

1 SURFACE TRANSPORTATION BOARD
2 DEPARTMENT OF TRANSPORTATION
3 UNITED STATES OF AMERICA

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6 In the matter of:

7 WISCONSIN CENTRAL, LTD. -
8 ABANDONMENT - in OZAUKEE, STB DOCKET NO.
SHEBOYGAN, and MANITOWOC AB-303 (Sub-No.27)
COUNTIES, WI

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14 PUBLIC HEARING

15 August 13, 2004

16 9:00 a.m.

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19 JOSEPH DETTMAR,
20 Deputy Director,
Office of Proceedings,
21 presiding

22 At the Random Lake High School
Random Lake, Wisconsin

23

24

25 Kate F. Worth,
Registered Professional Reporter

1 A P P E A R A N C E S

2 JOSEPH DETTMAR, Deputy Director, Office of
3 Proceedings, Surface Transportation Board, Washington, D.C.;
4 presiding.

5 MATTHEW BORNSTEIN, Staff Attorney, Office of
6 Proceedings, Surface Transportation Board, Washington, D.C.;
7 assisting.

8 KATE F. WORTH, Registered Professional Court
9 Reporter, 820 Keshena Court, Fond du Lac, WI 54935; Court
10 Reporter preparing the transcript.

11 P R O C E E D I N G S

12 (9:00 a.m.)

13 MR. DETTMAR: We'll come to order. Thank you
14 and good morning. My name is Joseph Dettmar. I am an
15 attorney with the Surface Transportation Board, an
16 agency of the U. S. Department of Transportation.

17 With me this morning, to my right, is Matthew
18 Bornstein, also an attorney with the Board. And on
19 behalf of Board Chairman Roger Nober, we would like to
20 welcome you to this meeting.

21 The Surface Transportation Board was created
22 in 1995, and it's the successor to the Interstate Commerce
23 Commission. The Board is an agency charged by Congress
24 with the commission of the economic regulation of the
25 railroad industry, and this includes the regulation of

1 abandonment of railroad lines by rail carriers.

2 The subject of today's meeting is an
3 application before the Surface Transportation Board by
4 the Wisconsin Central, Limited, to abandon
5 approximately 37 miles of rail line known as the
6 Plymouth Line.

7 The line runs from Milepost 114.8, near
8 Saukville, to Milepost 151.8 near Kiel, in Ozaukee,
9 Sheboygan, and Manitowoc Counties.

10 The Board has invited public comment on the
11 proposed abandonment. We would like to thank you for
12 taking the time to attend this meeting, and we would
13 like to thank the speakers for offering their comments.

14 Before I introduce Mr. Bornstein to discuss a
15 few guidelines to the meeting, I would like to ask Mark
16 Leider of the Chamber of Commerce to make a brief
17 announcement. Mark?

18 MARK LEIDER: In the interest of your time and
19 convenience, the Chamber has made lunch available. I'm
20 going to be passing out a sign-up sheet for those who
21 would like to have lunch from one of our favorite
22 restaurants. That will be brought up here, and there
23 are three choices, you'll see on here. It includes tax
24 and tip, and it includes a fish fry of walleye, a
25 grilled chicken breast, or a cheeseburger.

1 And we have no idea how long this will last,
2 but lunch will be served after either 12 noon or after
3 the conduct, so I'm going to pass out two sign-up
4 sheets. You are not obligated to eat, obviously, but
5 if you want to, just, please, put a check mark at your
6 choice.

7 MR. DETTMAR: Thank you, Mark. Matt?

8 MR. BORNSTEIN: Good morning. My name is
9 Matthew Bornstein. Just for everyone's benefit, I want
10 to explain how this meeting is going to work.

11 Everyone's going to receive five minutes to
12 speak, and when you have one minute left, I'll hold up
13 a sign saying, "One minute," and when it's time to
14 stop, I'll hold up the "Stop" sign. (Laughter.) And I
15 please ask everyone to -- to obey the signs. It's
16 just -- It's for everyone's benefit, and it will allow
17 us to hear everyone speak, then. So, there it is.

18 And also, yes, if you have any written
19 comments that you wish to give, make sure that I get
20 ahold of them. Just give them to me, or then, you
21 could send them to the Board. Thank you very much.

22 MR. DETTMAR: Thank you. Matt, would you like
23 to call our first speaker?

24 MR. BORNSTEIN: Sure. Yes. Richard Mueller.

25 RICHARD MUELLER: I represent the northernmost

1 part of Ozaukee County, the Town of Fredonia, where the
2 railroad runs through.

3 At our meeting last night, we adopted a
4 resolution regarding your railroad abandonment. I
5 would like to hand that in today. Also, we would like
6 to state that the biggest part of our budgets is
7 transportation, and we feel that by saving the rail and
8 eliminating some of this truck traffic on the highways,
9 it would be a big, great benefit to our local farmers
10 and also to our community. Thank you.

11 MR. DETTMAR: Thank you very much.

12 MR. BORNSTEIN: Bill Gardner.

13 BILL GARDNER: If I could, I would like to
14 pick up the tail end, because I have a closing
15 statement versus an intro statement, if I could,
16 please.

17 MR. BORNSTEIN: Of course.

18 BILL GARDNER: Thank you.

19 MR. BORNSTEIN: Frank Huntington.

20 FRANK HUNTINGTON: Good morning. My name is
21 Frank Huntington. I'm the Chief of Railroad Projects
22 and Property Management Section at the Wisconsin
23 Department of Transportation.

24 I would like to, first of all, thank you for
25 holding this meeting today. It's important, I think,

1 to hear the local concerns and how they involve this
2 line. There is quite a bit of interest in this line
3 and the proposed abandonment. We did hold a meeting in
4 June, in Plymouth. I think we had about 140 people
5 attend, including several of our legislators. There
6 was also a lot of legislative concern.

7 CN was present at that meeting and they were
8 able to answer a lot of the questions. In addition, we
9 have received a petition with around 700 signatures on
10 it expressing concern about the abandonment and wanting
11 to maintain service.

12 From a practical standpoint, the DOT
13 recognizes that a 37-mile rail line with only 206
14 thousand -- 206 cars on it is not very economical to
15 operate. However, at the same time, we want to note
16 that 206 cars is not an insignificant number of cars,
17 and we're hopeful that something can be done to try and
18 accommodate that.

19 In others areas of the State, we've had some
20 pretty good success with short line operations, and
21 they have been able to cater better to the many types
22 of the shippers that are on the small lines and provide
23 better service that impacts them.

24 And also, CN, in some cases, has worked quite
25 closely with some of these operators to come up an

1 alternative and options that have worked and been able
2 to preserve service, while at the same time alleviating
3 many of the costs that they were incurring.

4 So, I guess, in this case, it's a little
5 difficult to see where this line segment, the 37-mile
6 segment, by itself, can actually operate independently.
7 It would be better if it was operated as part of a
8 larger system of some sort, and I think there's maybe
9 an option out there, and I guess we would request and
10 encourage CN to, kind of, look at that and see if there
11 is something that can be done in order to both
12 accommodate their needs, and also, at the same time,
13 accommodate the needs of the locals in terms of keeping
14 things operating on this particular line.

15 So, I guess, we would also ask that CN, I
16 guess, proceed kind of slow on this. Give us time to
17 take a look at it and see what the options are; and
18 also, try and work things out with the -- the local
19 groups.

20 On the State level in Wisconsin, we do have a
21 rail service preservation program, so we do have some
22 assistance available to help to provide a retaining
23 service.

24 We have a grant program for acquisition and
25 rehabilitation, that can provide some assistance that

1 way. However, we do prefer, when possible, to keep
2 these lines in the private sector. We also have a loan
3 program that's available to private sector railroads,
4 to rehabilitate and fix up some of these lines to
5 maintain service; and actually, the WC Railroad has
6 been one of the largest recipients of loans under that
7 program in the past; and now that CN has taken over,
8 they haven't participated as much, but they have used
9 it a lot in the past.

10 Regarding track conditions, our engineers did
11 take a look at the track recently, and basically, we
12 pretty much concur with CN's analysis. The track is in
13 poor shape; it needs a lot of tie replacement and
14 surfacing work.

15 Even if it's brought up to Class 1 standards,
16 our feeling is that that's probably not adequate to
17 maintain service over the longer period. So, in some
18 respects, CN's analysis may have been conservative, if
19 you are really talking about operating the line. There
20 also needs to be some bridge work done; if it's needed,
21 if it's going to be operated for a longer period of
22 time.

23 As a result of the strong local interest, the
24 DOT has started doing some economic analysis and
25 economic impact studies regarding what the loss of rail

1 service would mean in this case. We are doing it in
2 two stages, basically, because of the limited
3 timeframe. The first stage is just basically looking
4 at the business that's there, and the communities that
5 are there on this particular line.

6 Further down the road, we want to do some
7 additional study and really look at how the loss of
8 this line might affect the area, a broader area of the
9 State, and how it might affect potential development;
10 how potential development of additional traffic might
11 affect being able to keep the rail line.

12 So, we are looking at it in both ways. We
13 have the preliminary one -- you know, because of the
14 short timeframe from the time the abandonment was
15 announced to this meeting, has been done, and
16 basically, there, we talked with the shippers that are
17 on the line, and the businesses that are using the line
18 have enjoyed some significant cost savings because of
19 the presence of the rail over the next alternative,
20 which would be trucking it to a nearby railhead of some
21 sort.

22 Based on the tonnage that was shipped from
23 2002 to 2004, it's estimated that about -- we're at
24 about \$210,000 per year of cost savings for these six
25 shippers.

1 If you discount that over a ten-year period,
2 we're talking about \$1.7 million in economic
3 benefit that they receive. Some of the shippers also
4 indicated that, right off the bat, that if they had
5 better service and were able to use larger cars,
6 basically, if the line was fixed up, they would be able
7 to ship more.

8 We -- Also, we looked -- took a look at what
9 the significance is of the businesses that are
10 receiving service. This isn't necessarily indicating
11 that these businesses would go away, but the businesses
12 that use -- do use the railroad service are significant
13 businesses in the area. The six businesses,
14 themselves, employ about 145 people on a year-round
15 basis, and have a payroll of \$5.7 million.

16 The businesses that do supply materials and
17 other items to these businesses so they have their
18 business relationship there, employ another 109 people,
19 with a \$3.5 million payroll; and then the
20 spin-off effects of, you know, the people from these
21 two first categories spending their wages and stuff is
22 roughly another 62 jobs on that basis. So, overall, we
23 are looking at probably, in terms of jobs and wages in
24 the area, sort of a relationship, we've got 254
25 year-round jobs, and about \$9.7 million in

1 wages.

2 Now, we are not trying to imply that all of
3 this would be lost if rail service was abandoned, but
4 I'm just trying to make the point, but--

5 MR. BORNSTEIN: (Indicating.) You can finish
6 your statement.

7 FRANK HUNTINGTON: Okay. I'm just trying to
8 make a point that there is definitely an impact here,
9 and you know, more study needs to be done before we can
10 do it.

11 So, I guess, at this point, the final thing we
12 would like to say is, we would like to go slow. If we
13 can delay things a little bit, give us time to complete
14 the economic impact statement and the impact analysis,
15 and then we'll have a little more information to go on.
16 Thank you.

