

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of May 8, 2024**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Thomas E. Winker on May 8, 2024, at approximately 10:00 a.m., at the Columbia County Administration Building, Meeting Room 115-113, 112 E. Edge Water Street, Portage, Wisconsin.

The Consortium rose to say the Pledge of Allegiance.

Certification of Public Notice: Kimberly A. Nass certified that the notice of this meeting complies with all applicable requirements of Wisconsin's Open Meetings Law.

Present: Char Holtan, Columbia County; Jim Mielke and Jeffrey Caine, Dodge County; John Zorn and Karen Madigan, Fond du Lac County; Dennis Mulder and Charlie Wielgosh, Green Lake County; Shawn Rolland, Milwaukee County (appeared by speaker phone); Jeff Schleif, Washington County; and Donald Nussbaum and Howard Miller, Winnebago County.

Excused: Darren W. Schroeder, Columbia County; Tom Winker and Marty Wolf, Ozaukee County; Sheboygan County; Robert Hartwig, Washington County.

Others Present: Ben Mohlke, WisDOT; Ken Lucht, WSOR; Kimberly A. Nass, Dodge County Corporation Counsel; and Kelly Lepple, Dodge County Corporation Counsel Office.

Public Comment: None.

Approval of Draft Minutes of March 13, 2024: Motion by Caine/Mulder to approve the draft minutes of March 13, 2024. Motion carried. John Zorn abstained.

Financial Report: Jeff Caine reported for the period ending March 31, 2024. The balance in the checkbook as of February 29, 2024, was \$1,002.37. Deposits – \$5,201.28, Expenditures – None, and Transfers – \$5,201.21. Total EWCRC money on deposit in the Local Government Investment Pool as of March 31, 2024, is \$1,094,930.12. The interest rate for March 2024 was 5.40%. There was discussion about why Winnebago County only contributed \$25,000. Don Nussbaum will follow up with its Finance Department to submit the \$5,000 to make its 2023 contribution whole. There was discussion about why Milwaukee County only contributed \$25,000. Shawn Rolland stated that he will follow up with the County Board Chair to allocate \$5,000 to make its 2023 contribution whole. Motion by Caine/Zorn to approve the Financial Report as read. Motion carried.

Consider, discuss, approve, and authorize payment of invoice of Dodge County for services provided by the Dodge County Finance Department in 2023: There was consideration of and discussion about the statement for services that was presented for payment from Dodge County, in the amount of \$900 for services provided by the Dodge County Finance Director and staff, in recordkeeping, accounting assistance, and in preparing the EWCRC Annual Financial Report. Motion by Mulder/Caine to approve payment of this invoice and to authorize and direct the Office of Dodge County Corporation Counsel to send payment to Dodge County, in the amount of \$900, for services provided by the Dodge County Finance Director and staff, in recordkeeping, accounting assistance, and in preparing the EWCRC Annual Financial Report. Motion carried.

Consider, discuss, approve, and authorize payment of invoice of Dodge County for services provided by the Dodge County Corporation Counsel Office in 2023: There was consideration of and discussion about the statement for services that was presented for payment from Dodge County, in the amount of \$5,547.40, for services provided by the Dodge County Corporation Counsel and staff in 2023. Motion by Madigan/Nussbaum to approve payment of this invoice and to authorize and direct the Office of Dodge County Corporation Counsel to send payment to Dodge County, in the amount of 5,547.40, for services provided by the Dodge County Corporation Counsel and staff in 2023. Motion carried.

Reminder of Election of Officers at Annual Meeting on July 10, 2024: Kim Nass reminded the members of the EWCRC of the election of officers at the July 10, 2024, annual meeting.

Consider, discuss, and take action on Janesville Bridge Project Memorandum of Understanding: Ben Mohlke provided a draft copy of the Janesville Bridge Project Memorandum of Understanding (MOU) to each of the members of the EWCRC for their review and approval. Kim Nass stated that the 2021 and 2022 EWCRC member county contributions are designated for the Janesville Bridge Rehabilitation project. Kim Nass further stated that she reviewed the MOU and approves of its content. Ben Mohlke asked that the EWCRC approve the MOU as presented and sign the MOU. Motion by Schleif/Caine to approve the Janesville Bridge Project Memorandum of Understanding. It was the consensus of the Consortium to direct Jeff Schleif to sign the MOU on behalf of Chairman Tom Winker and the EWCRC. Motion carried.

Report of WisDOT Railroads and Harbors: WisDOT and its partners are working on implementing additional passenger rail service along the Twin Cities, Milwaukee, and Chicago corridor. This service expansion will add a second daily round trip passenger train on the corridor between Chicago and the Twin Cities. Service will begin on May 21, 2024. This will improve mobility and increase reliable travel options on this corridor.

Corridor Identification Grants are moving forward. Grants were awarded to four different routes for passenger rail. The Corridor Identification Program is a comprehensive intercity passenger rail planning and development program that will help guide intercity passenger rail development throughout the country and create a pipeline of intercity passenger rail projects ready for implementation.

Chair Tom Winker is attending the Freight Advisory Council Meeting today. The Committee was established to help inform WisDOT on issues that impact freight mobility and to provide a voice for the freight sector on the development of freight-related policies, processes, and projects.

WisDOT was directed by the Governor to update its 2019 Intermodal Freight Report. That report should be completed by 2025.

Report of WSOR: Ken Lucht reported the following: WSOR will be installing approximately 30,000 ties on its Reedsburg Subdivision between Waunakee and Devil's Lake. The Merrimac Bridge project is a \$26 million project, and that project should be completed by the end of 2024. WSOR will be installing ties and switch ties on the Prairie Subdivision and on the Johnson Street Yard in Madison. WSOR will perform its routine weed spraying and brush control to protect its rail, crossings, culverts, bridges, and ties. Contracts are in place and WSOR has started to do some weed spraying. WSOR has 19 active signal projects that are on hold because they do not have an approved contractor for the signal projects. WSOR would like to get this matter resolved with WisDOT so they can move forward with the projects. In 2024, WSOR will be installing approximately 500 ties on the Cambria Subdivision,

3,000 ties on the Milwaukee Subdivision, and 2,000 ties on the Plymouth Subdivision. WSOR will also be completing a number of at grade crossing rebuild projects: On the Cambria Subdivision, STH 26 will be completely rebuilt. On the Milwaukee Subdivision, a crossing on STH 67 will be replaced, and a crossing on STH 91 will be replaced. On the West Bend Subdivision, WSOR will be installing approximately 500 ties and rebuilding at grade crossings on CTH NN and STH 60.

In Waupun, United Cooperative is in the process of building a soy processing and grain elevator facility. The bins and elevator are up and WSOR is hoping that United Cooperative will be operational by the fourth quarter of 2024.

WSOR is working with the City of Milwaukee and Milwaukee County on originating rock for projects for business and public road projects. WSOR has facilities on its line in the northern division, as well as in the southern division where WSOR can originate sand and gravel for construction projects.

WSOR is working with a potential new customer that would bring in fly ash on the Oshkosh Subdivision. This would add an additional 500-700 more carloads at the Oshkosh terminal. WSOR has a great partnership with the City of Oshkosh. The City of Oshkosh is a big advocate for freight rail for preserving roads and becoming more efficient.

Date, time, and place of next meeting (July 10, 2024): The next regular EWCRC meeting will be held on July 10, 2024, at 10:00 a.m. Dodge County will host the meeting, to be held at the Dodge County Administration Building, located in Juneau, Wisconsin.

Motion by Wielgosh/Caine to adjourn. Motion carried. Meeting adjourned at 10:28 a.m.

Respectfully submitted,

John Zorn, Secretary

Disclaimer: These are draft minutes. These draft minutes may be approved, amended, or corrected at the next meeting of the East Wisconsin Counties Railroad Consortium.

**EAST WISCONSIN COUNTIES RAILROAD CONSORTIUM
FUNDS ON DEPOSIT AS OF JUNE 30, 2024**

**PREPARED FOR THE July 10, 2024, EWCRC MEETING
US BANK**

CHECKING ACCOUNT

Date/Activity	Total Amount Of Income/ Expenditures/ Transfers	Balance
Balance as of March 31, 2024.....	\$ 1,002.44

DEPOSITS:

April 18, 2024 – Sheboygan County (\$30,000), Ozaukee County (\$30,000), Winnebago County (\$30,000), Fond du Lac County (\$30,000), Washington County (\$30,000) 2024 Member County Contributions	\$ 150,000.00 (deposit)	
April 18, 2024 – WSOR 2024 2 nd Quarter Rent	\$ 5,201.21 (deposit)	
April 25, 2024 – Dodge County (\$30,000) 2024 Member County Contribution	\$ 30,000.00 (EFT)	
May 21, 2024 – Milwaukee County (\$30,000), Columbia County (\$30,000), and Green Lake County (\$30,000) 2024 Member County Contributions	\$ 90,000.00 (deposit)	
**Interest accrued for April 2024 (\$0.55), May 2024 (\$1.83) and June 2024 (\$0.14)	\$ 2.52 (Interest)	
TOTAL DEPOSITS.....	\$ 275,203.73

EXPENDITURES:

