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**SURFACE TRANSPORTATION BOARD
ORAL HEARING
Random Lake, WI
August 13, 2004**

1. **WSOR has a 25-year track record for operating "light density" lines here in WI.**
2. **WSOR has proven that operating light density lines can and do indeed provide economic benefit to the state and railroad operator.**
3. **Since 1980, WSOR has been confronted with the tough decision of whether or not to close a line or to continue operating. Two line segments in particular that were once facing the eyes of abandonment are now active and viable rail lines.**
4. **We all know that it takes money to make money. In the railroad industry it may take years and years of incurring a loss or making no money until a profit margin can be realized. An economically viable rail line does not always land in the laps of a railroad company. It takes motivation, it takes creativity, and it takes commitment. The application portrays that there is no future commitment on behalf of the shippers to increase their business to make this segment a more viable one. In reality, it was the shippers that were never approached and given the assurance that their capital investments would pay-off someday by having a reliable railroad company that will be there for the long-term.**
5. **The abandonment application filed by the CN states there are 200 carloads and a \$2 Million investment required to upgrade this 37-mile segment. This reasoning is a matter of perspective. First, the carloads. Any railroad operator in the country can find a 37-mile segment with only 200 carloads. This is easy to do especially if you have two access points such as what the CN has in this situation. 200 carloads is not much, especially when the existing shippers refuse to invest in their plant and infrastructure because of how unsure they are of the commitment of the railroad.**

Second, the infrastructure. Most of the tracks that we operate on are 90 lb. Jointed rail between the age of 80 – 100 years old. Bridges we operate over are over 80-90 years old and not 286 K compliant. We still have limestone ballast on many parts of our system. But we still operate and manage to make our lines viable and worth keeping open. I wish all of our

branch lines were in the condition that the Saukville to Kiel line is in. The proposed \$2 Million investment that CN is claiming is certainly a matter of perspective.

6. The fact of the matter is that economic viability can be achieved by operating rail lines in whole. This is how WSOR does it and this is how all other railroad companies do it. I believe if the STB allows this type of "Cherry Picking" to occur where a railroad company can pick and choose the better areas to serve, this will be precedent setting and could adversely effect local, regional, and state economies all over the United States. This line has been operated for years as a whole line segment from N. Milwaukee to Hilbert Junction, which included carloadings from all other communities along this line. And this is what ultimately made this entire line feasible enough to operate.
7. I encourage you to deny this application on the basis that this is a corporate decision by CN and not a decision by the shippers and local communities as the CN claims in its application. The fact of the matter is that the shippers and communities along this 37-mile segment were never given the assurances that rail would remain for a long time coming and hence never carried out their capital investments that included the reliance on freight rail service. If indeed assurances had been there in the past, there would be much more than 200 carloads on this segment and the capital investment required would not be as questionable as it is now.

I urge you again to understand that this proposed abandonment is not a result of lack of rail demand but moreover a lack of interest on behalf of the railroad operator. **THANK YOU VERY MUCH FOR YOUR TIME.**

Submitted by Ken Lucht
Wisconsin & Southern Railroad Co.