17 MR. DETTMAR: Thank you very much.

18 MR. BORNSTEIN: Ken Lucht.

19 KEN LUCHT: Hi, my name is Ken Lucht with the
20 Wisconsin Southern Railroad Company --

21 COURT REPORTER: Excuse me. Can you spell
22 your last name?

23 KEN LUCHT: L-U-C-H-T.

24 COURT REPORTER: Thank you.

25 KEN LUCHT: Thanks for giving me the

1 opportunity to address you before you today. I would
2 like to talk about a couple of different things, here.

3 Light-density rail lines, here in Wisconsin,
4 as well as a couple aspects of that -- of the type of
5 abandonment application.

6 Wisconsin Southern Railroad has a 25-year
7 track record of operating light-density rail lines here
8 in Wisconsin. It goes back to 1980, where a number of
9 Class I Railroads filed for abandonment because they
10 were either going into bankruptcy or they were merging
11 with another railroad company.

12 Wisconsin Southern Railroad has proven that
13 operating light-density rail lines can and do indeed
14 provide economic benefit to both the State and the
15 railroad operator. Back in 1980, approximately 7,500
16 carloads were transported on the public rail system
17 here in Wisconsin, the light-density rail system.

18 Today, there's over 50,000 carloads
19 transported on the system. It was the result of
20 motivation, dedication, and commitment to the railroad
21 system. Since 1980, Wisconsin Southern has been
22 confronted with the tough decision of whether or not to
23 close the line or keep operating it. Two line
24 segments, in particular, that were once facing the eyes
25 of abandonment are now viable and active rail lines.

1 One in particular, one rail line was being
2 questioned by our organization for a number of years,
3 four or five years. Now, there is an ethanol plant
4 located on that rail line. Now, it's-- it's pretty
5 much the most viable rail line we have on our system.

6 We all know that it takes money to make money,
7 and the railroad industry may take years or more to
8 incur a loss before a company can realize a profit
9 margin. An economically viable rail line does not
10 always land in the laps of the railroad company.

11 It takes motivation, creativity, and
12 commitment on behalf of -- on behalf of the operator to
13 encourage business, to work with the customers in the
14 industries.

15 The application -- The abandonment application
16 portrays that there is no future commitment on behalf
17 of the existing shippers to increase their business to
18 make the line more viable.

19 In reality, it was the shippers that were
20 never approached and given the assurances that their
21 capital investments would pay off, someday, by having a
22 reliable railroad company that would be there for the
23 long term. The abandonment application filed by the
24 operator states there are 200 carloads and a \$2 million
25 investment required to upgrade this 37-mile

1 segment.

2 The reason is really a matter of perspective.
3 First, the carloads. Any operator in the country can
4 find a 37-mile segment with only 200 carloads.

5 We can certainly do that here in Wisconsin.
6 200 carloads is not very much, relatively. Especially,
7 when the existing shippers refuse to invest in their
8 plant and infrastructure because of how sure -- unsure
9 they are with the commitment of the railroad operator.

10 Second, the infrastructure. Most of the
11 tracks that we operate on, here in the State of
12 Wisconsin, are 90-pound jointed rail between the ages
13 of 80 to 100 years old. We still have segments that we
14 have 85-pound rail on our line.

15 Bridges we operate over, are over 80 to 100
16 years old, and not 286K compliant. We still have
17 limestone ballast on some parts of our system, but we
18 still operate and manage to make our lines viable and
19 worth keeping open.

20 The fact of the matter is that economic
21 viability can be achieved by operating lines in whole.
22 This is how WSOR does it, and this is how all of the
23 railroad companies do it.

24 I believe if the STB allows this type of
25 cherry-picking to occur, where a railroad company can

1 pick and choose the better areas to serve, there will
2 be a precedent setting, and it can adversely affect
3 local, regional, and State economies all over the U.S.

4 This line has been operating 40 years as a
5 whole segment, from North Milwaukee to Hilbert
6 Junction, which included car loadings from all of the
7 communities along this line, and this is what
8 ultimately made this entire line feasible enough to
9 operate.

10 I encourage you to deny this application on
11 the basis that this is a corporate decision by the
12 operator and not a decision by the shippers and the
13 local communities that the operator claims in its
14 application.

15 The fact of the matter is that the shippers
16 and communities along this 37-mile segment were never
17 given the assurances that their -- that the rail would
18 remain for a long time coming, and hence, never carried
19 out their capital investments that included reliance on
20 freight rail service.

21 If, indeed, assurances had been there in the
22 past, there would be much more than 200 carloads on
23 this segment, and the capital investment required would
24 not be as questionable as it is now. I urge you again
25 to that understand that this proposed abandonment is

1 not a result of lack of rail demand, but moreover, a
2 lack of interest on behalf of the railroad operator.
3 Thank you very much for your time.

4 MR. DETTMAR: Thank you.

5 MR. BORNSTEIN: Cathy Stern.

6 COURT REPORTER: And spell your last name,
7 please.

8 CATHERINE STERN: S-T-E-R-N.

9 COURT REPORTER: Thank you.

10 CATHERINE STERN: Good morning. My name is
11 Catherine Stern. I am an elected Town of Fredonia
12 Supervisor, and I have taken time off this morning to
13 address a very critical concern that will negatively
14 affect the economic growth of our community. That
15 concern is the Canadian National Railroad abandonment
16 of our section of railway.

17 This short, 37-mile section of rail has been
18 the lifeline and support of thousands in a small area.
19 Hundreds of people depend on the line for agricultural
20 products, both coming and going every day. That
21 includes fertilizer, seed, feed, etcetera. The
22 trickle-down effect touches the entire Midwest.

23 People who may have never been to the dairy or
24 the ag. production farm or the hog farm or some of our
25 extraordinary beef operations will all be affected.

1 All of these industries are contributors to the
2 citizen's marketplace throughout the Midwest, and in
3 some instances, perhaps, the world.

4 Products supporting these industries travel
5 the rails in our small three county areas. This is
6 just one small segment of service related and provided
7 by incoming and outgoing products. There are many
8 other businesses relying on transportation of the same
9 short railroad. Lumber comes in on the rail system
10 that is now considered for abandonment.

11 In our small, Fredonia Township, we see an
12 increase in building from year to year. For instance,
13 last year, we had three new homes. This year, we have
14 eight. We also are seeing building add-ons,
15 construction in all areas. Now, this is going to
16 continue.

17 These new homes and the building of them and
18 improving them provides jobs for so many tradespeople:
19 carpenters, electricians, drywall masons, and all the
20 associated trades. And I know, for a fact, that there
21 are 4,500 union carpenters in Southeastern Wisconsin.
22 Not all of them work in these three counties, but there
23 may be some influence, there. Some of them do make a
24 living building homes in our area.

25 We need to sustain and keep this railway. My

1 other concern for transportation here is transportation
2 and the EPA. You certainly can see that the
3 abandonment of the railway will drastically increase
4 truck traffic in our already over-trafficked highways.
5 One rail car can haul what three trucks can, or perhaps
6 more.

7 The math here is quite easy: continue the
8 railway and you will contribute to less precious fuel
9 being burned, less pollution, fewer tires in landfills,
10 fewer accidents on our busy highways, less damage to
11 our highways, resulting in less tax dollars to fix the
12 damages.

13 The abandonment of the railroad will add
14 tremendous dollars and costs to all operations along
15 the way, which will, of course, be passed on to the
16 consumer. I challenge you. I challenge you to
17 consider this as you review this request for the CN
18 Railway abandonment in Ozaukee, Sheboygan, and
19 Manitowoc Counties.

20 In the name of smart growth, let's include the
21 railway as smart transportation. Thank you.

22 MR. DETTMAR: Thank you.

23 MR. BORNSTEIN: William Goehring.

24 WILLIAM GOEHRING: Good morning. My name is
25 William Goehring. I am Chairman of the Town of

1 Sherman, a County Board Supervisor representing Random
2 Lake, the Town of Sherman and Adell, and also, the
3 Sheboygan County Board Chair.

4 First of all, speaking as a Sheboygan County
5 Board Chair, I cannot say that the County Board has yet
6 taken up legislation in support of the railroad, but it
7 is pending. However, our Transportation Committee,
8 comprised of five members, did submit a letter to you,
9 opposing abandonment of the railroad.

10 As the Town of Sherman Chair, I can tell you
11 that on August 3rd, the Town of Sherman Board of
12 Supervisors voted strongly in opposition to abandonment
13 of the railroad line. We feel that there are a number
14 of critical issues why the rail line should not be
15 abandoned, and we feel that retaining the rail line
16 benefits our citizens.

17 By retaining the rail line, we are going to
18 reduce truck traffic, we were going to minimize
19 pollution, and we are going to be giving our farmers
20 and local industry a more economical way of obtaining
21 raw materials and taking their finished materials to
22 market. Access to rail service also helps to instill
23 economic development, our current industries can
24 expand, and new small industries may develop.

25 Please remember that once the rails are gone,

1 they will never come back. Thank you for the
2 opportunity to speak this morning.

3 MR. DETTMAR: Thank you, sir.

4 MR. BORNSTEIN: Larry Zwerg.

5 COURT REPORTER: Spell the last name, please.

6 MR. ZWERG: Z-W-E-R-G.

7 COURT REPORTER: Thank you.

8 MR. ZWERG: Good morning. I'm not here
9 representing any business on the line. I've lived on
10 this line all my life, but I can say that to see this
11 line go would be a great travesty. My employer, along
12 with another business in Plymouth, Glacier Transit and
13 Storage, petitioned the CN about a year ago, to upgrade
14 the tracks in Waldo, so we could bring in some
15 supercars. My employer just started shipping or
16 receiving bulk product by rail, and their answer was a
17 flat, "Not interested."

18 It seems to me that this rail line, this
19 37 miles, is here for the benefit of the operator and
20 not of the customers. If you would take any rail line
21 in the country and take the same scenario, where you
22 would be able to feed it from both ends and lop off a
23 portion in the middle, this would be a travesty to this
24 have this happen. I mean, this is not a unique --
25 what's just happening here in Wisconsin.

1 So, I would -- Well, I don't have anything
2 prepared, but what I'm saying is that I would hate to
3 see this service go. My -- My company is increasing
4 its bulk receiving of product by rail. So, right now,
5 it stands at about 75 carloads per year, but like I
6 said, our business is increasing in this area, and it
7 can only go from there. So, thank you for your time.

8 MR. DETTMAR: Thank you.

9 MR. BORNSTEIN: Andrew J. Walsh.

10 COURT REPORTER: Spell your last name.

11 ANDREW WALSH: W-A-L-S-H.

12 COURT REPORTER: Thank you.

13 ANDREW WALSH: Thank you. I am the Agronomy
14 Manager at the Fertilizer Department of a cooperative
15 with a department right in town, here, in Random Lake.

16 COURT REPORTER: State your name.

17 ANDREW WALSH: Andrew J. Walsh. Andy.

18 COURT REPORTER: Thank you.

19 ANDREW WALSH: I wanted to speak to a couple
20 points about 25 years of employment and experience with
21 the railroad. And one of them is in, pretty much,
22 support, about capital improvements and acknowledging
23 that our company, if we knew the future included
24 railway transportation, would be doing things to
25 increase our volume in other commodities, not just

1 fertilizer.