May 21, 2024 – Corporation Counsel Invoice for Services Rendered in 2023 (Check No. 5019)	\$ 4,186.82	
May 21, 2024 – Finance Department Invoice for Services Rendered in 2023 (Check No. 5020)	\$ 900.00	
TOTAL EXPENDITURES	\$ 5,086.82

**TRANSFERS TO LOCAL GOVERNMENT
INVESTMENT POOL:**

April 18, 2024 – Sheboygan County (\$30,000), Ozaukee County (\$30,000), Winnebago County (\$30,000), Fond du Lac County (\$30,000), Washington County (\$30,000) 2024 Member County Contributions	\$ 150,000.00 (EFT)	
April 18, 2024 – WSOR 2024 2 nd Quarter Rent	\$ 5,201.21 (EFT)	
May 21, 2024 – Milwaukee County (\$30,000), Columbia County (\$30,000), and Green Lake County (\$30,000) 2024 Member County Contributions	\$ 90,000.00 (EFT)	

East Wisconsin Counties Railroad Consortium

Funds On Deposit – US Bank – Horicon

As of June 30, 2024 – Prepared for July 10, 2024 EWCRC Meeting

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April 25, 2024 – Dodge County (\$30,000) 2024 Member County Contribution	\$	24,916.00 (EFT)
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TOTAL TRANSFERS.....	\$ 270,117.21
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June 30, 2024 – BALANCE IN CHECKBOOK -----	\$ 1,002.14
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TOTAL EWCRC MONEY ON DEPOSIT IN LOCAL GOVERNMENT INVESTMENT POOL (as of May 31, 2024)	\$1,375,938.94 (Interest Rate for May 2024 is 5.38%)
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Press Release: Gov. Evers, WisDOT Announce Nearly \$5 Million for Freight Rail Improvement in Luxemburg, Reedsburg, and Wrightstown

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State of Wisconsin sent this bulletin at 06/24/2024 01:00 PM CDT

Share Bulletin



Tony Evers

Office of the Governor | State of Wisconsin

FOR IMMEDIATE RELEASE: June 24, 2024

Contact: GovPress@wisconsin.gov

Gov. Evers, WisDOT Announce Nearly \$5 Million for Freight Rail Improvement in Luxemburg, Reedsburg, and Wrightstown

MADISON — Gov. Tony Evers, together with the Wisconsin Department of Transportation (WisDOT), today announced nearly \$5 million to improve freight rail at facilities in Luxemburg, Reedsburg, and Wrightstown. The three freight rail improvement projects, funded by the Freight Railroad Infrastructure Improvement Program (FRIIP), are receiving a combined total of \$4.8 million to make upgrades to agricultural facility equipment, construct new storage at a transload terminal, and install a new industry track.

“Freight rail corridors play a critical role in our state’s economy and our transportation network, helping get product to market and move goods and services from point A to point B across Wisconsin,” said Gov. Evers. “I’m proud of our continued work to build the infrastructure and workforce Wisconsin needs to meet the demands of the 21st Century, and these investments will help us build upon those efforts while supporting our local businesses, producers, and local community economies that all rely on these vital rail lines.”

FRIIP loans fund rail projects that connect an industry to the national railroad system, make improvements to enhance transportation efficiency, safety, and intermodal freight movement, accomplish line rehabilitation and develop the economy.

“Wisconsin’s prosperity and competitiveness depend on a safe, efficient, and reliable transportation system,” said WisDOT Secretary Craig Thompson. “When we support freight rail, we are directly supporting the people and businesses of our communities. This is our priority across all modes of transportation in Wisconsin.”

Recipients of the FRIIP loan include:

- Rio Creek Feed Mill - awarded \$1.5 million in May 2024 to help fund the construction of a 1.339-million-bushel grain bin, a support tower, loading equipment, and unloading equipment at its facility in Luxemburg located in Kewaunee County. Construction of the bin will improve rail car loading and unloading efficiency, leading to annual transportation cost savings exceeding \$600,000 per year after two years. The facility receives inbound carloads of canola meal, soybean meal, corn gluten, and distiller grains. Rio Creek Feed Mill is served by the Fox Valley & Lake Superior Rail System.
- Riffey Transload - awarded \$825,267 in September 2023 to help fund the construction of a new trackside storage building at its transload terminal in Reedsburg. Riffey Transload has already invested more than \$300,000 for track, storage, and other facility improvements at the Reedsburg terminal. The new hoop barn-type storage building will enable Riffey Transload to reduce transportation costs for its customers in the food products industry in Sauk County and surrounding counties in Southcentral Wisconsin. Riffey Transload is served by the Wisconsin & Southern Railroad.
- The village of Wrightstown - awarded \$2,433,882 in September 2023 to construct 4,172 feet of industry track in Wrightstown, located in the Fox Valley. Construction of the track will extend an existing village-owned industry lead to Drexel Building Supply and enable Drexel Building Supply to shift shipping of lumber to the facility from truck to rail, leading to annual transportation cost savings exceeding \$800,000 per year after five years. Businesses located on the village’s industry lead are served by the Canadian National Railway.

Additional information on FRIIP can be found [here](#).

An online version of this release is available [here](#).

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Office of the Governor • 115 East Capitol, Madison, WI 53702

Press Office Email: GovPress@wisconsin.gov





Wisconsin & Southern Railroad
1890 E Johnson St
Madison, WI 53704

TO: Lisa Stern, WisDOT
Ben Mohlke, WisDOT

FROM: Ken Lucht, WSOR and FOXY

DATE: June 12, 2024

RE: Proposed Changes to FRPP Instructions

On behalf of Wisconsin & Southern Railroad (WSOR) and the Fox Valley & Lake Superior Rail System (FOXY), we thank you for the opportunity to submit stakeholder comments on the proposed changes to the FRPP instructions given the recent authorization of SEG funding under our current state biennial budget.

The WSOR is a Class II Regional Railroad operating over 800 miles of track with various classifications including excepted track, Class 1, 2 and 3. Approximately 75 miles of the WSOR network is classified as Class 1 or less and is publicly-owned. Of the 332 railroad structures WSOR operates over, there are 45 publicly-owned structures that do not meet state metrics of 286K at 25 MPH. Approximately 91 miles of the WSOR Prairie Subdivision (also publicly-owned), contains aged, defective and light weight rail manufactured over 100 years ago and way beyond its useful life.

The FOXY is a new Class III Short Line Railroad that owns and operates 250 miles of active track with various classifications including excepted, Class 1 and Class 2 track. The FOXY also owns over 200 miles of inactive track most of which has been out of service for several decades but targeted for future rail service once markets develop and alternative gateways in and out of Wisconsin are secured. The FOXY was the recipient of a 2022 federal CRISI grant of \$2M to conduct preliminary engineering/design of three moveable swing bridges over the Fox River in Brown and Outagamie Counties. Once completed, the FOXY will then apply for additional federal funding for final design and construction, amounting to over \$25M. This project is beyond the financial capacity of the FOXY and will require public assistance or three subdivisions could lose service in the near future.

Collectively, the WSOR and FOXY operate close to 30% of total freight rail route miles in Wisconsin, and even though our marketing efforts to increase rail business have been fruitful, a majority of our lines are still light density branch lines and not the Class 1 pipelines that traverse the state of

Wisconsin. For instance, the WSOR has grown its local traffic to one-third of its annual carloads. This local traffic (short haul revenue) which originates and terminates on the WSOR is all short haul moving in a lane of 250 miles or less. Without WSOR competing for that local business, this traffic would all likely be moving on Wisconsin highways causing additional wear and tear and congestion and significantly less economic growth from new construction and job creation.

Like the WSOR, the FOXY also operates short haul freight service to and from a Class 1 interchange within the state of Wisconsin. And both railroads include main and branch lines formerly owned and operated by Class 1 railroads (Milwaukee Road, Chicago & Northwestern, Canadian National Railway) that had suffered through decades of deferred maintenance practices. While both WSOR and FOXY continue to make substantial investments in track and bridge infrastructure across our networks, there are high priority critical infrastructure projects across the state that are cost prohibitive for us to complete on our own. We will continue to evaluate opportunities for public assistance as we work diligently to upgrade our railroad infrastructure to today and tomorrow's industry standards of 286K and a track speed of 25 MPH. Public private partnerships are truly a great way to accomplish projects that wouldn't otherwise be completed here in Wisconsin.

Again, I appreciate the opportunity to provide comments to the proposed changes to FRPP instructions and look forward to working with the department in making changes that address our true and most pressing freight railroad infrastructure needs here in Wisconsin.

Comment 1: Eligible Applicants, namely Railroads should be those relatively smaller railroads that struggle to make capital investments necessary to improve service and safety in Wisconsin. Smaller railroads are largely comprised of "spin-off" routes of larger Class 1 networks where maintenance was deferred for several years, and they faced potential discontinuance or abandonment prior to sale. Growing rail business on these lines after years of deferred maintenance often comes through exhaustive sales efforts to rebuild confidence in rail service and competing for traffic at lower market rate levels with lower profit margins. As a result, smaller railroads have comparatively less revenue to reinvest in critical infrastructure than your Class 1 Railroads. Some projects to achieve 286K and 25 MPH standards cost millions of dollars that a short line or regional railroad cannot accomplish through its own internal short haul revenue structure. Suggest the department limit FRPP to Class II and Class III railroads according to the STB definition.

