

Northwoods Rail Transit Commission

Members: Ashland, Florence, Forest, Iron, Langlade, Lincoln, Marathon, Marinette, Oconto, Oneida, Price, Rusk and Vilas Counties of WI and Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee and Ontonagon Counties of MI

Meeting Summary

Great Lakes Timber Professionals Association – Rhinelander, WI July 20, 2018 – 10:00am Central Time (11am Eastern)

1. Call to Order

The meeting was called to order at 10:01 a.m.

2. Introductions of Attendees and Public Comments

Participating Commissioners:

Al Koskela, Houghton County; Dale Kupczyk, Ashland County; Kelly Klein, Iron County WI; Joe Pinardi, Iron County WI; Albert Koskela, Houghton County; Jay Verhulst, Vilas County; Bill Liebert, Oneida County; Andy Albarado, Rusk County; Mike Cassidy, Marinette County; Al Christensen, Marathon County; Stacy Johnson, Oneida County; Wendy Gehlhoff, Florence County; Fran Modschiedler, Florence County; Gary Kabasa, Ashland County; Bill Menge, Baraga County

Other participants:

Ty Penca, Citizen; John Duncan Varda, Wisconsin Central Group (WCG); Pasi Lautala, Michigan Technological University (MTU); Rick Bliese, Lincoln Wood Products, Inc.; Jim Rosenbeg, WEDC; Jeff Radcliff, Houghton County Meghan Ladwig, Senator Baldwin's office; Rich Kedzior – WISDOT; Brian Buchanan, CN; Kari Divine, Renewable Resource Solutions; Tim Klimek, Escanaba & Lake Superior Railroad; Darryl L. Landeau, North Central Wisconsin Regional Planning Commission

3. Approval of Meeting Notes from April 18, 2018

Two amendments to the participating commissioners were made to the draft minutes. On a motion by Al Christensen, seconded by A. Koskela, the meeting notes of the April 20, 2018 meeting were approved as amended with all in favor.

It was noted that the minutes would be sent out within five business days of the meeting as unapproved so that they are available to the Commissioners and others without waiting for prior approval from the Chair.

4. Update on County appointments to the Commission

A handout of Commissioners was shared and is included as an attachment to the meeting minutes. It was noted that the current Commissioners are posted on the website.

M. Cassidy reported that Marinette County has changed their decision to withdraw from the Commission in 2019.

Price County has not appointed Commissioners.

5. Update on Invoices to counties for 2018 dues

Two Wisconsin counties and two Michigan counties have not paid their membership dues. Invoices were sent in February and reminders were sent in June. A. Albarado noted that Ashland County had not paid, that Price County has indicated they will not be paying, but that the Price County EDC may pay, and that

the two Michigan counties were not in attendance and that he would follow up with them regarding payment.

6. Update –Final Report of Northwoods Freight Rail Study - WI DOT. The executive summary of the study has been shared by WI DOT and is available at this link. The link will be shared on the NRTC website as well. <http://wisconsin.gov/Documents/projects/multimodal/rail/northwoods2018.pdf>
7. Status of Collective Industry efforts WCG/LSSA (Duncan/Varda)
 - a) Update Lake States Shippers Assoc., Wisconsin Central Group Update
 - b) LSSA Data Co-op Committee, Michigan Tech Project update, planning for Phase 2.
 - c) Maintaining collaborative relationships with GLFR rail carriers.
 - d) Prospects for alternative rail operators?
 - e) WisDOT Rail Plan - Designating Hwy 8 Rail Corridor as "critical" for preservation?
 - f) Legislative initiatives for freight rail preservation, MI and WI?
 - g) Outreach to Minnesota GLFR shippers?

J. Varda provided an update. WCG is working with MTU to solicit data to identify shippers/receivers to provide information to WI DOT to identify specific freight that is susceptible to rail. Their priority is preservation of the Highway 8 corridor as a through route. Coordination between the NRTC and the northern MN rail group is important.

J. Verhulst asked about trails to rails and noted that there aren't any active rail lines in Vilas County. J. Varda suggested that access to rail via truck, etc. is important even if rail lines are not in a specific county. R. Kedzior clarified that any trail preserved under the rails to trails is still a railroad by law and can be petitioned to return to active service.

W. Gehlhoff asked about how the WI DOT budgeting process would affect the timing of preserving the Highway 8 corridor. J. Varda suggested that NRTC work with the freight advisory committee to ensure that it be identified as a critical corridor in the next version of the WI rail plan. The rail preservation funds can be used to develop business opportunities along a rail line and to improve the rail line itself. B. Buchanan noted that Class I rail roads have been reluctant to accept public funding because of the threat of loss of control.