2 We also would like to talk about, or I would
3 like to talk a little bit about, I believe a planned
4 neglect program on maintenance, that makes this
5 maintenance dollar volume that the CN is talking about
6 seem astronomical in compared to revenue.

7 I get to speak to hands-on people in
8 maintenance, and hopefully, a couple of them may speak
9 at this meeting with an awareness of this. But they
10 basically have executed a planned neglect program on
11 this line.

12 I would also like to talk about the choking of
13 service that I feel has resulted in past shippers
14 dropping business from them, as well as present
15 shippers feeling choked. An example of that would be a
16 year ago now, as our company was arranging for
17 winter-fill fertilizer, and we had no notification, not
18 official or personal to me, that service was going to
19 be reduced to twice a week -- Tuesday/Thursday service.

20 And in anticipation of continuing service at
21 the time, about a year ago now, we ordered fertilizer.
22 And you don't bunch your cars, as a result of -- you
23 space out your cars, as you can imagine.

24 And then, all of a sudden, we get notification
25 that it's going to be Tuesday/Thursday by the -- by the

1 rail shippers, themselves; by the men on the tracks.

2 "We're just coming Tuesdays and Thursdays."

3 And we ended up having a backlog of cars 14
4 deep on our -- on side track on our own property that
5 we couldn't get to, because there were no changes.
6 There was no -- There was no service exchanging empty
7 cars.

8 And while that seems plausible, we are going
9 to get to the end of those. You can imagine adding
10 insult to injury when they send us demurrage bills
11 because we couldn't unload the cars that they wouldn't
12 switch for us. I think you can appreciate that would
13 be quite frustrating.

14 I would also like to speak about the fact
15 that -- and I hope this continues. I'm a little early
16 in the process of speaking, here, Number 6 or Number
17 7 -- that when the units of government that have spoken
18 here today as individuals, they are representing tens
19 of thousands of constituents.

20 I have yet to talk to a constituent or anybody
21 that we've presented petitions to that is in favor of
22 this line being let go. As a matter of fact, after the
23 meeting in Plymouth, there was an acquaintance that
24 walked up that said she went to that meeting. She's a
25 horse enthusiast, and those in the -- in the world of

1 agricultural supply have a little bit of history of
2 snickering at that a bit. That they are not reegl--
3 that's not a real business, and there's a little bit of
4 antagonism there.

5 And she was brave enough to come up to me and
6 say, "I came to this meeting in Plymouth in the hopes
7 of being excited about future recreation pol--
8 possibilities, future trail," and she says, "You people
9 need it much worse than we do." And I only begged her
10 to come to the next opportunity and state the same
11 thing. I hope she's here. So, with that, I'm done.
12 Thank you.

13 MR. DETTMAR: Thank you very much.

14 MR. BORNSTEIN: Rose Hass Leider.

15 (Ms. Leider handing a Directory of Ozaukee
16 County to the Court Reporter, pointing to her name.)

17 COURT REPORTER: Thank you.

18 ROSE HASS LEIDER: Good morning. And thank
19 you, first of all, to Judge Dettmar and his staff for
20 coming to our community. Welcome, Judge and your
21 staff.

22 MR. DETTMAR: Thank you.

23 ROSE HASS LEIDER: We've never had an
24 opportunity to attend a hearing from someone out of
25 Washington D.C. sharing it. So, I appreciate that.

1 But I am Rose Hass Leider. I've been on the County
2 Board over 20 years, and I represent this area and
3 Ozaukee County, where the tracks runs through, and
4 other areas of the County; and first of all, I think
5 you should understand that Ozaukee County is north of
6 Milwaukee County, and therefore, economic development
7 is rampant.

8 Everything this is developing and we need
9 services, and if you don't know the structure of where
10 our counties are, I think, taking 37 miles of rail away
11 would be a disaster. You can't develop, once those
12 rails are gone; no rails, no service.

13 Now, in development, I sit on the Ozaukee
14 County Economic Development Board, and you heard from
15 people this morning, with businesses along the way; and
16 I think my farm, the rails also run through my farm;
17 and I think, over the years, since Canadian National
18 took over, all we've seen is a decline in cars and
19 rails service.

20 And as you heard the people this morning, I
21 don't think they are out there trying to help our
22 economic development people who are trying to run
23 businesses.

24 And being north of Milwaukee County, some day
25 we might need those rails for transportation. And if

1 you take 37 miles of rails and sell them for scrap,
2 Hey, guys, what's left? I have one request, and I'll
3 keep it short, and my request is -- and I'm including
4 with this packet for you, the editorials from the
5 Random Lake Sounder and the Ozaukee Press and the
6 Milwaukee Journal has covered us, also.

7 But at any rate, my request is to the Surface
8 Transportation Board, on behalf of my people, in the
9 name of economic development, please don't abandon the
10 tracks from Saukville to Kiel. And I thank you very
11 much. No rails; no service, sir. Please keep our
12 rails.

13 MR. DETTMAR: Thank you.

14 (Ms. Leider handing documents to
15 Mr. Bornstein.)

16 MR. BORNSTEIN: Lance Leider.

17 ED RITGER: Before we let Lance speak, I got a
18 note that there's a Taurus wagon, teal green, with the
19 lights on,--

20 (A brief conference was held off the record.)

21 LANCE LEIDER: Lance Leider. I'm a local
22 farmer and a Town of Fredonia Supervisor, and -- Pretty
23 much, economic development, the railroad runs right
24 through our township, also. Being a farmer, I know the
25 importance of cost to the local farmers. There's a lot

1 of small farms in the area, as well as large, and every
2 dollar costs to keep us in business, and there's
3 nothing more important, I don't think, for economic
4 development to farmers than the railroad; and not to
5 mention all the other businesses that also depend on
6 it, and the jobs.

7 And also, the traffic through our Township
8 would increase greatly. There is no doubt, because the
9 three counties are above us. All those farm traffic
10 would generally come through our Township. That's
11 pretty much it. Thank you very much.

12 MR. DETTMAR: Thank you.

13 MR. BORNSTEIN: Dawn Wagner.

14 DAWN WAGNER: My name is Dawn Wagner. I'm the
15 Village Administrator for Saukville. The Saukville
16 Village Board recently passed a resolution regarding
17 the proposed railroad abandonment. It was -- We did
18 pass the resolution and it was directed to the Surface
19 Transportation Board.

20 It's a short resolution, so I'm going to read
21 it, because it makes some main points:

22 "Whereas, throughout its history, local
23 businesses and farmers have derived
24 substantial benefits from the rail service
25 to the Saukville area;

1 "And whereas, future economic development
2 opportunities for the Saukville area would
3 be enhanced by the continued availability of
4 rail service.

5 "And whereas, railroad transportation
6 benefits all residents of the Saukville area
7 by reducing dependence on truck traffic,
8 minimizing pollution, and saving
9 transportation costs.

10 "Now, therefore, be it resolved that the
11 Village Board of the Village of Saukville
12 opposes the abandonment of the rail line
13 from Saukville north to Sheboygan County."

14 I also would like to add that there's major
15 concern about the long-term impact, should this rail
16 line be abandoned just north of the Village of
17 Saukville.

18 The impact it would have on industries like
19 Charter Steel that is located in the Village. Because
20 of the fact that should it be terminated just to the
21 north of the Village, these industries, like Charter,
22 would be located at a dead end of a long spur just
23 coming out of the Milwaukee area.

24 So, we have tremendous concerns about how long
25 that rail line to the northern part, just north of

1 Saukville would be in service. So, I would like to
2 thank you for your time, and thank you for having the
3 hearing.

4 MR. DETTMAR: Thank you.

5 MR. BORNSTEIN: Roy Wilhelm.

6 ROY WILHELM: My name is Roy Wilhelm,
7 W-I-L-H-E-L-M. First off, I would like to thank you
8 gentlemen for taking time from your busy lives to come
9 here. I'd like to welcome you to the heartland of the
10 United States. You don't often get around here, but we
11 are here.

12 Hopefully, after you leave here today, you are
13 going to remember names like Saukville, Fredonia,
14 Random Lake, Adell, Plymouth and Kiel.

15 Just a couple comments -- I don't have a
16 prepared speech. I am speaking on behalf of myself as
17 a resident of Saukville.

18 I strongly am against the abandonment of the
19 rail lines. I can respect Canadian National's request.
20 It's a business decision; however, I cannot respect a
21 scorched earth policy about, "If we can't use it,
22 nobody else will." I believe there is a competing
23 interest in the form of other railroad -- the Wisconsin
24 Southern has voiced an interest in taking over this.
25 This is their bread and butter. Let's give them a

1 chance.

2 I see we have our Senator Panzer and Rose Hass
3 Leider here today.

4 Highway 57, which leads up here, used to be in
5 pretty bad shape. It was narrow, rolling, dangerous.
6 They didn't take the attitude, "Hey, it's bad, let's
7 just abandon it." They went ahead and they fixed it.
8 And I guess that's the same thing, here.

9 If it ain't broke, don't fix it. In this
10 case, it's broke, let's fix it, let's move on, let's
11 keep the central part of our infrastructure in place.
12 Wisconsin -- the Southeastern Wisconsin Regional
13 Planning Commission has identified this line, in part,
14 to be possibly a future light rail line. Let's keep
15 that option open. That's all I've got to say. Thank
16 you so much.

17 MR. DETTMAR: Thank you.

18 MR. BORNSTEIN: Jerry Leick.

19 JERRY LEICK: Jerry Leick. It's L-E-I-C-K.
20 Good morning. Again, I would like to thank the
21 National Safety Transportation Board for coming to our
22 communities, here, to hear our concerns. I'm Jerry
23 Leick, General Manager of the Adell Cooperative for the
24 past 20 years.

25 As you are well aware, we're one of the bigger

1 users on this section of rail that is proposed for
2 abandonment, and we have a, you know, great concern.
3 Of course, we represent about 375 farmer members. I do
4 our organization. I have a significant investment.

5 I'm not sure how familiar you are about
6 cooperatives, but the farmers and the people, the
7 consumers that use the Adell Cooperative are the owners
8 of that cooperative. We have -- They have a
9 significant equity investment in the Adell Cooperative,
10 and, of course, the Kettle Lakes Cooperative, also.

11 And agriculture is a very low margin, a very
12 highly competitive business; and we have a great
13 concern if this rail line would be abandoned, you know,
14 that it would put us at an economic disadvantage to
15 some of our major competitors in the area that have
16 access to rail.

17 We are able to realize significant economic
18 savings by bringing in both fertilizer and feed
19 products by rail into Adell, and if we were forced to
20 go to a subload station in another community, you
21 basically would lose most of that economic advantage.
22 Also, we're also in the energy business in partnership
23 with Kettle Lakes Cooperative. We are seeing record,
24 as you are aware, record crude oil prices, and you
25 know, by bringing in more products by truck, we're

1 going to increase our costs, the trucking fees and
2 their surcharges.

3 You know, it would be much cheaper to bring
4 these products in by rail. I think we don't really see
5 an end in sight, every day. It seems like we are
6 setting a record crude oil price, record diesel fuel
7 prices.