Change 1: *SUB. 2.1 ELIGIBLE APPLICANTS Under statutory authority {s. 85.08(4m)(b)1}, an eligible applicant must be a county, municipality, town or agency thereof, a Class II or Class III railroad, a current or potential user of freight railroad service or a transit commission organized under s. 59.58(3), s. 66.0301, or s. 66.1021.*

Comment 2: If the department decides to open up FRPP to Class 1 railroads, the department should limit an award to a Class 1 railroad to no more than 25% of the annual appropriation. According to the STB, a Class 1 Railroad is a railroad with annual operating revenues in excess of \$1B. FRPP should be reserved for projects of most need and for those projects that cannot otherwise be funded using cash or conventional financing. The department should prevent a large-scale Class 1 railroad project from depleting FRPP in a single year or over a 2-year budget cycle.

Change 2: SUB. 4.2 ASSISTANCE AWARD – 4.2.2 Track and/or Bridge Rehabilitation and Construction.

Add (a) Any award to a Class 1 Railroad will be strictly limited to no more than 25% of the total annual appropriation of FRPP.

(b) The project proposal will be rated and ranked according to the applicable criteria described in Section II herein.

Comment 3: Eligible Applicants should have some type of legal and documented right to occupy, own, maintain, operate or manage freight railroad infrastructure applied for under FRPP.

Change 3: SUB. 2.2 ELIGIBLE LOCATION FOR PROJECTS - Any project under the rail preservation program must be located on track/structures owned or controlled by the eligible applicant or directly associated with ~~either a publicly-owned~~ a rail line or an abandoned rail line as defined under s. 85.09(3), Wis. Stats., except that a non-abandoned rail line may be the subject of an acquisition for continued freight railroad operation project.

Comment 4: Eligible Applicants should include municipalities that own their own track, spur, lead, or railway structures. Publicly-owned railroad track and structures in Wisconsin should be eligible for FRPP regardless of whether their publicly-owned track interchanges with or is connected to a publicly-owned mainline. FRPP should not discriminate against municipal-owned railroad track and structures because their publicly-owned track doesn't connect to a publicly-owned mainline. Further, a maintenance agreement between the Owner of eligible infrastructure and Users (rail customers) of eligible infrastructure should be required to address how maintenance will be addressed.

Change 4: SUB. 2.2 ELIGIBLE LOCATION FOR PROJECTS - Any project under the rail preservation program must be located on track/structures owned or controlled by the eligible applicant or directly associated with ~~either a publicly-owned~~ a rail line or an abandoned rail line as defined under s. 85.09(3), Wis. Stats., except that a non-abandoned rail line may be the subject of an acquisition for continued freight railroad operation project. Any publicly-owned railway track and structures that physically connects to or is directly associated with a publicly-owned mainline or privately-owned mainline is an eligible project. Any FRPP project will require a maintenance agreement between the Owner of eligible infrastructure and Users (rail customers) of eligible infrastructure where on-going maintenance responsibilities are clearly identified and consistent with the engineering specifications outlined in the FRPP Grant Agreement between WisDOT and Applicant.

FREIGHT RAILROAD PRESERVATION PROGRAM
SFY 2025

PART I - APPLICATION INSTRUCTIONS

SECTION 1.0 INTRODUCTION

The Freight Railroad Preservation Program (FRPP) documents are composed of four parts. Part I contains the information needed for applying for financial assistance under the program. Part II contains the description of the process used by the department to rate and rank proposed projects for funding. Part III contains the description of the categories of assistance. Part IV contains the forms to complete the application.

We recommended that a potential applicant review all parts prior to initiating the application process.

Wisconsin Statutes Chapter 85.077, enacted in 2009, requires that railroad rehabilitation and construction projects funded in any part with public funds be let to competitive bids and awarded to the lowest responsible bidder. As a result, with limited exceptions, all FRPP projects costing over \$25,000 will be required to be competitively bid.

SECTION 2.0 ELIGIBLE APPLICANTS AND SUSTAINABLE OPERATIONS

SUB. 2.1 ELIGIBLE APPLICANTS

Under statutory authority {s. 85.08(4m)(b)1}, an eligible applicant must be a county, municipality, town or agency thereof, a railroad, a current or potential user of freight railroad service or a transit commission organized under s. 59.58(3), s. 66.0301, or s. 66.1021.

SUB. 2.2 ELIGIBLE LOCATION FOR PROJECTS

Any project under the rail preservation program must be located on or directly associated with ~~either a publicly-owned~~ a rail line or an abandoned rail line as defined under s. 85.09(3), Wis. Stats., except that a non-abandoned rail line may be the subject of an acquisition for continued freight railroad operation project.

SUB. 2.3 DETERMINING ABILITY TO SUSTAIN RAILROAD OPERATIONS

2.3.1 Requirement for Determining Ability to Sustain Railroad Operations.

Except for a rail bank project or a substitute service project not resulting in the provision of freight railroad service, the operator of rail freight service using or serving the project facility must be deemed by WisDOT capable of sustaining railroad freight operations.

2.3.2 Process for Determining Ability to Sustain Railroad Operations.

The proposed rail freight service operator shall be deemed capable of sustaining operations upon satisfying ALL of the following criteria:

(a) Operator is able to demonstrate immediate and continuous access upon demand to start-up operating capital in an amount exceeding 200% of the operator's projected gross revenue for the first twelve months of operation. Assistance match funds are not start-up capital. One year's depreciation of operating equipment (locomotive(s), rail cars, etc.) owned debt free by operator may be credited as start-up capital.

(b) The sum of the gross revenue projected by the operator for the first three years of operation is less than the amount derived by multiplying the average per car revenue retained by the prior operator over the three years prior to public acquisition by 1.5 plus the start-up capital amount identified in (a) above.

(c) The sum of 25% of the total projected gross revenue for the first three years of operation plus 50% of the start-up capital amount divided by the mainline track miles of the system operated exceeds \$2,500.

SECTION 3.0 ELIGIBLE PROJECTS

SUB 3.1 RAIL BANKING PROJECTS

A rail bank project is one in which the land corridor and the improved property thereon (track, bridges, etc.) is acquired and held in public ownership for up to ten years for the purpose of restoring freight railroad service on it at an indefinite future date when such restoration would be economically justified.

SUB 3.2 ACQUISITION FOR CONTINUED OPERATION

An acquisition project for continued rail freight operation consists of the public acquisition of a rail line for immediate continuation of rail service after the line has been abandoned or is threatened with abandonment or loss of service as determined by RHS, by a private railroad.

SUB 3.3 TRACK AND/OR BRIDGE REHABILITATION PROJECTS

A rehabilitation project consists of a one-time rehabilitation of the track structure and/or bridges ~~on a publicly owned or previously abandoned line~~ to enable freight train operating speeds of up to 25 mph and gross loaded freight car weights of 286,000 lbs. Project applications should include provisions for complete rehabilitation of specific track segments and, when applicable, include a multi-year rehabilitation plan. A rehabilitation project may include side tracks and that portion of industrial spurs and yards that are located on ~~publicly owned~~ rail corridor real estate or within 33 feet of the centerline of the through (main) track on a previously abandoned line if they are needed for active rail freight service. Track segments that have been the subject of a prior rehabilitation grant under a WisDOT program are generally not eligible for further assistance under this program. As determined by WisDOT, additional assistance may be available for improvements needed to meet new standards established by WisDOT. In general, minor repair of concrete piers and abutments, minor steel component repair or replacement, and installation of timber bridge components (such as tie decks, stringers, pile caps, walkways

and headwalls) are ineligible for rehabilitation assistance funding.

SUB 3.4 TRACK CONSTRUCTION PROJECTS

Construction projects are limited to new track facilities on a new location or alignment that serve as a substitute for and are less costly than an acquisition or rehabilitation project that otherwise would be required to preserve rail freight service. Land acquisition required, if any, is not eligible for assistance.

SUB 3.5 SUBSTITUTE SERVICE PROJECT

A substitute service project is a project where a fixed capital facility is provided under assistance from this program as a lesser-cost substitute for an acquisition or rehabilitation or construction project. Assistance for the substitute facility is limited to that necessary to provide the functional service equivalent of the facility for which substitution is being made. If the applicant elects to upgrade the function of the new facility beyond an equivalent replacement, the upgrade may be done but solely at applicant's expense. An example of a substitute facility is assisting with a bulk commodity transloading site on a nearby rail line instead of acquiring and rehabilitating miles of abandoned line. Another example is rehabilitating and connecting a portion of an abandoned line to a different line continuing under operation.

The amount of assistance is limited by the estimated cost of preserving service at the current facility. First priority for funding would be for rail facilities at the new location to be functionally equivalent to those lost.

SECTION 4.0 ASSISTANCE APPLICATION AND AWARD PROCESS

SUB 4.1 APPLICATION FILING

4.1.1 Applications for freight railroad preservation assistance are to be filed with the WisDOT Railroads and Harbors Section (RHS) addressed as follows:

U.S. Mail

Chief, Railroads and Harbors Section
Wisconsin Department of Transportation
4822 Madison Yards Way, 6th Floor South
P.O. Box 7913
Madison, Wisconsin 53707-7913

Delivery Service

Chief, Railroads and Harbors Section
Wisconsin Department of Transportation
4822 Madison Yards Way, 6th Floor South
Madison, WI 53705

4.1.2 Application Dates.

(a) Applications for rail banking or acquisition for continued operation or substitute service may be filed at any time.