S. Johnson asked why CN doesn't allow release of the track to other railroads that would be interested in operating the lines since it doesn't appear interested in them based on its financial reports. B. Buchanan noted that CN was in negotiations with another railroad a couple of years ago, but that they couldn't come to an agreement due to internal hurdles that couldn't be overcome. He also noted that if there are specific examples in which rail service is an issue, then he would like to be informed of them.

J. Varda noted that CN has congestion issues everywhere south of Stevens Point at this time. He said that the rail road needs to identify a strategic plan to get available freight on the rail road and that CN has the authority to price freight off of the highway by lowering prices, but that they don't do that which is why WCG and LSSA is looking at freight lines. B. Buchanan noted that while there is excess rail capacity in the Northwoods, there is congestion on the rest of the CN network and that prices are set in part on rail capacity in the entire network.

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A suggestion was made to put people on the lines to both use and promote rail and to encourage tourism across the region.

8. Status of Michigan Tech work – (Lautala)

A two-part study is being conducted. One part is to get detailed data from forest product companies to build a model to replicate log and pulp movement across the region. The second part is more general and looking at other freight moving in/out of the area. This data is being gathered from three databases: the NRTC study, transit databased and forest products company's non-log movements.

9. Discussion – communications with Federal/State representatives related to Northwoods Rail

a) Sen. Baldwin communications with CN.

STB sent letters to Class I railroads to address projections for rail issues because of capacity issues across the country. Senator Baldwin sent a letter to CN. M. Ladweg reported that they are currently reviewing CN's response to the letter and noted that CN highlighted continued communicated with stakeholders such as through contact with the NRTC. She will share the response letter with the Chair. A. Albarado shared these letters via email during the meeting and they are included in the minutes as attachments. M. Ladweg indicated that the STB is about to be fully appointed and will be able to move forward more effectively.

10. Discussion on WisDOT Intermodal Subcommittee (Buchanan-CN/Jones-WEDC)

The intermodal subcommittee was established to determine where the best location for an intermodal ramp would be. The committee is finalizing a survey to disseminate to users to get more information on freight flow. Three communications regarding the survey will be upcoming. The survey will be for shippers and receivers. P. Lautala suggested setting a minimum threshold for survey takers so that the focus is on those companies who will make the most impact.

11. Discussion/Consideration on request for support of Freight Rail Infrastructure/Preservation Grant funds in WI.

CN submitted comments that this program funding focus be changed from publically owned lines to light lines. A. Albarado, John and Ken will develop some talking points and will have a position to be approved at the next NRTC meeting. WI DOT has provided public funds to ELS Railroad, which is privately owned. As a part of this, the state has liens on those properties improved by public funding. The recipient can return the funds to the state to remove the lien.

12. Consideration/Approval on pursuing grant funding

a) EDA Technical Assistance Grant

1) Grant Applicant, Preparation, Administration

Senator Baldwin's office connected NRTC to the State EDA contact. A scope of work was developed. The EDA grant would be used to fund a consultant to develop a plan of how to utilize rail in the region. The grant would be for \$50,000 with \$25,000 in matching required. North Central Regional Planning Commission (NCRPC) is interested in doing the grant application and administering the grant. Their administrative costs would be written in the grant.

b) WEDC Capacity Grant

This grant would provide the \$25,000 matching funds needed for the EDA grant. NCRPC would write and administer the grant.

c) Scope of work

A. Albarado read the draft scope of work that was developed. On a motion by W. Gehlhoff, seconded by J. Verhulst, it was approved to pursue grant funding from EDA and WEDC through NCRPC, with all in favor.

13. Discussion on Administration of NRTC

a) Notice of termination from Renewable Resource Solutions

Renewable Resource Solutions submitted a letter to terminate the contract for administrative services as of the end of July. Renewable Resource Solutions will refund the Commission \$2,708.33 (5/12) of the annual contracted fee. A. Albarado discussed administration with North Central Wisconsin Regional Planning Commission which had previously administered the NRTC. The Executive Committee will make a recommendation regarding administration prior to the next meeting.

14. Next Meeting Date

The next meeting is scheduled for September 24th.

Other comments:

T. Klimek noted that ELS is a private railroad, has been successful in 2016 and 2017 and struggles to find capacity in their car shop to make cars. Leasing cars keeps them in business. If there was funding for making new cars, they might be interested.

15. Adjourn

Motion to adjourn at 11:35R. Koskela a.m. by R. Luce, seconded by M. Cassidy, and unanimously passed.

NRTC Meetings are open to the public.
For more information, contact: Kari Divine at 906-875-3720
or kari@renewableresourcesolutions.com