8 Our current wholesale costs on diesel fuel is
9 close to \$1.30 a gallon, and to have that rail
10 abandoned, obviously, is going to greatly increase
11 transportation costs. And also, we have not -- we did
12 make a significant -- for our organization, a
13 significant economic capital investment in 1999 on the
14 rail. We built a new fertilizer plant, and one of our
15 discussions at that time was, you know, should we even
16 put rail access to this plant, because there had been
17 talk for many, many years of abandoning the rail line
18 going through Adell.

19 We did make that investment and, of course,
20 it's very critical to our business, and with the idea
21 that we might be throwing our money away when we did
22 that in '99 because the future of that rail line was
23 very uncertain, you know, six -- you know, five years
24 ago, and has been for many, many years.

25 Again, I don't have a lot more to say except

1 that it is a very important infrastructure, not only to
2 our business, but to our community. You know,
3 obviously, to close this line would pretty much close
4 the door on any future economic development in our area
5 of our county-- that section of the county that would
6 rely upon rail transportation service either to bring
7 in raw products or to ship them out.

8 And we are also in the grain business. You
9 know, we have shipped some grain by rail over the
10 years, but have been unwilling to make the capital
11 investment to really do it efficiently to get a 25-car
12 unit in there, because of the uncertainty -- again,
13 I'll reiterate what two of the others have said, that
14 as a shipper, when you have that uncertainty over your
15 head, you are not going to be willing to make, you
16 know, a several hundred thousand dollar capital
17 investment to increase your rail traffic when you don't
18 know if it will be open a year from now.

19 And so, I would have to concur with some
20 other, you know, the testimony here this morning, that
21 certainly is more rail traffic available, but we are
22 never going to be a major shipper like the CN would
23 like us to see, to be able to bring in 100 cars at a
24 time.

25 But there certainly are Wisconsin sub-systems,

1 and there is money to be made on these short lines by
2 the smaller shippers, and so to cut out the heart of
3 this thing and just serve the, you know, major shippers
4 on either end, you know, certainly, economically, you
5 know, looks good on paper, but I don't think it serves
6 the best interests of our communities or of our
7 customers, and the people in this area. Thank you for
8 your time.

9 MR. DETTMAR: Thank you.

10 MR. BORNSTEIN: David Gartman.

11 DAVID GARTMAN: Good morning. I would like to
12 thank you especially for coming down here and having a
13 local hearing.

14 COURT REPORTER: State your name and spell--

15 DAVID GARTMAN: David L. Gartman.

16 G-A-R-T-M-A-N. I am the President of the Board of
17 Directors of Kettle Lakes Cooperative. We are the
18 entity that is just south of the gentleman who just
19 spoke. Herepresented Adell Coop with their 300 and
20 plus some members.

21 We have 700 producer members, and if you add
22 those up, there is roughly close to 1,000 producer
23 members, here, that are affected by this move. We
24 cover a trade area of four counties: Sheboygan,
25 Ozaukee, Washington, and Fond du Lac, and we serve a

1 little bit of Manitowoc County. So, the producers of
2 the people affected aren't all on these tracks. You
3 are talking quite a -- quite a parameter, here.

4 A cooperative, first of all, almost all
5 cooperatives originally are located on tracks. That's
6 because tracks deal with heavy lifting. And in the
7 body of our cooperative, if you are going to cut us off
8 our rail, you are taking our heavy lifting ability
9 away. It's like amputating the legs of a body of a
10 cooperative. The massive density and weight and
11 volumes which we get in of fertilizer, feeds, and the
12 grains which you can transport by rail, taking that
13 ability away is just -- is just devastating.

14 I just came from a directors' seminar just
15 this past Monday and through Wednesday, and there was--
16 we had several -- two professors, agricultural
17 economists. One was from Virginia and I forget exactly
18 where the other one was from. They outright told us,
19 "If you don't have feed in the next years on rail, you
20 will be out of feed." If you--

21 And no one ever tells you to have agronomy off
22 of rail. It just doesn't happen. All these
23 fertilizers and things are coming from far away.

24 Another issue I have, what I would like you to
25 address -- this is -- This is not a domestic-owned

1 line, right now. This is a Canadian entity coming down
2 here, and if you are going to let domestic producers be
3 cut off because of the world markets, we are out there
4 competing against these other countries; and if you are
5 going to cripple us and have us not be competitive,
6 it's just -- it's just going to have everything fade
7 away domestically.

8 And what's to say, to take a section out of
9 the line in the middle, well, what's next? We all know
10 how things work. Well, pretty soon, those two dead
11 ends aren't efficient. Pretty soon, the one in Fond du
12 Lac isn't efficient.

13 Pretty soon, all it is, is a Canadian line
14 going to Green Bay for logs and Chicago for grain; all
15 foreign trade. Where is the domestic people going to
16 be getting their inputs and sending their outputs?

17 Another thing, as a cooperative, I would like
18 to suggest, first of all, a flat denial of this
19 request; and then, at a minimum, a period of time in
20 which other alternatives can be done. I'm not -- I'm
21 not here to tell you how to do this all. I'm not -- As
22 farmers, we try to be experts on everything and we
23 can't, but we are affected.

24 I would like to see a possibility of different
25 ownership, and I would like to even suggest a

1 cooperative of shipping things. Some of these sites,
2 we are on track. We know how to form cooperatives. We
3 could form an LLC, a shipping cooperative, maybe, in
4 the future, where businesses who aren't on the rail in
5 our communities could bring things in, like the
6 gentlemen who testified earlier.

7 These are all options. Look at growth, look
8 at the positives and not just give up. So, I guess
9 that's the end of what I have to say, and thank you
10 again for coming down here.

11 MR. DETTMAR: Thank you.

12 MR. BORNSTEIN: Ned Doren. (sp)

13 (No reply.)

14 MR. BORNSTEIN: Okay. Ned is not here. All
15 right. John Jalek. (sp)

16 DAVID JANIK: Good morning. My name is David
17 Janik. I'm speaking on behalf of Neuens Lumber. You
18 called my father's name, Jack, who is sitting right
19 there.

20 COURT REPORTER: And spell your last name.

21 DAVID JANIK: J-A-N-I-K.

22 COURT REPORTER: Thank you.

23 DAVID JANIK: We are a business located in
24 Fredonia, Wisconsin, on the Canadian National rail
25 line, and the rail line is very important to us. We

1 currently bring in approximately 15 cars a year. The
2 freight cost on lumber on a car is approximately
3 \$6,800. To bring in the same material on truck for the
4 same quantity of a car, the freight cost is
5 approximately \$12,500, the difference being about
6 \$5,700.

7 That would put us at a considerable
8 competitive disadvantage against most of the area
9 competitors. Not by -- Not only area competitors, when
10 you look at who our competition is with competition
11 like Stock Lumber, it's a national, if not world market
12 that we are competing on.

13 Most of the people in this room are my friends
14 and my customers, and I would very greatly hate to see
15 them have to go somewhere else because I would be
16 noncompetitive.

17 We operate in about a six-county area,
18 including Ozaukee, Sheboygan, Washington, Fond du Lac,
19 Manitowoc, Milwaukee, and Racine, and that again puts
20 us on a competitive basis that's not just in the local
21 area. We aren't isolated in this situation, and we do
22 need the rail line.

23 We are a business that intends to grow. We
24 just recently added a \$250,000 manufacturing equipment,
25 and four employees to man that area. We intend to keep

1 growing. We are intending to hang doors; we are
2 intending to build trusses, and those are all plans
3 that require the rail service and hopefully, will allow
4 us to remain in Fredonia and be competitive.

5 We hate to have to think about moving out
6 because we wouldn't have rail service. So, we are here
7 to request that you do keep the railway service viable
8 in this area, and I thank you very much.

9 MR. DETTMAR: Thank you.

10 MR. BORNSTEIN: Al Weyler. (sp)

11 AL WEYKER: W-E-Y-K-E-R.

12 COURT REPORTER: Thank you.

13 AL WEYKER: Good morning. My name is Al
14 Weyker, and I would like to welcome you to the State of
15 Wisconsin. I am a Director at our local coop here that
16 spoke earlier, the Kettle Lakes Coop. My main concern
17 is to keep our local Coop profitable; by keeping
18 fertilizer and rail service to our Coop will do that.

19 And I help represent, you know, like the 700
20 farmers in the area. And Wisconsin, being an ag.
21 state, yet, it is very important for us to keep our ag.
22 products coming into our coops and coming out.

23 And the concern about the foreign oil and that
24 energy it takes using, you know, with all the truck
25 traffic and stuff. So, thank you very much.

1 MR. DETTMAR: Thank you.

2 MR. BORNSTEIN: William Hauck.

3 COURT REPORTER: And state your name and spell
4 it, the last name.

5 WILLIAM HAUCK: Good morning. My name is
6 William Hauck, H-A-U-C-K. I'm here on behalf of the
7 United Transportation Union, Local 581, and the
8 Wisconsin State Legislative Board of the United
9 Transportation Union.

10 PAUL AIRD: My name is Paul Aird, A-I-R-D.
11 I'm here representing the Wisconsin State Legislative
12 Board. I stand as Vice Chairman and we have a vested
13 interest in this issue.

14 PAUL HAUCK: To begin with, I would like to
15 congratulate the community on the excellent turn-out.
16 You should all be very proud of what you have done
17 today, bringing the Surf. Board here.

18 Just a little history lesson. Wisconsin
19 Central started this whole process when they abandoned
20 the 13 miles -- well, they -- they embargoed the
21 13 miles between Kiel and Plymouth.

22 They used to run the service out of Neenah,
23 and come across on the Manitowoc preservation, and come
24 down on the Plymouth stuff, down to service Plymouth.
25 And then another job would take over at Plymouth and

1 take care of the business south.

2 I'll -- I'll renew the point that removal of
3 any portion of rail line out of the center of anything,
4 to remove the center of a highway is going to starve
5 the ends of that highway.

6 I'd like to quote from some of the Canadian
7 National/Wisconsin Central literature that was released
8 when Canadian National bought our railroad. There was
9 a question, "Will any stations close or will service be
10 reduced on any current W.C. routes?" The answer was:

11 "CN is interested in the entire WC network,
12 both because it secures our North American
13 network and also for its customer base. We
14 are not planning any significant rerouting
15 of traffic and, on balance, any operating
16 changes will be minor.

17 "In fact, our operating plan contemplates
18 the consideration of a-- consolidation of
19 operations at only one facility. We are
20 considering combining yard operations in the
21 Duluth/Superior/Cloquet yard."

22 Now, a quote from a submission to the STB from
23 Fletcher and Sippel, a letter that was included in the
24 filing.

25 "WC also notes that contrary to a concern

1 expressed in Congressman Petri's letter,
2 abandonment of the Plymouth line is not a
3 precursor to abandoning the connecting WCL
4 line segment north and south of the Plymouth
5 line. WCL made representations at the June
6 24th meeting and subsequently in its
7 abandonment application filed June 30th, and
8 makes it again here."

9 We are seeing a reversal. Manufacture of
10 operational problems through service scheduling or the
11 lack of it started with the Wisconsin Central under
12 their previous administration of the WC.

13 When we ran the service from the north end of
14 the railroad, it worked, and it worked well. I urge
15 the STB and the community to join together to preserve
16 service to the community on behalf of the UTU. I thank
17 you for your time.