(b) Applications for track and/or bridge rehabilitation or track construction must be filed **on or before 4:00 p.m. on Wednesday, February 1, 2024.**

4.1.3 Application Documents.

(a) Section IV of this document contains the forms necessary for making application for assistance funds. Only those forms pertinent to the project need be filed. Forms labeled General 1 through 4 must be filed with every application.

(b) The form labeled Qualifications and Operations Plan (Q&O) must be filed with any application for assistance for acquisition for continued operation. It must also be filed with an application for assistance for track and/or bridge rehabilitation, if this application is filed more than two years after the subject line was acquired. This requirement may be waived when, in the sole judgment of RHS, sufficient information is already known to RHS.

4.1.4 In order to gain full understanding or greater clarification of the contents of an application, it may be necessary for RHS to schedule and hold an application conference or conferences with the applicant and other involved parties, if any.

SUB 4.2 ASSISTANCE AWARD

4.2.1 Rail Bank Projects, Acquisition for Continued Operation Projects, and Substitute Service Projects.

(a) The project proposal will be rated and ranked according to the applicable criteria described in Section II herein.

(b) The applicant will be notified in writing of the award decision within 30 days of RHS receiving all initial and subsequent, if necessary, application information.

(c) An assistance agreement must be signed by applicant within 60 days of the notice of award. Upon the expiration of 60 days and absent an executed agreement, the award is canceled unless extended by WisDOT.

4.2.2 Track and/or Bridge Rehabilitation and Construction.

(a) The project proposal will be rated and ranked according to the applicable criteria described in Section II herein.

(b) The applicant will be notified in writing of the award decision as soon after July 1, 2024 as possible, provided all necessary application data has been provided by May 12, 2024.

(c) An assistance agreement must be signed by applicant by February 1, 2025. Absent an executed agreement, at RHS discretion, the award may be canceled.

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SUB 4.3 ENVIRONMENTAL REVIEW

The satisfaction of all environmental review and permit requirements as may be needed are the responsibility of the applicant and must be completed prior to the execution of an assistance agreement.

FREIGHT RAILROAD PRESERVATION PROGRAM

PART II - PROJECT SELECTION PROCEDURE

SECTION 1.0 PROJECT SELECTION POLICIES

SUB 1.1 PURPOSE OF QUALIFICATION AND RANKING

The department seeks to assist projects that generate current or future transportation efficiency benefits as well as broader public benefit. In order to evaluate proposed projects, criteria set forth in Section 2.0 below are used. Proposed projects are rated on each criterion. The rating generates a point score for the purpose of establishing a project's qualification for funding and the rank of individual qualified projects for funding priority.

SUB 1.2 USE OF QUALIFICATION AND RANKING

A score of 30 points or greater is required for a proposed project to qualify for assistance. This threshold score is attainable by a project exhibiting a transportation efficiency ratio of 1.0 or by a project with a somewhat lesser ratio scoring points on other criteria. Qualified projects are then ranked by total point score. The rankings are subsequently used to determine which applicants receive offers of assistance. Offers are made to applicants in rank order until program resources are no longer able to cover estimated project costs.

SUB 1.3 DIFFERENCES IN CRITERION USE

It is not possible to establish a transportation efficiency benefit/cost ratio for a rail-banking project given the fact that no rail operations are initially contemplated. Thus, if a banking project meets the physical characteristics set forth under Sub. 2.2 of this Part, the project is awarded 30 points in lieu of B/C points.

Furthermore, banking and acquisition project timing is controlled by the entities outside the control of the applicant. Therefore, banking and acquisition projects will not compete for funding with other project types but will compete among themselves.

SUB 1.4 RELATION OF RANK TO FUNDING

The rank of a project determines two things. First, is it a project for which project assistance is justified (qualification score of 30 or more)? Second, if qualified, what priority does the project have over qualified competing projects for funding? The ranking process has no influence on the format of the assistance award package offered.

It is possible for an eligible project to be funded outside of rank order. If a lower ranking project can be funded within remaining resource limits while a higher-ranking project would exceed those limits, the lower ranked project may be funded if the applicant for the higher-ranking project does not accept only the portion of its request able to be funded within resource limits.

SUB 1.5 LATE SELECTION

In the event circumstances develop which indicate limits on resources change (an assistance agreement not executed, a project requires a lesser amount of assistance than expected, etc.), RHS may, at its sole option, issue an assistance offer to the next highest ranked, unfunded project able to accept the offer any time prior to the next date for receiving project proposals or hold the unused assistance amount for the next round of proposals.

SUB 1.6 TIES

If two or more qualified projects attain the identical ranking score, the tie between projects will be broken by using the following criteria. The tie breaking will proceed through the criteria until the projects no longer have the same result:

1. Project with highest raw benefit/cost ratio.
2. Applicant who has received the least amount of funding in the current cycle.
3. Applicant who has received the least amount of funding in the prior cycle.
4. Applicant who has the least number of completed projects with final bills outstanding.

SUB 1.7 NEED-BASED DISCRETION

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Per §85.08(4m)(d), WisDOT reserves the right to prioritize project funding based on project urgency and necessity for continuing rail service or providing alternative rail service when a line has been abandoned.

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SECTION 2.0 PROJECT SELECTION CRITERIA

SUB 2.1 TRANSPORTATION EFFICIENCY BENEFIT/COST RATIO

(a) **Purpose:** The purpose of this criterion is to afford a measure of the economic soundness of a public investment in the project.

(b) **Description:** The transportation efficiency benefit/cost ratio (B/C) is a measure of net transportation efficiency benefits of a project. The calculation of this ratio will be performed by RHS using data supplied by the applicant in the project proposal application and application conference(s). The methodology for the calculation of this ratio is available from RHS.

(c) **Scoring:** Points are awarded on the basis of the project's raw B/C ratio as shown in the table below. The points awarded increase as the B/C ratio approaches 7.0. The points are awarded in this manner to reflect the lesser quality of the public investment shown by a low B/C ratio and to reflect the greater attractiveness of the project shown by a higher B/C ratio.

<u>Benefit/Cost Ratio</u>	<u>Points</u>
< 0.500	0
0.501 – 0.800	15
0.801 – 0.999	20
1.000 – 1.999	30
2.000 – 2.999	34

3.000	-	3.999	38
4.000	-	4.999	42
5.000	-	6.999	46
	>	7.000	50

SUB 2.2 CRITERION FOR RAIL BANK PROJECTS

2.2.1 **Purpose:** The purpose of this criterion is to provide a substitute criterion for rail bank project evaluation in lieu of the transportation efficiency benefit/cost criterion employed for other project types. By definition, a rail bank is a project without active rail service and, therefore, cannot yield revenue, operating and cost savings data required for a B/C analysis.

2.2.2 **Description:**

(a) Abandonment Status.

The subject segment of a rail bank project must be or have been the subject of a petition for abandonment before the Surface Transportation Board (STB) or the subject rail line must have been determined to be abandoned under the authority of s. 85.09(3) Wis. Stats.

(b) Performance Characteristics.

The subject segment of a rail bank project must satisfy ALL of the following:

(i) be a segment that, for any consecutive three year period within the ten years immediately prior to the date the abandonment petition is filed or abandonment is declared under s. 85.09(3), Wis. Stats., has carried a minimum of 10 carloads per year per mile.

(ii) be a segment that is free of known environmental clean-up or remediation requirements likely to cost in excess of \$50,000, or WisDOT is indemnified against such costs.

(iii) be a segment that either connects two distinct line segments continuing under freight railroad operation or connects a previously rail banked segment or segments running to a district or larger trade center as defined in the 1992 Rail Policy Plan or later published rail system plan or be a segment serving a geographical area reasonably expected by development experts to experience expansion of existing industrial development within ten years.

(iv) be a segment that exhibits definitive potential for restoration of rail service within ten years after the date of closing on its acquisition by a public agency.

(v) be a segment on which, within five years of acquisition, an entity will accept the obligations concomitant with use of the segment as a recreation trail or all obligations of corridor management.

(c) Physical Characteristics.

The subject segment of a rail bank project must satisfy EACH of the following:

(i) be a segment in which 80% or more of its through route (main) line length consists of 85-lb. or greater weight rail with maximum headwear of 1/4".

(ii) be a segment in which 90% of the bridges and trestles are rated for no less than 263,000-lb. gross weight per car.

2.2.3 **Scoring:** A line segment proposed for a rail bank project that satisfies the conditions stated in 2.2.2 above is awarded 30 points. A segment failing to satisfy any one of these conditions scores zero points.

SUB 2.3 WISCONSIN CARLOADS PER MILE

(a) **Purpose:** The purpose of this criterion is to afford a measure of the direct usefulness of the project to Wisconsin industry and to recognize the larger impact upon Wisconsin's economy of investing scarce public resources on more densely used facilities. It is being assumed that state assistance is better invested in projects directly benefiting Wisconsin industry sites rather than supporting overhead routes for the railroad. It is also assumed projects serving unit coal or coke trains to electric utility plants generate a sufficient return to a railroad as to not justify public assistance.

