

The Return of Rail By Jack Miller

HURLEY, March 7, 2022: Once upon a time, there was Hurley, Hayward and Hell. I grew up in Hurley, have visited Hayward, and may have passed through Hell. Once, in Wisconsin, rails ran north and south, east and west. There were ore cars, log cars, boxcars, and passenger cars. A Wisconsin resident could go anywhere on the continent from a train depot within walking distance of home. There were good local jobs because the train carried finished products as well as natural resources. Rail access can be as important as internet and broadband access. Now begins a return to rail transport throughout Wisconsin.

MONTREAL, March 30, 2021 (GLOBE NEWSWIRE) -- CN (TSX: CNR) (NYSE: CNI) and WATCO are pleased to announce that they have reached an agreement for the sale of non-core lines and assets on the Soo subdivision (approximately 250 miles of track) that runs from Sault Ste. Marie, Ontario to Oba, Ontario and approximately 650 miles of branch lines of Wisconsin Central Ltd. in Wisconsin and Michigan. This marks the successful conclusion of the sale process that CN announced and launched in July of 2020. --www.cn.ca--

On January 29, 2022, the Fox Valley & Lake Superior Rail System LLC (FOXY) began operations in Northern Wisconsin. The new railroad rolls on tracks sold by Canadian National (CN) to Watco Companies, LLC (Watco). The start-up was expected in July of 2021, but the Surface Transportation Board (STB), formerly the Interstate Commerce Commission (ICC), did not grant approval until just after Christmas.

“Watco is a single-source transportation and supply chain services company with locations throughout North America and Australia.” (watco.com) Watco runs 43 railroads in North America including Alabama Southern, Boise Valley, Colorado Pacific, San Antonio Central, Vicksburg Southern, and now Grand Elk (GDLK) in Northern Michigan and FOXY in Wisconsin. According to Watco, Railroadng is a volume game, and growing volume begins with productive dialogue. That’s why Watco will support and be represented at Rail Line Corridor Committee (RLCC) Meetings (<https://www.centralcorridors.com/wcg/>).



“Watco will begin operating ex-CN lines in the next week, as shown in this map released when the sale was announced in March 2021.”

Trains.com | Bill Stephens | January 25, 2022

The inaugural Ashland to White Pine RLCC was held on April 30, 2021, in the Iron County Board Room in Hurley. John Duncan. Varda, who grew up in Hurley and for the last 50+ years has practiced Transportation & Logistics Industry Law, took charge of a standing-room-only crowd of government representatives, loggers, property owners, and railroad men. Represented in the Iron County Board Room were WATCO, Lake States Shippers, La Pointe Iron Company, the North Woods Rail Transport Committee, as well as elected officials from Ashland, Iron, Gogebic and Ontonagon Counties. US Representative Tom Tiffany was on the phone with an attending representative of Watco. RLCC meetings will again be in April of this year.

At the Lake States Lumber Association 2022 Winter Meeting, January 19-21, Watco stated that customers will be able to order equipment from either CN or FOXY and that Watco will own the rights-of-way. For suppliers, shippers, Watco will be interested in all potential traffic, not just the typical long-haul of Canadian National, and will solicit hauls of 300 miles or less.

Watco intends to focus on shipping products with the largest “volume opportunities,” like logs, woodchips, aggregates and minerals. Watco’s planned upgrades immediately include Bradley, on the critical Highway 8 Corridor, and Tomahawk where the North/South rail line splits, crosses bridges and serves two forest resource buyers: Louisiana-Pacific Corporation and Packaging Corporation of America.

Anyone who has traveled in or through Wisconsin may be able to understand the importance of US Highway 8, as a resident of the Gogebic Range depends upon US Highway 2. The Highway 8 Rail Corridor serves a similar purpose; it forms the essential East/West crossroad from the Twin Cities to Green Bay, from the Mississippi to Lake Michigan, bypassing Chicago.