18 PAUL AIRD: I just have a few quick points,
19 here. First of all, I think you can see just by
20 speaking, from everybody that has -- that has spoken so
21 far, you have the coops and the lumberyards, and I have
22 serviced them all. I've worked this line for over a
23 year and have worked it in the past for over a year.

24 I think you can see that the economic
25 development is here. They all -- They all have spoken

1 of an increase in business, and if it was profitable
2 before, why can't it be profitable again?

3 The second point I would like to make that
4 nobody has brought up: in Chicago, there's light rail
5 service, light rail passenger service, inter-urban
6 service. Why is this not an available option to help
7 fund a rehab of this rail line?

8 Right now, in Milwaukee, there's a development
9 of the high speed rail service, Chicago to Milwaukee
10 and then points west -- Madison, Prairie du Chien. The
11 line we have here is an easy hook-up to downtown
12 Milwaukee. Either inter-urban passenger service saves
13 a lot of money on roads if we can haul by train, or
14 hook-ups to Milwaukee, Chicago airports. It's all
15 here. The infrastructure is here. If you take the
16 infrastructure away, you are going to hamper your
17 movability.

18 I would also say that if you have any
19 questions of the Board, here, feel free to ask. We
20 both worked the line.

21 MR. DETTMAR: Thank you very much.

22 MR. BORNSTEIN: Daniel LaMahieu.

23 COURT REPORTER: And state your name for the
24 record.

25 DANIEL LeMAHIEU: My name is Daniel LeMahieu,

1 and I applaud you for getting as close as you did,
2 (audience laughter) and coming all the way from
3 Washington, and getting that close. It's better than
4 the locals do.

5 I represent this area in the State Assembly,
6 the 59th Assembly District; and the southern portion of
7 the 37 miles of the railroad go right through the heart
8 of my Assembly District.

9 Back when the meeting was held in Plymouth,
10 some weeks ago, after that meeting, the local
11 legislators were all in agreement that we would go
12 forward with efforts to preserve this rail line, this
13 37 miles of rail line, and we wrote, speaking against
14 the abandonment, and we also asked for an economic
15 impact study by the Department of Transportation-- the
16 State Department of Transportation, which you heard
17 earlier, that is in the process of being done.

18 We are thankful for that, and we don't have
19 the final numbers from that, but we want to make sure
20 that if we are going to use State dollars in our
21 ever-tightening budgets in State government, that we
22 use our tax dollars wisely as we make these
23 investments.

24 So, we do oppose the abandonment, as
25 legislators, we do oppose the abandonment, but we also

1 wanted to make it a viable entity for the future years.
2 Two concerns that I have that I would like to bring up
3 this morning, is, number one, if the abandonment is
4 denied, my one concern, one of my concerns is that we
5 are shooting ourselves in the foot, because the
6 customers, the businesses that are using this service
7 right now aren't happy with the service they are
8 getting.

9 And to maintain the status quo and give them
10 the service that they are not happy with is not going
11 to solve anybody's problem. The rails are going to
12 continue to deteriorate and the customers are not going
13 to be happy with the service.

14 So, whatever we do, whether we allow
15 abandonment or the sale or whatever we do, or if the
16 State gets involved, the important thing is that we get
17 a better service for the customers.

18 And then, my second concern is that if the
19 DOT, the State, and the Counties, and Wisconsin
20 Southern take over this 37 miles of rail, that there
21 will be an allowance for them to use to get off that
22 37 miles of rail and go south and north, that they are
23 not stuck sitting on a -- on a section of 37 miles of
24 rail that goes nowhere.

25 So, there obviously has to be cooperation by

1 Canadian National or the sale of a larger portion of
2 that rail line so that it makes it viable for that rail
3 line to exist. As the economy in Wisconsin grows, the
4 important thing is that we maintain the viability of
5 the small businesses. These are the types of
6 businesses that are using this line. These are the
7 types of businesses that are going to give us jobs in
8 the future.

9 And this is how our economy is going to grow
10 in Wisconsin, so we -- we definitely need this line,
11 and we don't need it abandoned.

12 My last comment there -- I have noticed that
13 since the meeting started this morning, that several
14 other legislators have walked in, and I'm not sure if
15 you have their names up there, but I would just ask
16 that as we come to an end in this, that you allow the
17 other legislators to speak, also.

18 MR. DETTMAR: Thank you. I will be sure to do
19 that.

20 DANIEL LeMAHIEU: Thank you.

21 MR. BORNSTEIN: Brian Flatt.

22 COURT REPORTER: State your name and spell
23 your last name for the record.

24 BRIAN FLATT: Brian Flatt. F-L-A-T-T. I am
25 the Feed Department Manager at Adell Coop; and about a

1 year ago, we just started getting soybean meal on -- on
2 rail, and we would like to see that option open for the
3 Feed Department. Margins are thin in the feed
4 business, and sometimes \$6 to \$10 a ton is the
5 difference of getting a sale and not.

6 And, I guess, the other thing is, it gives us
7 more flexibility as far as purchasing products from
8 processors. Sometimes, it's more advantageous for the
9 processor to load a rail car than for trucks because of
10 volume, and volume seems to run this country; and
11 freedoms, as far as keeping options open, and if you
12 cut off a leg or a finger, you just -- you can't run.

13 And as far as increasing our business, if we
14 knew that, down the road, that we had a good service,
15 we could plan for expansion and other commodities other
16 than just, say, soybean, you know. Other types of
17 like, say, cottonseed which come from the south or
18 whatever.

19 Personally, as a -- as a citizen that uses the
20 road, I would rather see less trucks on the road and on
21 the freeway than rail. I would rather see more rail
22 cars being used and it's safer.

23 So, I just thank you for this opportunity and
24 consider keeping the rail line open to Adell Coop, and
25 that's it. Thank you.

1 MR. DETTMAR: Thank you very much.

2 MR. BORNSTEIN: Dick Flood.

3 DICK FLOOD: Hi, there.

4 COURT REPORTER: State your name.

5 DICK FLOOD: I am Dick Flood. I am a
6 representative of Fond du Lac County Highway
7 Department, slash, Transportation Committee for Fond du
8 Lac County. Fond du Lac County lies in a unique
9 position in this situation. We have a very active and
10 very good railroad situation on the west side of our
11 County with WSOR.

12 We have another situation in the general Fond
13 du Lac area. We have the North Fond du Lac yard, which
14 is the CN yard, and they take care of the rail line
15 through probably the central part of Fond du Lac
16 County. One of my main concerns there, though, two to
17 three weeks ago, they laid off 17 people, which was
18 their entire second shift at the railroad yard.

19 And then we get over on the west -- excuse
20 me -- the east side of Fond du Lac County, and we run
21 into the area of possible abandonment which we have
22 discussed at our railroad -- Highway Railroad
23 Transportation Committee a number of times, and feel
24 that we are definitely in opposition to this.

25 We have a lot of people on the east side of

1 Fond du Lac County that they do get some service --
2 very little, limited service out of the railroad on the
3 east side which is the Canadian National, and they
4 would like to get more.

5 We would like to see this abandonment not
6 happen, and anything that we can do to help it not
7 happen, we are definitely for it. Fond du Lac County
8 is a county of over 100,000 people, and there's a lot
9 of -- a lot of agriculture economy in this area, in the
10 whole of Fond du Lac County, east, central, and west
11 side, and we definitely do need a railroad situation on
12 the east side of Fond du Lac County. Thank you very
13 much.

14 MR. DETTMAR: Thank you, sir.

15 MR. BORNSTEIN: Jan Rauwerdink.

16 (Mr. Rauwerdink handed to the Court Reporter,
17 his name and "Oostburg" written on a piece of paper.)

18 COURT REPORTER: And state your name for the
19 record. Thank you.

20 JAN RAUWERDINK: Hello. I'm Jan Rauwerdink.
21 I'm a farmer and President of Adell Cooperative, and
22 I'm here to state that rail service is very important
23 to Adell Coop, and its members. It's been -- I've been
24 on the Board since '96, and since that time, it's
25 always been in limbo -- the service -- Is it going to

1 be there or not? And it's a little difficult to make
2 plans, long-term, when you are always in limbo, like
3 that. I would strongly urge a denial of the
4 abandonment of the Saukville to Kiel rail service.

5 It seems like the service could be -- timely
6 service would be very helpful for the Adell Coop. I
7 think it would be a waste of resources to close the
8 rail line, and it would be -- negatively affect the
9 bottom line of Adell Coop and all of its customers, and
10 I would like to thank the Surface Transportation Board
11 for this opportunity.

12 I think it shows attentiveness to the area,
13 which I think it still, the rail service is very
14 valuable in this area. Thank you.

15 MR. DETTMAR: Thank you, sir.

16 MR. BORNSTEIN: Robert Schleicher. (sp).

17 COURT REPORTER: And state your name for the
18 record and spell your last name.

19 NORBERT SCHLEICHER: My name is Norbert
20 Schleicher. S- as in "Sam"-- C-H-L-E-I-C-H-E-R.

21 First of all, I would like to thank you for
22 scheduling this hearing here in Random Lake. I stand
23 before you as the General Manager of the Kettle Lakes
24 Cooperative, which is a farm supply cooperative serving
25 Ozaukee, Sheboygan, Washington, Fond du Lac, parts of

1 Manitowoc Counties.

2 We have approximately 700 farmer members that
3 are affected by the rail service that we are talking
4 about. Our organization has been actively promoting
5 efforts to save the railroad which passes through our
6 communities and the communities in the counties
7 affected.

8 It seems as though, in the past couple years,
9 it has been falling on deaf ears. The people with CNN
10 (sic) have been -- lip service is what it's been about.
11 But what has happened and what's historically the
12 history, that -- to today, is what tells the story.

13 We attended a forum, in April, that was in
14 Plymouth, I believe, which was attended not only by
15 business leaders from the community, but officials from
16 the Wisconsin Southern, and officials from Ozaukee and
17 Sheboygan Counties.

18 The meeting indicated a very strong interest
19 in preserving the economic development potential which
20 would come from a reliable and a foreseeable rail
21 service. I guess, the words there would be "reliable
22 and foreseeable," that it's going to sustain itself for
23 a -- for a time -- it's going to continue; that we could
24 count on it.

25 Currently, as the Kettle Lakes Cooperative's

1 concern, we rely upon the rail service for fertilizer,
2 for delivery to their fertilizer plant in Random Lake,
3 here. Although this fertilizer only amounts to about
4 9,000 tons a year, but it creates about a \$3 to \$7 per
5 ton savings for our members.

6 You know, I guess, I want to reiterate that
7 when we speak of -- in terms of cooperative, it's not
8 about the cooperatives, it's about the member owners
9 that -- that own it, that we're there to take care of
10 and serve. And our mission is that we want to be
11 profitable, but we want to make sure that our members
12 are also profitable. That's our mission; that's our --
13 that's why we are here.

14 If we can't sustain a business, you know,
15 livelihood out on the farm in agriculture, there
16 probably is no place for us. So, when we look at --
17 that has to be part of the large picture.

18 The question was asked by the CNN, (sic) "Why
19 haven't we increased our business with them?" I mean,
20 "Why haven't we increased our number of cars or taken
21 in more product by rail versus truck?"