(b) **Description:** Rail carloads using the project facility that originate or terminate at a consignor or consignee in Wisconsin, are averaged over five years. All carloads meeting these requirements may be included even if transported by a railroad not party to the project proposal. If multi-platform articulated cars are used, they are treated as single or multiple cars according to how they are treated in the tariff or contract under which they move. Excluded from this carload count are carloads of coal or coke delivered to regulated electrical utility generating plants in blocks or unit trains of 15 cars or more. Also excluded are carloads that within six months prior to the date of application have been used in a prior project's count of Wisconsin carloads, which are now rerouted over the proposed project unless the reroute can be demonstrated to be independent of project considerations. The carloads of the past three years and the projections for the next two years are used. Absent valid projections, only the average of the past three years is used. The applicant provides the carload data and evidence of its validity during the application conference(s).

(c) **Scoring:** Points are awarded on the basis of Wisconsin carloads per mile as shown in the table below. The points awarded increase as the carloads per mile approach 160. The points are awarded in this manner to reflect the lesser impact on Wisconsin's economy of public assistance on very light density lines.

Wisconsin Carloads/Mile	5(3) Yr. Average			Points	Maximum 15
		<	20		
	20	-	50	3	
	51	-	85	7	
	86	-	120	10	
	121	-	160	13	
		>	160	15	

(d) **Application of this Criterion to Substitute Service Projects.**

The carloads used for a substitute service project are those that would have been used had the project substituted for been evaluated on this criterion.

SUB 2.4 CATEGORY OF LINE

(a) **Purpose:** The purpose of this criterion is to afford a means to reflect the degree to which certain rail lines, physically serve locations of actual or potential Wisconsin rail traffic generation locations. The criteria for classification are described in Translinks 21, a WisDOT comprehensive, long-range multi-modal transportation plan adopted in November 1994.

(b) **Description:** In Translinks 21, each rail line or line segment was classified into the categories of Tier 1, Tier 2 Intermodal and Primary, Tier 2 Primary, Tier 2 Secondary, Tier 2 Passenger, and Not Shown. Projects on Tier 1 lines are assumed to generate a sufficient return to a railroad as to create a lesser priority for public assistance.

(c) **Scoring:** Points are awarded on the basis of the classification of the line on which the project is located.

<u>Essentiality</u>	<u>Level</u>	<u>Points</u>	Maximum 5
	Tier 1	0	
	Tier 2 Intermodal & Primary	0	
	Tier 2 Primary	1	
	Tier 2 Secondary	3	
	Tier 2 Passenger	0	
	Not Shown	5	

(d) **Application of this Criterion to Substitute Service Projects.**

If the substitute service project results in traffic by rail, the line category of the line upon which the traffic is moved after the project is completed is used. If the traffic is not moved by rail after the project, no points are awarded under this criterion.

SUB 2.5 CONSOLIDATION

(a) **Purpose:** The purpose of this criterion is to afford a means to reflect both the public benefit of freeing land for alternative economic development and the benefit to railroad operators through lower maintenance costs.

(b) **Description:** For purposes of this criterion, a consolidation project is one that results in (a) the joint use of a rail line of one mile or more in length, or (b) the joint use of a bridge spanning a navigable waterway or State or U.S. highway, or (c) the joint use of a railroad switching yard by two or more railroads where 10 or more developable acres of land formerly used for railroad purposes is vacated for alternative land use, or (d) a separate bridge structure being eliminated or its construction avoided as a consequence of the project.

(c) **Scoring:** Either of the two scoring systems below may be used, but not both.

<u>Consolidation</u>	<u>Vacated Land</u>				<u>Bridge Length Avoided</u>				Maximum 5 Points
	Acres		Points		Feet		Points		
	<	2	0		<	25	0		
	2	-	5	1	25	-	50	1	
	6	-	10	3	50	-	100	3	
	11	-	15	4		>	100	5	
		>	15	5					

SUB 2.6 SYSTEM CONNECTIVITY

(a) **Purpose:** The purpose of this criterion is to afford a means to reflect the value a project may present in serving a distinct system function even though traffic origin or destination functions may be minimal or absent.

(b) **Description:** System connectivity is present when the project specifically provides for the sole connection of two distinct through route line segments of the applicant's system, or the system's sole interchange connection with another railroad.

(c) **Scoring:** System connectivity points are awarded only if the project satisfies the description under SUB 2.6(b) above.

<u>System Connectivity</u>	<u>Level</u>	<u>Points</u>	Maximum 5
	Project Does Not Provide Connectivity	0	
	Project Does Provide Connectivity	5	

SUB 2.7 GEOGRAPHICAL DISTRIBUTION AND RURAL POPULATION DENSITY

(a) **Purpose:** The purpose of this criterion is to afford a means to reflect in the awarding of rail assistance a concept of geographical and rural population equity throughout the state.

(b) **Description:** For the geographical equity purposes of this criterion, the regions of the state correspond to the Division of Transportation Districts' regional structure of the department. A project anywhere in the region is a project in that region if 50.1% of its physical size is in that region. For the rural population equity purposes of this criterion, a project's location is deemed rural if it occurs in a city, town, or village of 4,000 or less population or in a city, town, or village in a county of less than 150 population per square mile. State funding for grade crossings and TEA rail projects are excluded from consideration as prior assistance in the region. Also excluded from consideration are projects closed out more than 36 months prior to the February 1, 2024 project proposal acceptance date. Points scored by a substitute service project are those that would have been scored by the project for which a substitute is made.

(c) **Scoring:** Geographical distribution points are awarded as shown in this chart.

<u>Geographical Distribution</u>	<u>Prior Project in Region</u>	<u>Points</u>	Maximum 5
	Yes	0	
	No	3	

<u>Rural Population</u>	<u>Project Location Qualifies as Rural</u>	<u>Points</u>
	Yes	2
	No	0

SUB 2.8 PRIOR BENEFICIARY OF ASSISTANCE

(a) **Purpose:** The purpose of this criterion is to afford a means to reflect in the awarding of rail assistance a concept of equity among probable railroad beneficiaries of assistance.

(b) **Description:** This criterion is based upon the operator of the system on which the project is located or by which it is served. If the operator (holder of the STB certificate of public convenience and necessity) or the intended operator of the system on which the project is located is the operator of the system on which a prior project is underway or was completed within the 36 months prior to the application date, points under this criteria are not awarded. For purposes of this criterion, if the operator is under common control or common management (an individual is a corporate officer in both companies) with another railroad or parent company of another railroad, a prior project on any of the commonly controlled or commonly managed railroads is treated as a prior project of this operator. Grade crossing and TEA rail projects are excluded from consideration as prior assistance.

(c) **Scoring:** Prior beneficiary of assistance points are awarded as shown in this chart.

<u>Prior Assistance</u>	<u>Points</u>	Maximum 5
Yes	0	
No	5	

(d) **Application of this Criterion to Substitute Service Projects.**

Awarding of points on this criterion shall be based upon the railroad serving after project completion. A substitute service project not served by rail after project completion is awarded no points under this criterion.

SUB 2.9 ENVIRONMENTAL BENEFITS

(a) **Purpose:** The purpose of this criterion is to afford a means to reflect in the awarding of rail assistance aspects of the project that offer environmental benefits that may not be captured under the benefit/cost criterion.

(b) **Description:** Points are awarded under this criterion on the basis of the department's finding the project will substantively:

- (1) Reduce urban highway congestion.
- (2) Reduce petroleum fuel consumption.
- (3) Reduce emission of air and/or water pollutants.
- (4) Improve safety of hazardous material transport.
- (5) Improve road or pedestrian safety.
- (6) Serve near term needs of rail passenger service.

(c) **Scoring:** Environmental benefit points are awarded as follows:

Environmental Benefits Generated 0-5 points

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SUB 2.10 ENHANCING WISCONSIN'S ECONOMY

(a) **Purpose:** The purpose of this criteria is to afford a means to reflect in the awarding of rail assistance funds aspects of the project that offer economic benefits that may not be captured under the benefit/cost criteria.

(b) **Description:** Points are awarded under this criterion on the basis of the department's finding the project:

- (1) Will address an unusual Wisconsin job gain or loss situation.
- (2) Contains an element of urgency/timeliness significant to its ability to deliver long-term benefits.
- (3) Improves competitiveness of businesses served by the operator.
- (4) Improves the attractiveness of Wisconsin for new business.
- (5) Serves a developed industrial park (streets, sewer, water, etc. in place).

(c) **Scoring:** Enhancing Wisconsin's economy points are awarded as follows:

Economic Enhancement Factors Present 0-5 Points

FREIGHT RAILROAD PRESERVATION PROGRAM

PART III - ASSISTANCE STRUCTURE DETERMINATION

SECTION 1.0 RAIL BANK PROJECTS

SUB 1.1 ASSISTANCE FORM

The impetus for an application for assistance on a rail bank project is the applicant's determination to have a line segment banked when WisDOT itself has decided not to rail bank the line. Therefore, the assistance provided under the program for a rail banking project is acquisition of the line segment by WisDOT under a cost sharing and maintenance arrangement with the applicant. WisDOT holds title to the land and improved property and pays 100% of the cost of the land and 80% of the cost of the improved property and 80% of all other costs incurred to acquire the line. The applicant holds a lien on the improved property in an amount equal to 20% of the net liquidation value of the improved property at the time of liquidation.