At First

Wisconsin, until the late 19th Century, was covered in maple and birch, with centuries-old red and white pine further north. At first, we cut and skidded the virgin timber to the Black, Chippewa, Fox and Wisconsin Rivers, then floated our rafts to mills in Chippewa Falls, Black River Falls, Menasha and Portage through to Prairie du Chien. Fortunes were made, names like Weyerhaeuser became iconic, and an ancient forest was clear-cut statewide.

Railways allowed access to parts of the state where transport by water was not possible, and where the last of the virgin timber could be found. The *Portage, Winnebago and Superior Railroad* was, in 1871, reorganized as the *Wisconsin Central Railroad Company*, whose original routes are still in use today.

Then, in 1884, the *Milwaukee, Lake Shore & Western Railway* reached Ashland, and the Northern Chief Iron Company began leasing land to what would become the largest mines in Wisconsin. 1884 is also the year that Hurley took its name from the Wausau lawyer who negotiated Northern Chief’s land deal. Northern Chief has substantial North Woods land holdings today.

That was the Wisconsin of Edna Ferber’s 1935 novel *Come and Get It*. The 1936 film version stars Frances Farmer as the notorious Lotta Morgan of Silver Street, who was murdered with an ax in 1890 and whose remains lay “in state in Hurley opera house for four days and were viewed by a thousand people.” – *Oshkosh Northwestern*

Wisconsin Railroads Circa 1910



“This map shows railway lines in red, with railroad land grant in Taylor, Price, and Ashland Counties shaded red.” -- Wisconsin Historical Society

A 1910 railway map of Wisconsin, titled "A Settler's Opportunity," and produced for the railroad, with red representing railroad land grants, includes the spur through Iron County to the Gogebic Range Iron Mines. Iron ore was discovered on the Gogebic Range and the ore was used to make the steel rails that the ore cars would travel. Which came first, the mines or the railroads?

First, it was timber, then it was ore. First, it was building the railroads, then it was building the cities the railroads had reached. Then came the World Wars. For nearly a century, the rails came in and the ore went out until all the ore that could be taken profitably was gone.

Steel rails and steel wheels came before asphalt roads and rubber tires, but Americans demanded the freedom of individual personal transportation. We built interstate highways that crisscross our county North and South, East and West, I5-I95, I10-I90. We began to use rail for only the most cumbersome of cargo, like iron ore and raw logs. When the mines closed, the rail lost most of its business, so did local businesses, because the working population moved south.

“They're closing down the textile mill
Across the railroad tracks
Foreman says, these jobs are going, boys
And they ain't coming back
To your hometown”
-- Bruce Springsteen --

And so, we had no use for the rail, and it was in the way, so we ripped it up. Ripped it up, but not all of it, just most of what I remember from childhood. Today, those routes are ready to be railed, rolled and ridden again.

