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/

John Duncan Varda, Counsel
DeWitt LLP
25 W. Main Street, Suite 6●●
Madison, WI 537●3
6●8-212-11●3
jdvarda@dewitllp.com

October 24, 2024

2025-2028 – On Ending the Big GLFR[1] Disconnect

What is the Big GLFR Disconnect – Our Rural Region from Our Urban Nation?

1. The GLFR "Disconnect" in some areas began in the early 1960's with iron ore mine closure and many abandonments (mid-1970's into mid-1980's), with Class 1s, Soo and CNW, withdrawing in favor of short lines, principally what became the WI Central System ("WCL").
2. Struggling to maintain freight density, WCL continued to balkanize GLFR rail line corridors ("RLCs"). CN gained control of WCL in 2001 promising to maintain WCL's local short line characteristics but failed to abide by STB imposed conditions on CN's control of WCL.

Historically, What Factors Across the GLFR Contributed to the Disconnect?

3. Loss of mining in some areas was a catalyst for loss of other jobs and depopulation. In later years, changes in markets for pulp and paper contributed. Transition in that industry continues today to shift GLFR manufacturing and supply chain logistics.
4. Abandonment of cross-lake car ferry connections, beginning in the late 1970's, concluding circa 1982, was a seminal event and, perhaps, self-inflicted unintended consequences for rail.
5. Cross-lake rail freight instead of continuing via rail through Chicago massively converted to over-the-road truck, leading to the Class I short line spin-offs.[2]

GLFR Resources – Forests, People and Communities.

6. Increasing the percentage of allowable cut making it to market benefits all – health of the forests (risk of fire, disease); access for recreational purposes; minimized natural release of sequestered carbon; reduced conflicting highway uses (school bus v log truck v tourist autos, RVs and trailers).
7. Moreover, while raw forest products alone will not sustain the rail lines, that base traffic opens the way for other commodities. The capacity to move GLFR logs via rail can increase per cord value of private and public forest resources (from the stump) by as much as 400%.
8. Resource value translates to related rural community jobs and prosperity, hence, options for smaller community living and lifestyles.

Why and How to End the GLFR Rail Line Corridor Disconnect Now?

9. In 2022, key out-of-service ("OOS") RLCs that once connected the GLFR were divested from CN to Watco, apparently with an understanding Watco would retain and assess over 5 years potential return to service of the OOS RLCs. Some 2-1/2 years in, Watco appears to be struggling with RLCs acquired from CN.
10. Reconnect it, and they will come? Avoiding abandonments that will exacerbate the Disconnect requires private and public stakeholder intervention be underway well before 2028 – demonstrating RLC sustainability once restored to good order. Ending the Disconnect requires a Regional Infrastructure Accelerator.

---

[1] Great Lakes Forest Region is Upper Peninsula Michigan, northern Ontario, Minnesota, Wisconsin and, once upon a time, the northern lower peninsula of Michigan via Mackinac and other rail car ferry cross-lake connections.

[2] With consummate skill, WCL manipulated regulator reviews (ICC in 1992 and later STB) to avoid public review or what amounted to a region-wide elimination of rail-to-rail competition which continues to the present day.