SUB 1.2 MANAGEMENT

Under the grant agreement, the applicant shall manage the banked segment at no expense to WisDOT for so long as the segment is banked.

SECTION 2.0 PROJECTS FOR THE ACQUISITION OF RAIL LINES FOR CONTINUING OPERATION

SUB 2.1 ASSISTANCE FORM

2.1.1 The assistance provided is the use of the rail corridor acquired at 100% WisDOT expense for freight railroad transportation purposes.

2.1.2 The assistance provided is the use of the improved property acquired at 80% WisDOT expense for freight railroad transportation purposes.

SUB 2.2 APPLICANT MATCH

The applicant must provide the remaining 20% of the acquisition costs of the improved property. The applicant retains a claim on the net proceeds of liquidation of the improved property. This claim shall be in the same proportion of the applicant's contribution of matching funds under this and subsequent rehabilitation project grants, if any, to the contributions made by other parties.

**SECTION 3.0 TRACK AND/OR BRIDGE REHABILITATION PROJECTS ON
~~PUBLICLY OWNED RAIL LINES OR PREVIOUSLY ABANDONED
RAIL LINES~~**

SUB 3.1 ASSISTANCE FORM

3.1.1 **Grant Portion:** The applicant, by written agreement, is granted funds in an amount up to 80% of approved project costs.

3.1.2 **Loan Portion:** The applicant, if a government body, may, at its own discretion, avail itself of additional assistance in the form of a loan from WisDOT in an amount equal to 15% of the total project cost for its use in providing the required 20% match share. Loans will be provided to the extent that WisDOT has funds available. The request for loan funds will be ranked with all other requests for loans to determine priority. The repayment of the loan principal and interest is to be made by applicant from funds provided by the operator of the project line. The terms of the loan shall be consistent with prior matching funds loans made by WisDOT.

SUB 3.2 APPLICANT MATCH

A matching share of no less than 20% of the project cost is required from the applicant except as noted in SUB 3.1.2 above. The applicant retains a claim on the net proceeds of liquidation of the improved property under terms of the grant agreement. To the extent loan funds are used by applicant to provide its 20% match share, the applicant's claim on the net proceeds of liquidation are diminished. Conversely, as loan principal is repaid, the applicant's claim on the net proceeds of liquidation are correspondingly increased. Interest payments on loaned funds do not increase applicant's claim on net proceeds of liquidation.

**SECTION 4.0 TRACK CONSTRUCTION PROJECTS IN SUPPORT OF PUBLICLY-
~~OWNED RAILROAD LINES OR LINES PREVIOUSLY ABANDONED~~**

The form of assistance for track construction projects is the same as set forth under 3.0 of this Part.

SECTION 5.0 SUBSTITUTE SERVICE PROJECTS

The form of assistance for a substitute service project is the same as set forth under 3.0 of this Part, except that terms and conditions of the match loan, if any, may vary from those of prior match loans issued by WisDOT if the resulting facility is not a segment of railroad track publicly owned.

Rail-Related Funding Programs

The \$1.2 trillion Bipartisan Infrastructure Law (BIL), signed into law in November 2021, reauthorized the nation's surface transportation programs for five years as well as making record public infrastructure investments. This funding also recognized the potential of rail and its role in building a more resilient and sustainable infrastructure network. Below is an overview of the funding opportunities related to railroads and any updates stemming from the BIL.

Grade Crossing Safety & Improvement Projects

*Grade Crossing Elimination Program**

The newly established Grade Crossing Elimination Program will provide \$5.5 billion over five years, \$600 million annually, to state and local applicants for grade crossing projects that improve the safety and mobility of people and goods. Eligible projects include grade crossing elimination or separation, track relocation, improvement or installation of protective devices, or other means to improve safety. The program also includes a 3% set-aside for planning projects and a 0.25% set-aside for crossing safety and education programs.

Railways-Highway Crossings (Section 130 Program)

Provides \$245 million per fiscal year for formula grants for grade crossing projects. Additional reforms from the BIL include: increasing the federal share for projects to 100%; increasing incentive payments for crossing closures from \$7,500 to \$100,000; enabling replacement of functionally obsolete warning devices; and permitting states to utilize funding to reduce trespassing fatalities and injuries.

Rail & Multimodal

Consolidated Rail Infrastructure and Safety Improvements (CRISI)

CRISI is for projects that improve the safety, efficiency, and reliability of freight and intercity passenger service. It's the only federal funding that short line railroads are directly eligible for and it's particularly helpful for them in tackling projects like track rehabilitation, repairing or replacing aging bridges, improving grade crossings, or eliminating bottlenecks. The BIL allocated \$1 billion annually for the program, up from \$360 million in FY21. It also expanded eligibility to include projects that foster rail innovation, reduce emissions, or improve pedestrian safety along railroad tracks.

Infrastructure for Rebuilding America (INFRA)

INFRA is designed to fund highway and rail projects of national significance that support jobs and local economies, including Intermodal or freight projects and rail-highway grade crossing separation. The program received \$1.64 billion for FY22-24 under the BIL and the DOT also announced that a new point of evaluation for project proposals will be how they address climate change, environmental justice and racial equity.

*National Culvert Removal, Replacement, & Restoration Grant**

The BIL established a culvert removal, replacement and restoration grant program for projects that improve or restore fish passage for certain fish, with priority given to species that are endangered or at risk of becoming endangered, or projects that address fresh-water runoff that impact certain marine life. The funding, \$800 million annually, is available to states, units of local government, or Indian Tribes.

*National Infrastructure Project Assistance (Megaprojects or MEGA)**

The MEGA program will support large, complex projects that are difficult to fund by other means and likely to generate national or regional economic, mobility, or safety benefits. Freight rail projects are eligible. The BIL appropriated \$5 billion for FY22-26.

Port Infrastructure Development

This \$2 billion DOT program funds investment in the modernization and expansion of U.S. ports to remove supply chain bottlenecks, ensure long-term competitiveness, resilience, and sustainability while reducing impacts to the environment and neighboring communities. The BIL expanded the program’s eligibilities to include projects that reduce or eliminate port-related criteria pollutant or greenhouse gas emissions, including the purchase of electric vehicle charge or hydrogen refueling infrastructure for locomotives that service the port and related grid upgrades.

Rebuilding American Infrastructure with Sustainability and Equity (RAISE)*

Formerly known as TIGER or BUILD, RAISE is one of the few DOT discretionary programs for which regional and local governments can directly compete for multimodal transportation funding. It will receive \$1.5 billion annually and fund projects judged by their impact on safety, sustainability, quality of life, economic competitiveness, state of good repair, innovation, and partnership between the public and private sectors.

Intercity Passenger Rail

Federal-State Partnership for Intercity Passenger Rail

This program, formerly known as the Federal-State Partnership for State of Good Repair, provides funding for capital projects to repair, replace, or rehabilitate qualified railroad assets to reduce the state of good repair backlog and improve intercity passenger rail performance. The BIL broadened eligibility to include projects that expand or establish new intercity passenger rail routes, improve intercity rail service performance and efficiency, or designate NEPA-related activities an eligible use of funds. Appropriates \$7.2 billion per fiscal year and sets aside not more than \$4.8 billion per fiscal year for projects on the Northeast Corridor.

Restoration and Enhancement Grant Program

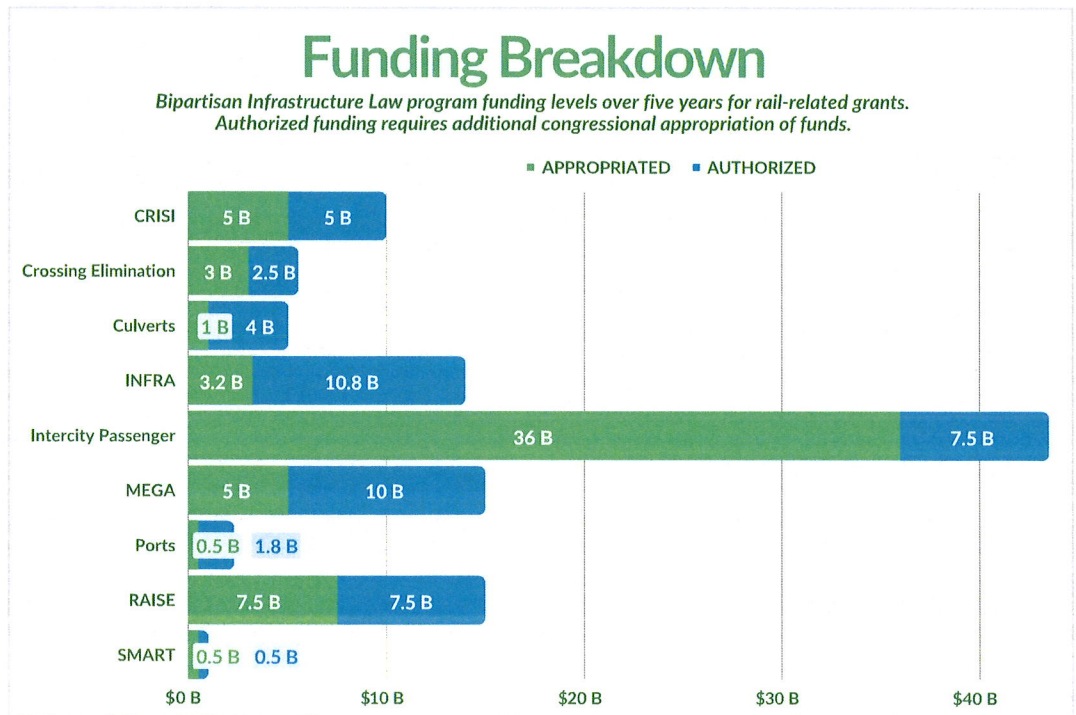
This FRA program provides operating assistance grants for initiating, restoring, or enhancing intercity passenger rail transportation to applicants including states or a group of states, public agencies, political subdivisions of a state, or any rail carrier in partnership with another described applicant. The BIL extended the amount of time the program can provide funds to support a route from three to six years.

