

RAILCO

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Robert E. Primus

Vice Chairman
Surface Transportation Board



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We are writing you to raise our concerns with the situation on the Wisconsin Northern, a short line operated by Progressive Railroad (PGR). Wisconsin Northern leases 37.3 miles of track from Union Pacific (UP) between Norma, WI, and Cameron, WI. Wisconsin Northern has a 30-year agreement with Union Pacific, and it is the only Class 1 railroad allowed to service Wisconsin Northern.

Shippers on Wisconsin Northern only have one way in and one way out, this is on the South end in Norma, WI, connected to Union Pacific. Canadian National (CN) runs West (Barron, WI) to East (Tony, WI) with a north to south interchange in Ladysmith, WI. The rail located just south of the interchange with CN in Cameron, WI, 232 ft has been pulled up and declared out of service. Shippers are calling upon PGR to interchange traffic with CN in Cameron.

In 2019, Northern Industrial Sands, located in New Auburn, WI reached out to Canadian National regarding the interchange in Cameron. Kelly Levis of CN stated that "Any realistic discussion and consideration of a Cameron interchange would need to be initiated by PGR." (Levis)

Wisconsin Northern has previously disclosed they have an "interchange commitment in the form of an adjustment in the amount of rent payable each year, depending on the percentage of total traffic transported over the line that is interchanged with UP in that year" (Herzig, 26604). After shippers on the Wisconsin Northern, voiced their opinion of not having the CN interchange to PGR president Dave Fellon, in 2019, commented, "they would lose their lease by even talking to us for opening the line north to Cameron." Union Pacific has made it noticeably clear that is inaccurate information. The economic rewards Wisconsin Northern gains from only interchanging with UP is profoundly affecting shippers on this line. Especially with taking into consideration the extremely long 30-year lease.

Rail rates have increased tremendously over the years. This has led multiple industries to stop rail service and depend solely on trucking. The fact of the matter is, if shippers use the rail on this line, there are zero competitive rates available. Shipping volumes will increase through this cross-directional growth. Traffic will balance between both Class 1 railroads as customers diversify their markets to capitalize on these new access points.

After exhausting numerous attempts to voice our concerns with Wisconsin Northern and Union Pacific Railroads, shippers on this single-directional line are stuck in a situation of anticipative pricing and restricting access to our customers. Plants have been shut down and jobs lost to foreign interest. Therefore, we are reaching out to bring attention to our plight. To show support of reforming the Board's competitive access policies and increasing the practical accessibility of rate relief measures to shippers in this obvious market-dominant situation.

With all due respect,

A handwritten signature in black ink, appearing to read "Jennifer Null". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Null".

Jennifer Null
Business
Development

Levis, Kelly. Email to Northern Industrial Sands Re: NIS Letter to CN Dated October 9, 2019.

United States, Surface Transportation Board, and Jeffrey Herzig. Federal Register, 87th ed., vol. 77, pp. 26604-26605. May 4,

2012. Accessed 9 Mar. 2