Wisconsin Central Group
An ad hoc Rail Freight Stakeholders Coalition
www.centralcorridors.com/wcg/

Lake States Shippers Association
A Classic Co-op Shippers Association
www.centralcorridors.com/lssa/

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July 26, 2019

Northwoods Rail Transit Commission
Meeting at Rhinelander, July 26, 2019

MI Tech / LSSA Data Coop Project Update

1. **Data Co-op Project Report.** The MI Tech team and participating shippers are engaged in editing the Project Report. Expect release of the formal report this Fall; however, we anticipate and executive summary and recommendations will be released earlier to support next steps.

2. **Data Co-op Project Next Steps.** Expanding direct shipper participation, additional Actionable Shipper Data, to help: (a) identify freight lanes on which increased freight density can sustain service improvements and more competitive rates; and (b) target infrastructure investment projects. The Project team will be exploring funding options for the next phase of the Project.

3. **Three Top Policy Issues Under Consideration.**
   - *Strategic Plan*. Aim for preservation/restoration of the Great Lakes Forests Region (UP MI, WI and MN) ("Region") rail "network" (i.e. not just branch lines) including direct (shortest RR miles) east/west across the Region (e.g. restore markets for raw forest products from Western and Eastern UP MI to mills in Central WI and Northern MN) and to/from the Twin Cities area. By "aim for," we mean coordinate and promulgate a long term strategic plan (example of suggested resolution).
   - *Funding*. More funding and funding flexibility for rail projects including public and/or public/private ownership and/or leasing of rail and rail related rolling stock (e.g. log and box cars, intermodal lift and transload facilities) for rail project investment and matching funding to leverage federal rail, transportation infrastructure and community and economic development - with coordination across the entire rail "network" Region.
   - *RR Participation*. Challenge the Region's RRs to compete effectively for non-captive (to the RRs), truck-competitive freight originating and/or terminating in the Region plus new freight from economic development and infrastructure investment in the Region.

4. **NTC Suggested Resolution, Strategic Plan for Northwoods Rail System Restoration.** Please see next page. We request the topic and suggested or alternative resolution be on the Agenda for the next NRTC meeting.

Resolution of the Northwoods Rail Transit Commission

Great Lakes Forests Region
NORTHWOODS RAIL SYSTEM RESTORATION

Whereas, the future health of the upper Great Lakes Forests, welfare of the rural communities and industries of the Great Lakes Forests Region and the Region's connections with the urban United States and North American and overseas commerce is manifestly and critically dependent up a connected rail system, east-west and north-south, serving the Region and capable of competing for non-captive, truck competitive truckload freight originating and/or terminating in the Region.

Whereas, restoration of a dedicated fleet or pool of railcars (*e.g.*, log and boxcar), line segments, sidings, landings and transload sites or other rail-related facilities funded, in whole or in part, by grants supported, as a measure of return on investment, by their direct and indirect public benefits arising from conversion of over-the-road truck freight to rail and/or rail intermodal estimated, is an essential component of such a restoration and, over the next decade, is estimated to require re-investment of $80 to $120 million dollars, most of which is only available through federal programs access to which require state and other sources of matching funds.

Whereas, recent, extensive freight-base research, including the Lake States Shipper Association / Michigan Tech Data Co-op Project (2018-2019), at the level of "Actionable Shipper Data," indicate a sufficient freight base to support restoration of the Region's rail system, over time, re-establishing sustainable, competitive rail rates and service throughout the Region.

Whereas, funding for detailed planning and creation of institutional structures necessary to expand the Actionable Shipper Data base, identify and prioritize restoration projects and support grant funding applications is estimated at $300,000.

Now, Therefore, Resolved, the Northwoods Rail Transit Commission shall undertake planning and grant funding applications necessary for restoration of the upper Great Lakes Forests Region's rail system.

By the Commission, meeting at Rhinelander, Wisconsin, this ___ day of _____ 2019.