



WISCONSIN LEGISLATIVE COUNCIL

WISCONSIN'S TRANSPORTATION NETWORK INFRASTRUCTURE

412 East (the Joint Finance Room), State Capitol
Madison, Wisconsin

December 14, 2004
8:40 a.m. – 11:45 a.m.

[The following is a summary of the December 14, 2004 meeting of the Special Committee on Wisconsin's Transportation Network Infrastructure. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc/2004studies.htm>.]

Call to Order and Roll Call

Senator Kanavas, Chair, called the meeting to order. The roll was taken and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Sen. Ted Kanavas, Chair; Sen. Joseph Leibham; Reps. Dan LeMahieu, Jeff Stone, John Townsend, Karl Van Roy, and Josh Zepnick; and Public Members Bob Cook, George Grossardt, John Kreilkamp, Paul Olsen, Jerome Thiele, Peter Thillman, and Tom Walker.

COMMITTEE MEMBERS ABSENT: Sen. Fred Risser; and Public Member Geoff Crowley.

COUNCIL STAFF PRESENT: Dan Schmidt, Senior Analyst, and Kelly Mautz, Support Staff.

APPEARANCES: Rodney Kreunen, Commissioner of Railroads; Tom Bartel, Schneider National; Ken Lucht, Wisconsin and Southern Railroad Company; Chip Brewer, S.C. Johnson and Son Corporation, and Rosemary Potter, TransitNOW; Kevin Soucie, Soucie and Associates, and Robert Wedam, CN Railway Company; Mike Payette, Union Pacific; Jackie Pavelski and Scott Rogers, West Central Rail Coalition; and Bruce Ridley, Packaging Corporation of America.

Approval of the Minutes of the November 17, 2004 Meeting of the Special Committee

The minutes from the November 17, 2004 meeting of the committee were approved by unanimous consent of the members, as moved by Representative LeMahieu and seconded by Representative Van Roy.

Invited Speakers

Rodney Kreunen, Commissioner of Railroads, explained the significance of railroad crossing safety and its impact on the business of railroads and economic development, in general. Mr. Kreunen indicated that railroad accidents and the liability suits that often follow are a significant burden on the railroad industry. Mr. Kreunen indicated that allowing the Office of the Commissioner of Railroads to close certain lines, when emergencies make it necessary, would improve railway safety.

Tom Bartel, Schneider National, discussed the importance of railroad infrastructure to the intermodal container trucking industry. He stated that Wisconsin is a heavy user of intermodal transport, but that few goods are loaded in Wisconsin and, thusly, that more loading ramps are not needed at this time. He added that short haul shipments are generally of little interest to Class I railroad companies, making the use of smaller lines important to intermodal container transport. Mr. Bartel encouraged the committee to spend efficiently on future infrastructure by concentrating expenditures where the most traffic resides.

Ken Lucht, Community Development Manager, Wisconsin and Southern Railroad Company, summarized the role of Wisconsin and Southern as a railroad company and service provider in Wisconsin. He also presented Wisconsin and Southern's view of the economic impact of "short line" railroad service providers in Wisconsin. He reviewed Wisconsin and Southern's capital improvement plan and described its potential effects on future infrastructure needs.

Rosemary Potter, Executive Director, TransitNOW, and Chip Brewer, Director of Worldwide Public Relations, S.C. Johnson and Son, presented an overview of the proposed Kenosha-Racine-Milwaukee commuter rail corridor. They described the potential economic benefits and private support governed by the project. They encouraged the committee to support the project in the future.

Kevin Soucie, Soucie and Associates, and Robert Wedam, Associate Vice President for Network Strategies, CN Railways, described the background and current role of CN as a railroad company. They summarized current business and service in Wisconsin. They noted that there is a delicate balance between infrastructure investment improvements and the costs with these improvements that has a direct impact on rail line profitability. Mr. Wedam and Mr. Soucie indicated that CN is responsible for 1,500 employees in Wisconsin and that the company will spend \$19 million on Wisconsin rail improvements in 2004.

Mike Payette, Assistant Vice President of Government Affairs, Union Pacific Railroad Company, presented general information regarding the railroad industry and the advantages of rail transport. He discussed Union Pacific's infrastructure investment and related operational costs. He concluded requesting that the committee consider a proposal addressing railroad taxation issues.

Jackie Pavelski and Scott Rogers, West Central Rail Coalition, explained the purpose of the coalition and gave a summary of the costs and benefits of passenger rail. They encouraged the committee to support the coalition in bringing passenger rail to west central Wisconsin.

Bruce Ridley, Mill Manager, Packaging Corporation of America, discussed the importance of railroad service to Wisconsin's paper industry. He encouraged members to consider measures that would help minimize cost barriers to industry use of rail transport, especially the paper industry.

Plans for Future Meetings

Chairperson Kanavas stated that the next meeting of the committee will take place on January 12, 2005.

Adjournment

The meeting was adjourned at 11:45 a.m.

DWS:ksm