Transportation Research & Development

Strengthening Mobility and Revolutionizing Transportation (SMART)*

SMART will provide competitive grants to states, local governments, and tribes for demonstration projects focused on advanced smart city or community technologies to improve transportation efficiency and safety. Grants may be used on projects related to coordinated automation, connected vehicles, intelligent/sensor-based infrastructure, systems integration, commerce delivery and logistics, drones, and smart grid technologies.

* New Program



CARB's In-Use Locomotive Regulation Rule Will Hurt the American Economy

Railroads have partnered with CARB to reduce emissions.

Railroads and the California Air Resources Board (CARB) worked collaboratively for years to reduce emissions from line haul and yard operations across the state. Initiatives such as zero-emission cranes, yard service vehicles and other technology are at work in yards across California and the nation as anti-idling systems, fuel management systems and the use of renewable fuels are simultaneously reducing locomotive emissions.

There is no clear technological path to a zero-emission future yet.

The industry is taking decisive action against climate change, including testing emerging technologies such as battery-electric and fuel-cell locomotives that may reduce GHG emissions and criteria pollutants. However, despite substantial investments and an industry-wide push to unlock a zero-emissions solution, a clear technological path has not emerged and will require additional research and development.

CARB's new rule is entirely unworkable for freight railroads.

Despite sharing common goals, CARB disregarded its historical collaboration with the rail industry by finalizing the In-Use Locomotive Regulation. This rule, the first CARB regulation targeting the rail industry in the half-century of CARB's existence, is based on unreasonable assumptions. Industry members emphasized ongoing efforts to develop zero-emissions technologies throughout the rulemaking process, highlighting that such locomotives are not yet commercially viable. Despite the concerns raised, CARB proceeded with a rule which will impose significant financial and operational burdens on railroads both in California and nationally. The rule becomes effective on January 1, 2024. Here are just a handful of the problems with the rule:

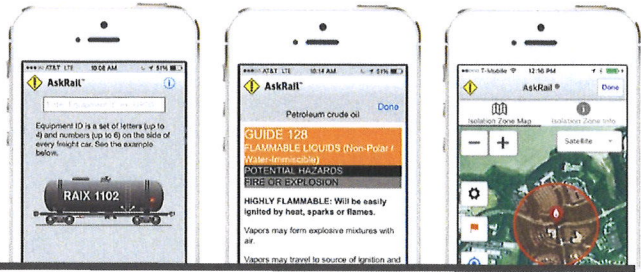
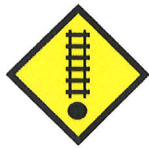
- 1. Mandates investments in locomotives that are not yet commercially viable.** The rule requires railroads to open and deposit funds into a "spending account" based on the Tier level and energy consumption for each locomotive operated in California in a calendar year. Railroads would generally be forced to purchase zero-emission technology and infrastructure that is not even currently available.
- 2. Limits the useful life of over 25,000 locomotives.** The rule bans the operation of any locomotive that is 23 years or older from operating in California. Starting in 2030 for all switch, industrial, and passenger locomotives - and 2035 for line haul locomotives - older locomotives can only operate in the state if they are zero-emissions locomotives.

- 3. Violates the Clean Air Act (CAA) prohibition on states regulating emissions from new locomotives.** Section 209(e) of the CAA, a preemptive provision, generally bars states from regulating emissions from new locomotives or engines, including remanufactured locomotives, (which the EPA cannot waive) and on all other locomotives (non-new) unless CARB secures a waiver from EPA. CARB's rule unequivocally violates the CAA by attempting to change the locomotive fleet nationwide to new, zero-emission models.
- 4. Violates the ICC Termination Act (ICCTA) of 1995.** When Congress passed ICCTA, it recognized that the federal government should retain exclusive control over the regulation of railroad operations due to its inherent interstate nature. ICCTA therefore prohibits states and localities from regulating rail operations, including locomotives. By specifically targeting the railroad industry, CARB's rule runs afoul of ICCTA's preemption sections.

The rule has serious consequences for America's economy.

If this rule goes into full effect, it would create a negative chain reaction across our economy. Specifically, there are four areas of particular concern:

- 1. The rule could be duplicated in many more states than just California.** Section 209 of the CAA gives other states the ability to adopt CARB's emissions standards were EPA to approve CARB's waiver request. CARB has already submitted its request for approval, and more states could follow with identical regulations if EPA grants approval.
- 2. Railroads would pay huge compliance costs.** The CARB rule's spending account provision significantly impacts all railroads operating in California. Estimates suggest that the Class I railroads there may be required to deposit as much as \$800 million per year per railroad. And were EPA to approve CARB's waiver request, other states could similarly promulgate regulations requiring railroads operating in their state to set up additional spending accounts.
- 3. Some short lines would go out of business.** CARB has already acknowledged that the massive compliance costs could be too much of a burden for some short lines to bear, meaning that CARB anticipates those short lines would cease operating rather than comply.
- 4. The supply chain could become less resilient.** CARB's rule would force the railroads to utilize largely unproven technology to power the locomotives. Any issues with this technology could disrupt network efficiency and ultimately lead to supply chain disruptions. Americans have suffered through a broken supply chain for multiple years and the economy is only just starting to get back on track. Railroads were critical to helping fix the supply chain snarls from the last few years, and this rule could create new logistical challenges for the timely movement of freight.



Freight railroads train tens of thousands of first responders each year.

For decades, freight railroads and first responders have shared a fundamental commitment to the safety of the communities they serve nationwide. Each year, railroads work with government and industry partners to train first responders on responding to a hazmat by rail incident safely and quickly.

In 2023 alone, freight railroads will train roughly 20,000 first responders in local communities nationwide. In addition, the industry will train 2,000 first responders at the Security and Emergency Response Training Center ([SERTC](#)) in Pueblo, Colorado, the industry's hazmat response training facility which was recently updated with new and enhanced scenario planning and training.

For nearly 10 years, railroads have provided AskRail to qualified first responders.

The [AskRail](#) app — launched in 2014 — is a collaboration among America's Class I railroads, Amtrak, the International Association of Fire Chiefs, Railinc and the Association of American Railroads (AAR). As a backup to the train's consist and conductor, the app provides first responders immediate access to accurate, timely data about what type of hazardous materials a railcar is carrying so they can make an informed decision about how to respond to a rail emergency.

Accessible through a secure verification process, AskRail is only available to qualified emergency responders. U.S. freight railroads actively promote the app to qualified emergency responders who have completed rail emergency training sponsored by one of the Class I freight railroads or at SERTC. In addition, railroads offer the app to known emergency responders along their routes.

Railroads continue to expand access to AskRail.

AAR, in partnership with emergency management agencies in Sumner County, Tennessee, have piloted the addition of AskRail data to their emergency management dispatching system to ensure all first responders have accurate, timely information in the event of a rail emergency. By training and working with dispatch centers, every first responder who arrives at the scene of a rail emergency can be assured they will have the right information to respond to the incident effectively. AAR's Hazmat Committee and its AskRail Task Force, consisting of representatives from railroads, emergency management agencies and first responders, also developed a new training module specifically for Emergency Communications Centers (ECCs) on effectively using the AskRail app to support first responders and emergency planners.

The Sumner County test pilot is just the freight rail industry's first step to expand access to AskRail. Railroads are working on running a similar pilot in Canada before the program is rolled out to emergency communication centers across North America.

App Features

- Use a simple railcar ID search to see whether a railcar on a train is carrying hazmat and to view contents of entire train.
- View a map of nearby railroad mileposts, grade crossing locations, schools, hospitals and more and follow instructions for where to establish isolation zones.
- Access the DOT Emergency Response Guide and find emergency contact information for all Class I railroads, and Amtrak and available shortlines.

How to Request the App

For security reasons, only qualified emergency responders who have completed rail emergency training sponsored by one of the Class I freight railroads or at SERTC can download and use the restricted features in the AskRail app. In addition, railroads can offer the app to known emergency responders along their routes.

1. Download the app from the [Google Play Store](#), the [Apple App Store](#) or the [Windows Desktop](#) app.
2. Complete the registration process in the app on your device.
3. You will receive an email notification once your registration has been approved. The approval process may take up to several weeks.
4. Once approved to use the app, the app will become fully functional and ready for use.

