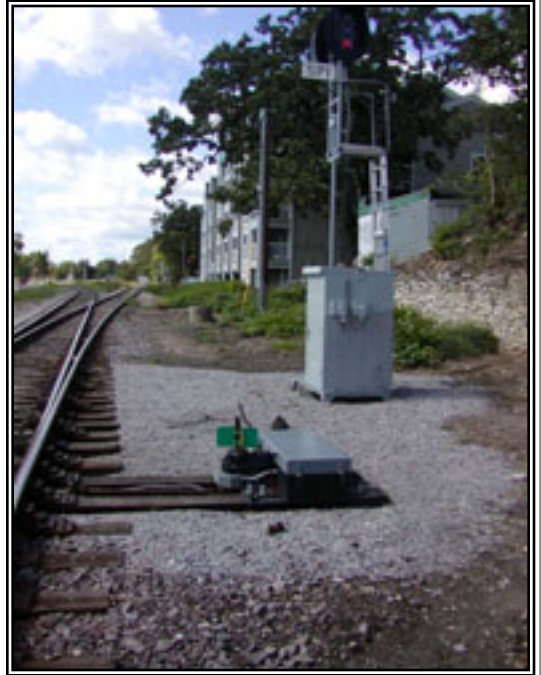


WSOR INSTALLS POWER SWITCHES IN MADISON, MILTON & HORICON

In order to improve public safety and reduce vehicular delays in urbanized areas, the WSOR has installed power switches in Madison, Milton & Horicon, WI. Remote Power Switches (RPS) as they are more commonly named, enable railroads to remotely throw switches from a handheld radio within the cab of a locomotive as a train approaches a junction switch. RPS not only improves public safety at select at-grade rail/highway crossings, but it also reduces vehicular delays and reduces crew hours devoted to moving particular trains.

In Madison, WI near Broom Street on the Isthmus, WSOR no longer has to bring the train to a complete stop to manually throw the switch on the ground. As the train approaches from either direction, the switch can be remotely thrown from the cab thereby maintaining speed of the train and eliminating the potential for train blockages as a result of switching.

WSOR also installed a RPS at Milton Junction near the connection between the Madison Subdivision and the Waukesha Subdivision. As trains bound for Janesville or Madison no longer have to come to a complete stop, valuable crew time can be redirected elsewhere and crossing blockages as a result of switching are nearly eliminated. An RPS was also installed in Horicon, WI where train blockages at State Highway 33 and crew time were determining factors in this installation.



Above: Remote Power Switch (RPS) recently installed in Madison, WI near Broom Street

WSOR PARTNERS WITH GATX IN PROVIDING TANK CAR TRAINING

The WSOR is dedicated to working with state, county & local governments in making our rail corridors safe. Through our partnerships with emergency management agencies both at the state and local levels, each year Wisconsin & Southern hosts emergency training reenactments where emergency responders learn on site techniques for containing hazardous situations in their communities.

On July 31st, the WSOR partnered with GATX a dealer of rail tank cars in providing training to local law enforcement & emergency responders from all over southern Wisconsin. This 3-day event was held in Janesville, WI and attracted over 125 emergency responders. For this event, an actual tank car was on site for attendees to walk through and see first hand the safety mechanisms that today's tank cars have in place to protect the safety of the general public and railroad personnel.

By assisting state, county & local emergency responders in mock training exercises, the WSOR helps build understanding and awareness of emergency situations that will ultimately save lives in the future.



Above: A GATX Tank car "Trainer" used for demonstration purposes all around the country. The tank car shown above is a walk-through car that demonstrates the proper handling of internal and external valves associated with various chemicals.

NEWS / ANNOUNCEMENTS

JANESVILLE, WI, May 18, 2007— WSOR officials and members of the Wisconsin River Rail Transit Commission (WRRTC) hosted a rail tour for state & county officials between Janesville and Madison, WI. The tour was an opportunity for public officials to view the publicly-owned rail system from a rail car specially built for track inspections. The WSOR conducts inspections each year for public officials in charge of overseeing the rail system. The WRRTC is made up of 26 members including county board supervisors and citizen appointees.

CHICAGO, IL August 2 & 3, 2007— The WSOR hosted a special trip from Chicago's Union Station to Janesville, WI for the Transportation Research Board's Sub-Committee on Local Freight. The TRB is a division of the National Research Council, serving as an independent advisor to the Federal Government on transportation issues of national significance. The sub-committee on local freight was in Chicago holding its summer meetings.

RANDOLPH, WI, September 17, 2007— The WSOR provided emergency response training to Dodge and Columbia County emergency responders. Present, were approximately 80 emergency responders representing seven fire departments from the area. On site were WSOR officials teaching proper handling of hazardous materials and railway equipment in the event of an incident involving a rail car carrying hazardous materials.



VISIT US ON THE WEB AT

www.wsorrailroad.com

Wisconsin & Southern Railroad Co.

PO Box 90229

Milwaukee, Wisconsin 53209-0229

Phone: (414) 438-8820

Fax: (414) 438-8826

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Fax: (414) 438-8826