22 Well, we understand that our producers would
23 greatly profit from a rail -- from shipping grain by
24 rail, but we know there is probably about a seven to
25 ten cent advantage, but our Board -- and as the

1 management team of the Kettle Lakes Coop, you look at
2 the investment that it's going to take to put that
3 infrastructure in, and when you look at the rail and
4 how -- you know, how uncertain that service is, or how
5 certain that service could be, or their commitment or
6 their passion for what they do, and their passion and
7 their commitment to the counties they serve just wasn't
8 there. So, then, you have to look at it and say, "Hey,
9 you know; we are going to be spending a lot of money
10 for what? It may not be there." The rail service may
11 not be there to help us, so then we would hurt our
12 members by putting in this type of investment and it
13 could be -- which could -- that would impact our
14 balance sheet, and then it would be all for naught, and
15 that's not we're -- what we're about.

16 Again, our mission is to make sure we keep our
17 customers, our farmer patrons or our stakeholders in
18 business.

19 There's another point I want to make, here,
20 with feed. Adell is able -- is able to -- you know,
21 they put together a system, and I'm sure they would put
22 in a better system that they could be more efficient,
23 and receive feed. We have not, and we would look at
24 that.

25 So, from the standpoint of Kettle Lakes, we

1 have grain; we have feed. If we can get into a
2 position where the rail -- we can count on that rail,
3 we would make that investment into that infrastructure.

4 There is one thing that I wanted to kind of
5 make clear, and again, this is lip serv -- I mean, they
6 said they did it, but, you know, you have to come to
7 the country and survey the folks that are along this
8 line. The CNN (sic) never really marketed this -- this
9 line to offer any sort of insurance that that they
10 would be there, that we could count on them. It was
11 never there. It was little, cheap -- you know, cheap
12 talk, but nothing that they sat down and said, "Hey,
13 here's the business model we are looking at. Here's a
14 plan that we would like to -- like to present. Would
15 this help you with your business? And how many cars
16 would it bring, additional cars would it bring to us as
17 a CNN, (sic) as a rail tran-- you know, as a rail
18 transporter?" We never heard that.

19 I mean, I have been here five years -- I'm
20 starting my sixth, and I haven't crossed paths -- A
21 couple times, we visited with a representative from
22 CNN, (sic) but it's been very nonchalant; very loose.
23 If you want to pinpoint them down, they become very
24 evasive, and they weren't -- they really didn't want to
25 get themselves into a serious dialogue of, you know,

1 that would maybe commit themselves.

2 For this reason, I guess, ah, -- (Pause.) Let
3 me back up. The economic impact of rail service to our
4 farms is already very significant, more so, maybe, for
5 Adell's customers, even than ours, because they do
6 spread out and spread into feed, and we would like to--
7 we would like that opportunity, but it's going to
8 become even more significant in the future; and thereby
9 could substantially strengthen the local economy in the
10 counties that we serve.

11 MR. BORNSTEIN: (Indicating.)

12 You talk about, you know -- okay. I'm going
13 to finish up, here, in 30 seconds.

14 For this reason, we -- we urge action on the
15 part of the Board to facilitate and continue --
16 continue to work towards resolving and coming to some
17 sort of resolve of -- of providing or helping us to
18 provide the rail service, here.

19 Our Cooperative and its members are very
20 opposed to this abandonment. We thank you for the
21 opportunity for conducting this hearing in Random Lake,
22 and we hope that things work out for the best.

23 MR. DETTMAR: Thank you very much.

24 MR. BORNSTEIN: Ed Victor. (sp).

25 COURT REPORTER: And state your name.

1 ED RITGER: My name is Edward Ritger. I'm an
2 attorney here in Random Lake. I have, over the last
3 number of months, donated my services to the cause of
4 preserving rail service to this community and all of
5 the surrounding committees.

6 For 26 years, I have had the privilege of
7 serving farm families and small businesses in this
8 community as legal counsel in a variety of ways; and
9 this is an opportunity for me to give back to them
10 some -- some community service that I think will affect
11 them for the -- for a long time in the future.

12 I have been very heartened by the many people
13 that I have met, and the first thing that I am going to
14 do is read and present to the Surface Transportation
15 Board two letters from Sargento, which is a cheese
16 packing company in Plymouth, Wisconsin.

17 Obviously, they currently process a lot of
18 Wisconsin cheese and these -- excuse me -- and they are
19 currently using rail service on a very small basis.

20 The first letter is a letter dated April 2,
21 2003 to Mr. Allen Disher, Canadian National Railway in
22 Fond du Lac. The letter is from Dennis Roehrborn who's
23 the Vice President of Sargento, in charge of a
24 logistics. It says:

25 "Dear Mr. Disher: The purpose of this

1 letter is to petition the Canadian National
2 Railway to provide enhanced rail service to
3 the Glacier Transit and Storage facility in
4 Waldo, Wisconsin.

5 "But first, some background information
6 regarding Sargento Foods and our business
7 relationship with GTS. As you may already
8 know, Sargento Foods is a family-owned
9 business headquartered in Plymouth,
10 Wisconsin, with manufacturing facilities
11 located in Plymouth, Kiel, and Hilbert. Our
12 principal produce is packaged cheese that is
13 sold through various distribution channels
14 serving the food industry.

15 "In total, our organization consists of
16 approximately 1,200 employees, within plant
17 operations and in the office. We do not
18 manufacture cheese. Bulk cheese is procured
19 from numerous suppliers, both within and
20 outside Wisconsin for conversion in one of
21 our plants.

22 "While each plant includes warehousing
23 support, we rely extensively on Glacier
24 Transport for the storage of bulk cheese. A
25 major reason for this arrangement is the

1 close proximity of Glacier Transport to our
2 manufacturing facilities in Plymouth and
3 Kiel.

4 "In recent years, the competitive nature of
5 the food industry has significantly
6 increased the volume of bulk cheese we
7 purchase from suppliers on the west coast.
8 More recently, our preferred mode of
9 transportation inbound from the West Coast
10 has shifted from tractor/trailer service to
11 that of rail.

12 "From an economic perspective, our direction
13 is to utilize 50-foot rail car service. At
14 the present time, we are projecting tonnage
15 averaging approximately 800,000 pounds per
16 week from two major suppliers on the West
17 Coast. While GTS has continued to make the
18 necessary investments to keep pace with
19 Sargento requirements, it is our
20 understanding that the rail line serving the
21 Waldo facility is inadequate to accommodate
22 50-foot rail cars.

23 "While we continue to explore other options,
24 our first preference is to utilize the Waldo
25 facility for the reasons identified above.

1 Given the importance of the Waldo facility
2 in our overall business plan, we ask that
3 you make the necessary upgrades to the rail
4 line in order to meet Sargento requirements.
5 Thank you for considering this request."

6 This was April 2, 2003. Now, I have a letter
7 dated August 10, 2004. This letter was written to Mr.
8 Jeff Goelzer, President of Glacier Transit and Storage,
9 and it's also from Dennis Roehrborn.

10 "The purpose of this letter is to confirm
11 our continued interest in using one of your
12 facilities for purposes of receiving cheese
13 inbound from the West Coast on behalf of
14 Sargento Foods. As evidenced by my letter
15 dated April 2, 2003, we envision continued
16 rail service and upgrading of the line as
17 key to maintaining our competitive position
18 as a Wisconsin-based manufacturer within the
19 food industry.

20 "In reviewing files, I recall receiving a
21 phone call from Mr. Disher of the CN,
22 following his receipt of my April 2, 2003
23 letter. During our conversation, I
24 challenged the degree of marketing effort
25 expended by the CN to build volume on the

1 line in question.

2 "I also recall Mr. Disher commenting he
3 would review our request with his management
4 team and arrange for a face-to-face meeting
5 in Plymouth. To the best of my recall, such
6 meeting has never took place."

7 I, obviously, have an interesting conflict in
8 reading this letter, because many of my farm clients
9 are seated here today. Many of them have hats on and
10 you can tell they are hard-working farmers just by the
11 way they look. They, obviously, don't like the idea of
12 California cheese coming here and competing with them.

13 On the other hand, I have many other clients
14 who are workers at Sargento. We recognize the strong
15 impact that a business like this, a family-owned
16 business has on the Sheboygan County community, and to
17 the extent that -- to the extent that they need to
18 remain competitive, that's something we all have to pay
19 attention to.

20 I think it also underscores what our coop
21 members have said here today, that it's extremely
22 important to make farmers competitive, here in
23 Wisconsin. To the extent that you take away their rail
24 service and make the cost of business, cost of fuel,
25 the cost of fertilizer, the cost of feed more

1 expensive, you are just making it more difficult for
2 Wisconsin farmers to compete.

3 And they are in a global marketplace. They
4 are in a nationwide marketplace, and they are fighting
5 for their survival. And I've seen many farm families
6 who have lost their farms, have gone out of business
7 here in Wisconsin because they have not been able to be
8 competitive. The ones who survive are strong business
9 people, but to the extent that you take away their
10 ability to compete, you undercut their very survival.

11 I sat at a number of family farm kitchens over
12 the last 25 years where people were tearful about
13 losing their family farm; farms that have been in their
14 name, in their family for a hundred or a 150 years.
15 And to the extent that you take away the economic
16 ability for people in this area to compete, you are
17 only pushing more and more of these farm families out
18 of farming.

19 The last thing I would like to say, I am also
20 a member of the Random Lake Area Chamber of Commerce,
21 and it's been my privilege to work with my brethren in
22 the area Chamber of Commerce in promoting economic
23 development in a variety of ways, and we will have one
24 of our other members speaking a little later; but it's
25 fair to say that economic development benefits these

1 communities, and this rail service and continuing the
2 rail service is essential for economic development of
3 area.

4 A couple of other points, in case no one else
5 makes them, and that is, it's my understanding that the
6 three or four counties in this area, if they have the
7 opportunity to sell grain on the Chicago market,
8 through the rail service, which they don't have now,
9 because no one has been able to justify making up--
10 making the big investments to ship grain by rail, if
11 there was rail trucking, or -- I'm sorry -- rail
12 shipments of grain which are currently shipped by
13 truck. If that was -- If these counties in this area
14 were able to ship that grain by rail, that would amount
15 to about 11,000 semi-trucks per year using Highway
16 I-43, which everybody came up here, today, I believe,
17 on Highway I-43, the main interstate corridor into the
18 northeast side of Milwaukee. 11,000 more trucks.

19 I'm sorry. There's 11,000 trucks that are now
20 necessary to haul that grain. Those trucks could come
21 off the road if it could be hauled by-- if it could be
22 hauled by rail. If we have the commitment of long-term
23 rail service, I'm sure that the local coops will put in
24 the infrastructure and make the investment, and start
25 marketing the grain by rail.

1 If those trucks are replaced by rail, that
2 will save about two million dollars of diesel fuel at
3 July 2003 prices. Obviously, diesel fuel is not going
4 to stay at July 2003 prices, but imagine a savings of
5 two million dollars of diesel fuel if we could ship and
6 market our grain by rail instead of by truck. Imagine
7 the benefit of all the citizens in this area who use
8 the Highway I-43 for taking their families to
9 Milwaukee, or for commuting to work in Milwaukee.
10 Imagine the comments that were made earlier today by
11 local government officials who struggled to pay the
12 bills of fixing the roads as they need to be
13 maintained.