Terms of Use

- Users should only use the AskRail app for training and when responding to a rail incident.
- When using the AskRail app at the scene of a rail incident, users should try to secure the most up-to-date shipping papers (consist) directly from the train crew or the railroad.
- Users should periodically launch the AskRail app to check for version updates and download the new version if available.
- Users should contact the sponsoring Class I railroad immediately under the following circumstances:
 - If they transfer to a new emergency response agency or leave their current position.
 - If their mobile device is lost or stolen.
 - If they suspect that someone is misusing the AskRail app.

QUICK FACTS

- 35,000 responders have access so far.
- Saves valuable time and speeds up emergency response.
- Backup resource if information from the train conductor or train consist is not available.
- Full access only available to emergency responders who have completed rail emergency training sponsored by a Class I railroad or SERTC.
- Used by all North American Class I railroads and Amtrak.
- Available in English and French in the U.S., Canada and Mexico.

RAILROAD CONTACTS

BNSF

HazmatCommunityTraining@BNSF.com

CN

askrail@cn.ca

CP

HMReports@cpr.ca

CSX

HazMatAdmin@csx.com

KCS

AskRail@kcsouthern.com

NS

HMAskRail@nscorp.com

UP

hmm@up.com

Please do not send any other communication to these email addresses other than requests to use the AskRail app. Amtrak is not included on the contact list because they do not approve access to the app.

Balanced Rail Regulation

America’s thriving freight rail network is proof that smart and balanced government regulation can work—both for the regulated industry and the public. The performance of U.S. freight railroads in the years prior to 1980 and following passage that year of the landmark Staggers Rail Act presents a stark “before and after” portrait showing just how important smart public policy is to our economy.

Background

By 1980, decades of federal overregulation had devastated the rail industry, driving many railroads out of business or into bankruptcy. Railroads and the companies and communities they served all suffered under a convoluted system of economic regulation that made it impossible for railroads to earn enough revenue to reinvest back into the rail network. Rail rates were rising faster than inflation, and the rail market share for freight shrank as more and more shippers turned to trucks.

The Staggers Act of 1980 changed all that by ushering in a predominately market-based system that let railroads operate like other businesses, managing their own assets and working with customers to set rates. This balanced regulatory framework protects shippers against unreasonable railroad conduct while allowing railroads to earn enough revenue to make needed improvements in track, technology and equipment.

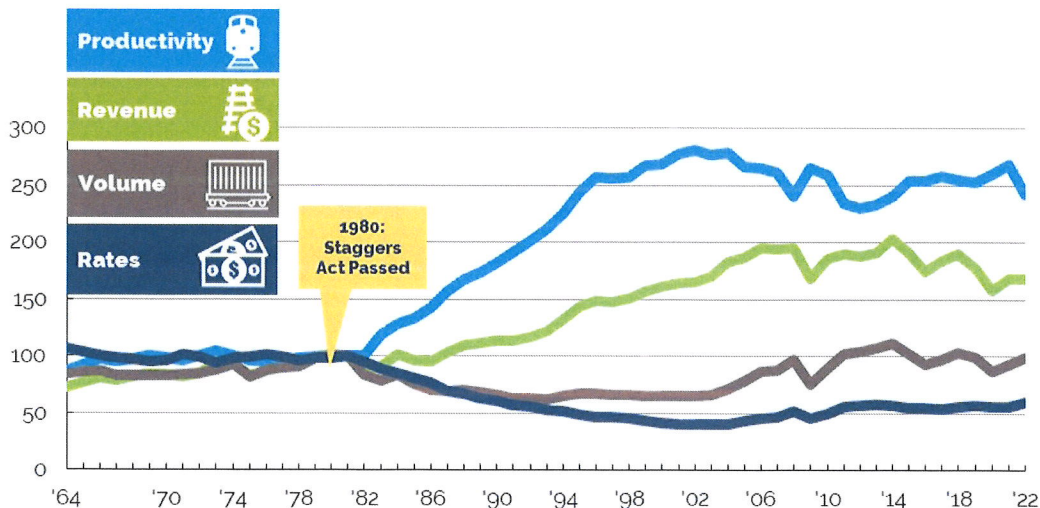
Why It Matters

Today’s smart and balanced economic regulation has enabled railroads to churn \$780 billion back into the rail system since 1980 and given America the safest, most cost-effective, and efficient freight rail network on earth. Rail rates for shippers are down 40% since Staggers, meaning the average rail shipper can move much more freight for the same price it paid more than 40 years ago.

Class I railroads typically reinvest into their infrastructure at six times the rate of the average U.S. manufacturer. With freight movements projected to increase 30% by 2040 according to the U.S. Department of Transportation, it is crucial that railroads are free to spend at high levels that keep pace with demand. These massive investments ripple throughout the economy, supporting millions of jobs as well as enhancing the infrastructure that connects U.S. industry to the global market.

In Brief

Balanced economic regulation has made U.S. freight railroads the best in the world by unleashing massive private spending on the rail network.



Source: Association of American Railroads

The Public Benefits of Freight Railroads

The U.S. is connected by the world's most efficient, cost-effective, and reliable freight rail system. Traversing some 140,000 track-miles, America's freight railroads safely deliver economic growth, support job creation, and offer unparalleled environmental advantages while reducing highway gridlock.

Delivering stronger economies.

Here's the headline: U.S. freight railroads move roughly 40% of long-distance freight in the U.S., supporting over 1.1 million jobs in the process and delivering billions in local economic impact. Their high infrastructure spending enables railroads to support jobs in communities all across the country in virtually every sector of the economy.

Investing in tomorrow's network today.

U.S. freight railroads are privately owned companies that spend enormous amounts of their own money to build, maintain and grow their infrastructure and operations—more than \$23 billion annually on average over the last several years. To put this figure in context, railroads spend six times more than the average U.S. manufacturer on capital expenditures as a percentage of revenue.

Rail's commitment to infrastructure investment is critical to communities across the country. One-third of U.S. exports move by rail. Everything from the food on our tables and cars we drive to the chemicals that treat our water and the fuel that powers our homes moves by rail. It's critical for both businesses and consumers that these goods travel on efficient, world-class rails.

Not only is the U.S. Department of Transportation predicting total freight demand to grow 30% by 2040, but e-commerce and just-in-time delivery are fundamentally changing the supply chain. Railroads continue to innovate and invest in their operations to serve customers and compete with other modes.

Conserving fuel, mitigating emissions.

What weighs 4,000 tons, carries the load of several hundred trucks, and is still the most sustainable way to move freight over land? A freight train. Given rail's scale of movement, it makes sense that trains are 3-4 times more fuel efficient than highway transportation, reducing greenhouse gas emissions by an average of 75% over trucks. Plus, more freight moved by rail means less congestion on our roads.

Railroads are not relying on their scale alone when it comes to sustainability, however. Investments into fuel-efficient locomotives, new idling reduction technologies, advanced routing software and other innovations are making freight rail greener every day. Case in point: while freight railroads today move nearly twice as much as they did in 1980, fuel consumption is down.

A culture of safety and innovation.

Railroading hinges on safety. As such, U.S. railroads have achieved significant safety improvements across every recorded category over the last 20 years. The rail employee injury rate in 2022 was at an all-time low, and the train accident and hazmat accident rates are down 44% and 78%, respectively, since 2000.

These achievements correlate directly with railroads' private spending. From massive network investments and strict operating procedures to first responder training and innovative safety technologies, America's railroads strive every day to make a safe mode of transportation even safer. Emerging technologies, like automated track inspection systems, drones, and positive train control, further aim to enhance operations and move railroads toward their goal of zero accidents.

Freight Rail 101

Stronger economies, more jobs, cleaner skies.

- 01. Network**
 More than 630 Class I and short line railroads operate across 140,000 track-miles in the U.S. The six Class I railroads are the largest carriers, traversing 49 states and the District of Columbia.
- 02. Spending**
 Freight railroads have spent more than \$780 billion on locomotives, freight cars, tracks, bridges, tunnels and other equipment and technology since 1980. This equates to 39 cents of every dollar earned.
- 03. Workforce**
 Approximately 85% of the 115,000 Class I railroad employees are unionized, earning an average annual compensation of over \$135,700 in 2020. This ranks within the top 10% of all U.S. industries.
- 04. Sustainability**
 One train can move a ton of freight 500 miles on a single gallon of fuel, on average. Rail moves about 40% of U.S. long-distance freight but accounts for just 1.7% of transportation-related emissions, according to the U.S. Environmental Protection Agency.
- 05. Economic Impact**
 Class I railroads supported over 1.1 million jobs and \$219 billion in economic output in 2017, according to Towson University's Regional Economic Studies Institute.
- 06. Cost Efficiency**
 The average rail shipper can move much more freight today for about the same price they paid over 40 years ago. Average U.S. freight rail rates, measured by inflation-adjusted revenue per ton-mile, are 40% lower today than in 1980.
- 07. Partner to Passenger**
 Outside of the Northeast Corridor, Class I-owned tracks host most intercity passenger rail operations and some commuter rail operations. About 70% of Amtrak's miles-traveled occur on tracks owned by freight railroads.
- 08. Supply Chain Workhorse**
 Together with trucks and barges, freight rail ships 61 tons of goods per American every year. Railroads have long operated 24/7, and a study from the Northwestern University Transportation Center found they were nimble in handling supply-chain disruptions.