Michigan to Wisconsin

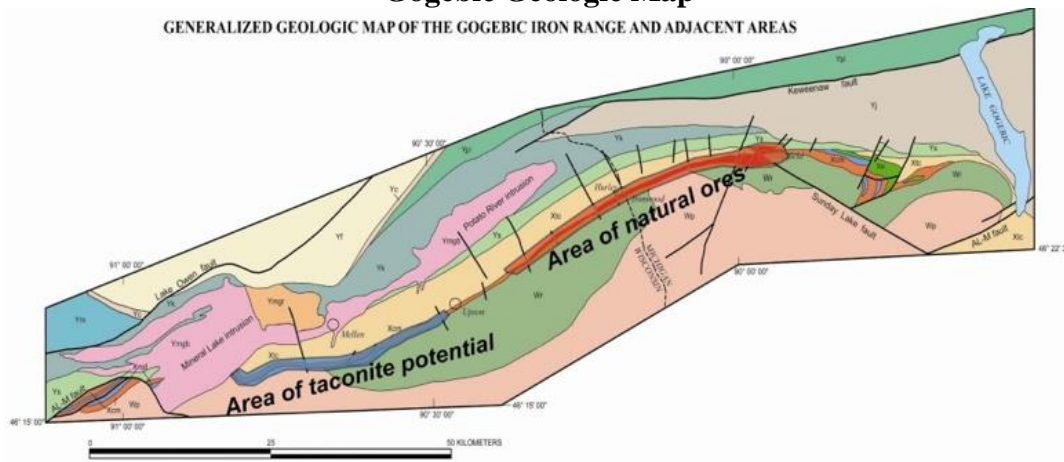


46°30'09.4"N 90°13'10.1"W

Photo by Author

The set of tracks I long to see used again are those that cross the border from Wisconsin to Michigan at the East Branch of the Montreal River, where in 1872 a geological survey speculated rich iron deposits. Northern Chief Iron Company would eventually lease land to the most productive and profitable iron ore mines in Wisconsin.

Gogebic Geologic Map



That ore was deposited 2 billion years ago and was volcanically enriched, then upturned about 1 billion years ago so that the richest of the rock was deep underground. We stopped digging at 4000 feet.

The Case for Rail

The idea is to restart rail by shipping our products with the most consistent supply and demand, raw logs, in the most cost-effective way possible. We have finished products to export, and we need to import our raw materials, but logs are where this railroad begins.

Over-the-road (OTR) carriers cannot approach the efficiency of hauling logs by rail for most longer trips: One load, one truck, one driver; versus 100 loads, one locomotive, one driver. In addition, logs hauled by a logging truck can require 40 gallons of fuel for a 200-mile roundtrip to the mill and back.

Trucks designed to bring logs out of the woods get only 4 to 4.5 MPG compared to other commercial OTR trucks today getting as much as 8 MPG per gallon of diesel. In 200 working days per year, that logging truck could burn 8000 gallons of fuel. That's a lot of money. Add to that wages and benefits as well as insurance and maintenance on the truck, and it's a lot more money.

Once installed, and reasonably maintained, steel rails and ties are more permanent when compared with asphalt and concrete. Steel wheels rolling on steel rails require little maintenance when compared with rubber tires on asphalt. The rails from Ashland to White Pine, which cross from Wisconsin to Michigan, were carrying cargo in 1910. They can carry cargo today.

Raw logs, our first export by rail, priced in board feet, has maintained a historically high market price since the summer of 2020 and is still trading at three times the pre-2020 average market price.

Then there is the environment, where we live, this forest, this land, this Earth. If we cannot agree on whether we can affect the extremes of weather or the climate, then maybe we can agree that putting less poison into the air we breathe could be an improvement. Let's go with that. Of all forms of transport, rail can most easily be electrified.

Because internal combustion engines (ICEs) are only half as mechanically efficient as electric motors, and electricity has many and varied sources, all forms of transportation will eventually be electrified. A diesel locomotive today is a near hybrid electric, like a Chevy Volt, the engine drives an electric generator, except the prosaic black diesel beasts do not have batteries. Union Pacific has recently ordered 20 battery-electric locomotives for yard service and "will assemble world's largest carrier-owned battery-electric locomotive fleet." (up.com)

Wabtec FLXdrive Locomotive



trains.com

Because ICEs may always be a requirement for long-distance hauling by rail, Cummins has unveiled an industry-first "fuel-agnostic" internal combustion powertrain. If this new engine were doing most of its work in Iowa, it might be running corn-based ethanol. One running in Western Canada might run only on natural gas. Natural gas might also be the preferred fuel

through Texas and along the Gulf Coast. The new Cummins engine will also burn used vegetable or motor oil.

The Past is the Future

I hear the train a-comin'
It's rollin' round the bend
And I ain't seen the sunshine
Since I don't know when.
-- Johnny Cash --

We can use trains for their dependability, durability, efficiency and sustainability. Trucks must do what they do best. For our local industry, rail access can be as important as broadband Internet access. Distribution centers can be hardwired for broadband and hard-railed for transport.

Once we cut all there was to cut, dug all there was to dig, then ripped up many of the tracks and abandoned rights-of-way, without much thought for the future, as if those routes could never be of use again. Our past can be our future if we can learn from our mistakes. The Outline of a Great American Comeback Story has been written into our landscape by our railroading Wisconsin ancestors.