14 Everybody benefits by the preservation of rail
15 service, and I urge you to not permit abandonment of
16 this line. Thank you.

17 MR. DETTMAR: Thank you.

18 EDWARD RITGER: At this time, I am going to
19 file the two Sargento letters with your clerk.

20 (Mr. Riterger handed letters to Mr. Bornstein
21 and the Court Reporter spoke briefly to Mr. Dettmar,
22 off the record.)

23 MR. BORNSTEIN: St. Marie Pamper? (sp). (Audience
24 laughter.) Senator Panzer.

25 MARY PANZER: I've heard my name so many

1 different ways, that I recognize it in all ways, so
2 thank you. (Audience laughter.) I would very much
3 like to thank Chairman Nober and the other Board
4 Members of the Surface Transportation Board for coming
5 here, and to you, Mr. Dettmar, especially, for this
6 hearing in Random Lake. I understand that the Board
7 does not travel often; you have a heavy workload, and
8 we really do appreciate you coming to our region of the
9 State and to hear about our needs in terms of freight
10 rail transportation in this area.

11 I also very much want to publically thank
12 Congressman Tom Petri for helping to facilitate this
13 public hearing. Once again, he has proven to be a good
14 friend to bring this about. But most of all, I want to
15 thank the citizens here today representing citizens and
16 businesses, local governments who continue to work so
17 hard and are involved in our community and have taken
18 such an interest in this.

19 There have been rumors for some time that this
20 line of 37 miles might be abandoned. When we found out
21 several months ago it was the case, we were all rather
22 disheartened.

23 Abandonment, simply put, is not in the best
24 interest of this area or the State of Wisconsin. I
25 serve as a Senator from the 20th Senate District. I

1 also serve as a majority leader of the Wisconsin State
2 Senate, and we have taken a keen interest in the role
3 that freight rail plays, both here, regionally, as well
4 as across the State.

5 And as I said, it is clear to me that
6 abandonment is simply not in the interest of this area
7 nor in the interest of the State of Wisconsin; and
8 there are reasons for that I would like to go into,
9 briefly.

10 Wisconsin is in a state of economic revival.
11 We have a small business community. Manufacturing and
12 agriculture are key. They are key industries, and it
13 is important that we look at existing infrastructure in
14 terms of how we can help them to both stabilize the job
15 base they have, and to expand and grow it.

16 In the State of Wisconsin, we have looked at
17 the role freight rail was playing and continued to
18 study that, and have determined that it is a key part
19 of our future, as it has been our past.

20 Simply put, abandonment is contrary to the
21 concept and would hurt the economies of the
22 communities, many small to medium-sized, that depend
23 very much on small to light manufacturing, on the agri
24 business industry for their employment.

25 In this area around here that I represent, you

1 will see significant residential growth. For that to
2 really work and develop, we need to obviously have the
3 job base to support that, and this infrastructure is
4 part of what we need to do that.

5 To that end, many legislators from this area
6 joined in an effort, a couple of months ago, both to
7 request you to not allow this abandonment; and
8 secondly, to ask the State Department of Transportation
9 to look at an economic feasibility study of exactly
10 what it does mean to have freight rail in this State
11 and this area. To that end, I was joined by my
12 colleague in the Senate, Joe Liebham, who was the
13 representative from Sheboygan, State Senator.

14 You have heard from Representative Dan
15 LeMahieu. Representative Steve Kestell was at the
16 meeting in Plymouth, as was Representative Mark
17 Gottlieb and Representative Al Ott. We believe that it
18 is critical, as we said, that this not be abandoned.

19 The second thing I would like to talk about is
20 the Economic Impact Study that DOT referenced today.
21 While not finished, if you look at the preliminary data
22 that we have, it is clear, for any interpretation you
23 could give, that there is significant economic impact
24 to this area as well as other areas of the State by
25 having freight rail. 145 year-round jobs with an

1 income of over \$5.7 million, directly. Indirectly, 173
2 year-round jobs and over \$13.2 million.

3 And simply put, when you look at the effect it
4 has, on aggregate, personal income of individuals that
5 live in this area, it's estimated to affect 254 per
6 year in jobs, and almost \$10 million in-- in income,
7 per capita. That is significant for one area of the
8 State, and not easily replicated if we lose this
9 service.

10 The other thing I would like to speak to, just
11 briefly, is the importance that local groups here, the
12 businesses, the citizens, as well as local governments,
13 have worked very well and cooperatively together, to
14 look at how they market this line and market this area;
15 and I think it is important, as you look at any
16 abandonment, to rely on them, because ultimately, they
17 are the people that know this area best, and have the
18 most vested interest in it.

19 There's many people in this room that worked
20 with myself and others to create a modernized Highway
21 57. As we look at the benefits that's brought to this
22 area, freight rail is a complement to that. It
23 significantly lessens the wear and tear. If we upgrade
24 these road beds, it allows for the larger cars that are
25 essential.

1 As Attorney Ritger pointed to, with one
2 industry, we have heard it from others, to get the
3 larger cars here, to provide the transport needs be met
4 in this area. That allows, again, to stabilize the job
5 base we have, to look at how we can grow this area in
6 terms of additional job base from these sectors. So,
7 simply put, I would end my testimony with this today:
8 I have asked for a legislative study group to look at
9 economic infrastructure, and one of the components we
10 are looking at, across the State, is freight rail.

11 I believe, from the area I represent and in
12 looking at other parts of the State, that freight rail
13 is important to the State of Wisconsin. Our job base,
14 our economic future -- I would go so far as to say it's
15 part of our economic lifeline.

16 I would urge you to take that into
17 consideration as you look at the abandonment issue. I
18 would urge you not to abandon this line and allow it to
19 happen, and to work with us to find a suitable future
20 to make sure that we can realize the job potential that
21 is necessary, both in the communities I represent, and
22 in other parts around the State.

23 Again, I would like to thank you for coming
24 today. We appreciate having you in our community and
25 listening to our concerns today. Thank you very much.

1 MR. DETTMAR: Thank you, Senator.

2 MR. BORNSTEIN: Melissa Kok.

3 COURT REPORTER: State your name and spell
4 your last name.

5 MELISSA KOK: My name is Melissa Kok.

6 COURT REPORTER: Thank you.

7 MELISSA KOK: It's K-O-K. I am here on behalf
8 of Congressman Tom Petri, who unfortunately could not
9 be here today. He did, however, ask that I thank
10 everyone who has contacted his office and everyone for
11 coming here today to discuss the proposed railroad
12 abandonment.

13 Last month, Congressman Petri, along with
14 others, sent a letter requesting this public meeting
15 and he would like to thank the Surface Transportation
16 Board for coming here to Random Lake and listening to
17 our constituents about this issue, and he thanks you
18 for your time.

19 MR. DETTMAR: Thank you very much.

20 MR. BORNSTEIN: Assemblyman Gothhar. (sp).

21 COURT REPORTER: State your name and spell it.

22 GLENN GROTHMAN: It's Glenn Grothman.

23 G-R-O-T-H-M-A-N. I have a written statement I'll
24 submit, and then I'll add a little bit more. Thank
25 you -- Thanks to the -- Thanks to the members of the

1 Federal Surface Transportation Board for allowing me to
2 submit my written testimony regarding the proposed
3 abandonment of the 37-mile railroad line running from
4 Saukville to Kiel by the Canadian National Railroad.

5 Before the redistricting in 2002, I served as
6 State Representatives for the communities of Fredonia,
7 Random Lake, and Adell for nine years. I continue to
8 enjoy good relations with these areas, and I hope you
9 will consider the impact on these communities when you
10 make your decision on the Canadian National's request
11 to abandon rail service.

12 For the farms based in a number of counties
13 located along the rail line, the loss of the railroad
14 would provide an economic hardship upon those
15 businesses and the customers based there; companies
16 like Adell Cooperative and Kettle Lakes Cooperation not
17 only use the rail line, but could also benefit from
18 more rail service. These businesses and others need
19 rail service as an alternative choice of
20 transportation. Without rail service, their
21 transportation choices would decrease and
22 transportation costs would increase.

23 At a time when Wisconsin is trying to grow its
24 economy and attract jobs to the area, it seems
25 short-sighted to allow rail line abandonment to reduce

1 employment, reducing the personal economy in these
2 areas can impact the economy of these communities. I
3 have heard that if Canadian National--

4 COURT REPORTER: Excuse me. Read a little
5 slower.

6 GLENN GROTHMAN: Okay.

7 COURT REPORTER: Thank you.

8 GLENN GROTHMAN: I have heard that if Canadian
9 National Railroad is allowed to abandon the rail line,
10 the ties and rails would be dug up, and in the area
11 would be turned into paths and bike trails and hiking
12 trails. While such trails are nice resources for any
13 area, the economic development of these communities is
14 more significant, and their economies would be better
15 served with rail service rather than a bike trail.

16 I want to make a couple of other points, that,
17 I am trying to think of something that has not already
18 been said, because the vocal members of the communities
19 have done such an eloquent job.

20 I want you to remember that this is a decision
21 that impacts us not only in 2004, but 2024 and 2044.
22 The Janiks, for example, talking about Neuens Lumber,
23 pointed out that rail service may cost them about half
24 of what truck service costs for their business. That's
25 today. If we make this decision to abandon the rail

1 today, that rail is going to be abandoned forever in
2 the future.

3 It is possible, 20 years from now, we may look
4 back and find rail service costs a quarter or a fifth
5 or a tenth of what truck lines cost. And if we do it
6 then, if we do this abandonment now, we are never going
7 to be able to get it back. We are hurting this area
8 forever, and for that reason, I think it is such a
9 mistake to abandon that rail line now.

10 The other thing I am going to point out is
11 rails get a lot of tax benefit, a lot of special --
12 special laws, both under Federal and State Statute.
13 And I think for that reason, once more, it's not like a
14 normal business, you know, pulling up roots from the
15 community and abandon it. It's a business that has
16 received special governmental benefit, and for that
17 reason, again, it's doubly important and fair that they
18 not be able to abandon the community. Thank you.

19 MR. DETTMAR: Thank you, Assemblyman.

20 MR. BORNSTEIN: Tim Lerue. (sp)

21 COURT REPORTER: State your name and spell
22 your last name.

23 TIM LEWEIN: Timothy Lewein. L-E-W-E-I-N. My
24 name is Timothy Lewein. I'm a Village Trustee in the
25 Village of Saukville. The Village of Saukville, and as

1 a resident, I am very seriously concerned about the
2 railroad line being abandoned.

3 What we have to do is, we have to take
4 ourselves back to grade school and ask ourselves a few
5 questions. Who? What? When? Where? And how? It
6 answers everything.

7 The problem we are having here is Canadian
8 National is creating a problem; the problem being into
9 the area of economics. It's going to definitely
10 benefit them; and it's going to curtail the economics
11 of the State of Wisconsin.

12 Because I can foresee the abandonment of a
13 whole railroad system, eventually, for a particular
14 reason. The "What?" is the elimination of this
15 particular track of railroad lines in Sheboygan County.

16 And when do they want it? They want it as
17 soon as possible.

18 And where is it happening? Right here in
19 Wisconsin, to our neighbors. We affect each other. If
20 we don't support our neighbors in Sheboygan, Random
21 Lake, Waldo, Kiel, we eventually have nobody to help
22 support us.

23 And what is the reason? Why is the reason?
24 The reason has got to do with money. CNN (sic) came
25 in, bought the lines and the right to use the lines in

1 Wisconsin.

2 For long-term, who knows what their judgments
3 were? They are never going to tell us; we are never
4 going to find out about that anytime soon. But what's
5 happening is, we have good economics in Wisconsin. We
6 have CNN (sic) that's coming along and trying to
7 disrupt the economy in this particular area, so they
8 can benefit as far as dollars are concerned.

9 Everything -- and the gray line for business
10 is money. We lose; they gain. And how do they gain?
11 When the abandonment starts and it proceeds and it
12 continues, they get the advantage of -- I'm talking
13 about CNN (sic) now, which is out of Canada -- to take
14 their products to market from Canada, through
15 Wisconsin -- through the United States and Wisconsin,
16 bypassing the United States, and getting them into
17 foreign markets so they can make a profit. It's that
18 simple.

19 If we allow them to do it, all of Wisconsin is
20 going to suffer, and parts of the United States. Thank
21 you.

22 MR. DETTMAR: Thank you very much.

23 MR. BORNSTEIN: Jeff Mueller.

24 COURT REPORTER: State your name for the
25 record. Thank you.

1 JEFF MUELLER: Hi, my name is Jeff Mueller. I
2 represent Wisconsin State Bank here in Random Lake;
3 also in Belgium, which is in Ozaukee County. I also
4 represent the Random Lake Chamber of Commerce. And as
5 a member of the Chamber of Commerce, we are in the
6 process of revitalizing Random Lake. It's a big,
7 important venture. We've undertaken in October of
8 2000. This town used to support several -- more than
9 one grocery store, we used to support more than one
10 hardware store. We had multiple car dealerships, etc.

11 Nowadays, we have one and we are lucky to even
12 have them in each of those categories. Now, I'm saying
13 that it's not always a rails issue. But the rail is
14 part of revitalizing this community. We have survived
15 on that rail, that rail has both brought economic
16 vitality to Random Lake and we need it to continue.
17 Not only does the bank have a vested interest for an
18 economic reason, but the other people that have already
19 spoke, most of them are a customer of ours or they
20 service a customer of ours, and we need to keep putting
21 money out into the market, and also it's nice to get it
22 paid back, once in while.

23 So, the rail is a very important venture to
24 keep going here. Let me bring it close. You are out
25 from Washington. We welcome you. We're glad you're

1 here. If you took the Metro system, you have probably
2 used it once or twice. I have just returned from
3 Washington. I personally really enjoyed going out
4 there and I'll go back and back, again and again. But
5 take the red line out of the Metro? Where-- Where do
6 you go? What do you do? A lot of confusion. A lot of
7 disruption. How do you get to work? How do you pay
8 your bills?

9 That's what you are doing here. What Canadian
10 National is recommending of an abandonment is like
11 pulling the red line out of the Metro. It can't
12 happen, because the people that are here will not
13 survive. So, I'm saying that, please give serious
14 consideration to what's being said here today.

15 This is as important to us as you can ever,
16 ever imagine. Think about yourself in a small
17 community. Take yourself out of Washington, D.C.
18 Think about your grandparents. Where did they come
19 from? What did they need to survive? We are living
20 it, right now. We need your help. Thank you.

21 MR. DETTMAR: Thank you very much.

22 MR. BORNSTEIN: Bill Gardner.

23 COURT REPORTER: State your name for the
24 record, and spell your--

25 BILL GARDNER: My name is Bill Gardner,

1 G-A-R-D-N-E-R. I apologize for the October weather.
2 Wisconsin does have a good summer, just not this year,
3 unfortunately. I would like to make it short and
4 sweet.

5 Abandonment, gentlemen, is not an option.
6 There's other ways of doing this. The CN can operate
7 this line if they chose to operate this line.
8 Unfortunately, they chose not to operate this line by
9 either raising rates, curtailing service, or reducing
10 service, or not even showing up. That is not the way
11 we do things in Wisconsin.

12 To give you a little history, I am the
13 President of the Wisconsin Southern Railroad. I
14 operate over 550 miles of railroad in the State of
15 Wisconsin through 15 counties. Just about all of the
16 rail lines I operated were abandoned by other Class 1
17 railroads. The grass was taller than the rail.

18 These 15 counties were going to be -- suffer
19 tremendously if somebody didn't take over the rail line
20 and bring economic growth. Throughout the -- When I
21 first came on the property, the railroad started in
22 1980. I bought the railroad in 1988. We had 18
23 employees. Today, we have over 200 employees. Those
24 200 employees, starting at the bottom wage scale,
25 starts at \$30,000 a year to as high as \$95,000 a year.

1 Those people, you know, live in this, you
2 know, State. Those are good-paying jobs. They are not
3 burger flipping jobs for \$5 an hour. If the CN is
4 allowed to abandon this rail segment, jobs are going to
5 be lost in the communities, here; good-paying jobs.
6 People's livelihoods are going to be lost.

7 We are going to see more trucks on the highway
8 and we all know what is going on down at Marquette
9 Interchange. Everybody is trying to figure out how to
10 get from the north to the south and not go through the
11 Marquette interchange. It's going to be more trucks on
12 the highway.

13 The railroad can solve that problem. And that
14 Marquette interchange, I understand, is going to be
15 several years of being out of service, and rebuilding
16 it. The railroad can take that load off of that
17 interchange if they would come up here and service
18 this.

19 I proposed, back in January, to the CN, that I
20 would be willing to operate the rail line from North
21 Milwaukee to Hilbert, which included the 37 miles in
22 the middle. At that time, I was politely told, "It's
23 not in our interests to do it that way. We will
24 abandon the rail line."

25 I would say, Gentlemen, starting today, put a

1 little pressure on Class 1 railroads, that when they
2 want to get rid of these core lines -- that okay, if
3 you want to walk away from this little railroad, you
4 are also going to leave a cherry behind, because
5 everybody refers to the cherry of, you know, the north
6 side of this rail line, and to the south side of that
7 rail line.

8 If you are going to walk away from the
9 37 miles, you are going to leave one of the cherries
10 along with it. With that attitude, I think the Class 1
11 railroads will then think, "Well, we've got to leave a
12 cherry behind. With these other lines that we are
13 going to abandon, maybe we won't abandon these rail
14 lines and we will actually go out there and market
15 these lines and develop these lines and create jobs and
16 industry and infrastructure.

17 I mean, people here want to spend money on
18 their infrastructure but they can't, because they can't
19 count on the CN being there to service them.

20 So, I would say, gentlemen, thank you for
21 coming, but put a lot of, you know, pressure on the CN
22 and say, "Abandonment is not an option. If you choose
23 to walk away, you are going to choose to walk away from
24 the whole tree, not just part of the tree." Thank you.

25 MR. DETTMAR: Thank you.

1 MR. BORNSTEIN: That is the last of the
2 speakers. We have some time, does anybody want to add
3 anything?

4 LARRY HUIRAS: Could I speak?

5 MR. BORNSTEIN: Sure. Step on up.

6 COURT REPORTER: State your name and spell
7 your last name.

8 LARRY HUIRAS: Larry Huiras. H-U-I-R-A-S.
9 I'm the Agricultural Manager at Lakeside Foods in
10 Random Lake, here, and we use the rail, at the present
11 in Random Lake, for bringing in seed to our facility
12 from the northwest. There's savings versus using the
13 rail versus truck, and we use that savings to help our
14 farmers and also our company. We service -- or our
15 department services 240 farmers in 10 counties here,
16 growing peas and sweet corn. We process that peas and
17 sweet corn at the Random Lake and the Eden facility,
18 and we have processed over 4 million cases of products,
19 which is 24 cans per case, and that's a lot of product
20 that the savings can spread across. And the bottom
21 line is, it's a savings for the farmers and for the
22 company. And we would like to see this abandonment
23 stopped and continue the railroad through Random Lake.
24 That's all I have. Thank you.

25 MR. DETTMAR: Thank you very much. Anyone

1 else? Mr. Ritger?

2 ED RITGER: Just, again, my name is Ed Ritger.
3 I just want to add one other line of thinking to this,
4 and that is that, in addition to the businesses that
5 have presented their support for keeping the line open,
6 we have -- our Chamber of Commerce has received a
7 number of inquiries from businesses that do not now use
8 the line, who have, for years, operated under the
9 assumption that the line was going to disappear, that
10 railroads are obsolete, and that -- and for that
11 reason, they did not include the railroad in their
12 future business plans.

13 For example, a small village of about 500,
14 north of here, the Village of Adell, they -- their
15 major business is a company called Milk Specialties,
16 and that company evaporates whey products from the
17 local cheese factories. They ship all of their product
18 in and out by truck. Their plant is located on both
19 sides of the rail line. It would take a major
20 expenditure, a major investment on their company's part
21 to make it possible for them to ship their product out
22 by rail.

23 They have contacted their Village President,
24 the Village of Adell, who has, in turn, contacted our
25 Chamber of Commerce to inquire about the possibility of

1 Milk Specialties using the rail line in the future,
2 again, looking for predictability, looking for the
3 assurance that the rail line is going to be there, so
4 that they can recapture the investment they make.

5 I've had similar inquiries and I know my
6 colleagues on the Chamber of Commerce have also
7 received other inquiries from other businesses; and so
8 I guess, I would like to conclude and emphasize not
9 only the impact right now, in terms of losing rail
10 service for the current users, but also to give a vote
11 of confidence and support for a very bright economic
12 future for rail service if it was handled right, and
13 had predictability and continuity for years to come.
14 Thank you.

15 MR. DETTMAR: Thank you. Before concluding
16 today, I would like to thank all of those -- all of you
17 who have attended for taking time out of your schedules
18 to come here. I would like to thank the speakers, this
19 morning, for their very helpful remarks, and to assure
20 them that the transcript will be submitted to the Board
21 Members and they will carefully consider that in
22 deciding the application that's before them.

23 In particular, I would like to thank the
24 Random Lake Chamber of Commerce for their assistance,
25 without which this hearing would not have been

1 possible; and I would like to acknowledge both the
2 Chamber of Commerce and Representative Petri, who
3 requested that this hearing be held, and is the reason
4 that we are all here today.

5 So, thank you, again, and with no further
6 matter before us, I will call the meeting adjourned.
7 Thank you.

8 (Applause. Adjourned at 11:04 a.m.)

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1 STATE OF WISCONSIN)
) SS.
2 COUNTY OF FOND DU LAC)

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4 I, KATE F. WORTH, RPR, do hereby certify that I am a
5 Notary Public, Assistant Official Court Reporter, and
6 Registered Professional Reporter; and that I have carefully
7 compared the foregoing pages with my stenographic notes, and
8 also an audiotape recorded, by me, at said hearing, and that
9 I believe the same is a true and correct transcript of the
10 matters heard at the Public Hearing held at the High School
11 in Random Lake, WI, on August 13, 2004.

12 Dated at Fond du Lac, Wisconsin, this 18th day of
13 August, 2004.

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21 My Notary commission expires
22 December 10, 2006.

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