Wisconsin Central Group
An ad hoc Rail Freight Stakeholders Coalition
www.centralcorridors.com/wcg/

Lake States Shippers Association
A Classic Co-op Shippers Association
www.centralcorridors.com/lssa/

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August 23, 2020

**An Alternative Approach to CN's**
**"Wisconsin – Northern Michigan Branch Line Proposed Divestiture"**
Announced Mid-July 2020

CN's map which accompanied the mid-July 2020 announcement and a map reflecting LSSA's perspective on "Wisconsin / Upper Michigan Rail Line Corridors" are attached for reference.

WCGroup/LSSA have been working diligently since CN's mid-July announcement to facilitate constructive responses to CN's Plan and will continue to do so.

On its face, the announcement appears to be a once-in-a-generation event. We prefer, however, that CN take the time necessary to get it right including meaningful consultations between and among CN and private and public stakeholders who have critical interests in access to effective freight rail in Wisconsin for local service and, also rail intermodal, to and from National, North American and overseas markets.

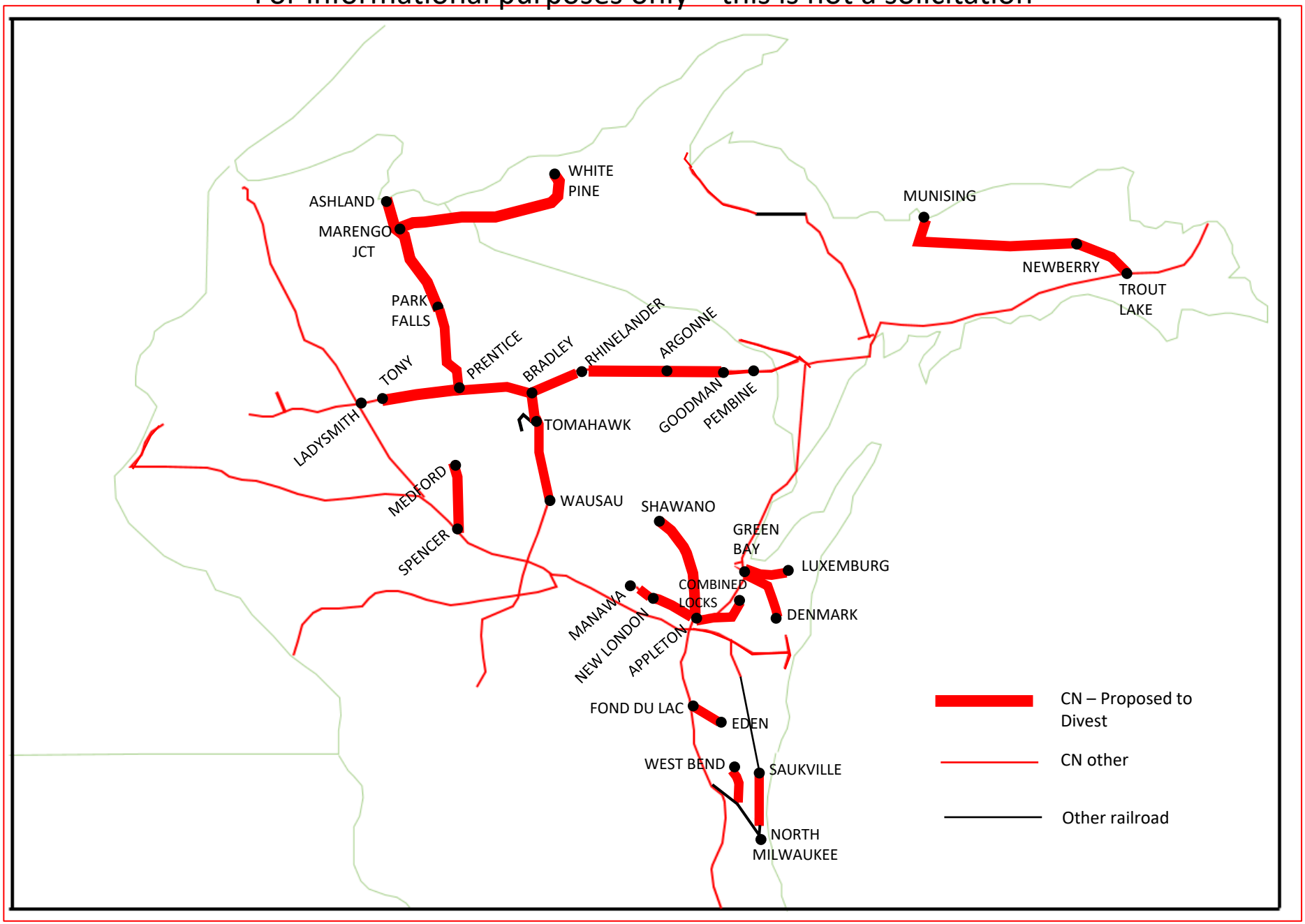
**Potential Elements of an Alternative Approach:**[*]

- CN jointly engages with a new entity consisting of a consortium including a qualified operator ("Class III") and private sector shipper interests and other relevant stakeholders ("Consortium").
- Using a combination of leases and sales of CN lighter density lines and terminal operations (including those identified in CN's Proposed Divestiture) commence and over time expand the Class III's operations to include most CN/WC lighter density lines.
- The Consortium allies itself with public bodies qualified for state and federal rail and rail-related infrastructure investment grants including rolling stock (*e.g.*, log cars and boxcars).
- The Consortium engages with shippers and commercial sources of "Actionable Shipper Data" to identify over-the-road ("OTR") truckload freight in the CN/WC region and solicits its conversion to rail and rail intermodal.
- Consider CN's and the Class III's sharing lines, administrative and other resources for mutual advantage including cost containment and transparency for shippers equivalent of single line service and "local characteristics" of the historic Wisconsin Central.
- Carry out the plan over a reasonable implementation period (*i.e.*, 3-5 years), the same time frame essential for conversion of major volumes of OTR truckloads to rail and rail intermodal.

[*] This is actually a CN idea. In STB F.D. 34000, granting CN control of WC, CN articulated the concept of operating CN as a "division" of CN - preserving WC "local characteristics". The suggested modification results in a spin-off entity which can take assets off CN's books and provides an entity that is better qualified than a Class I to obtain infrastructure investment grant funding.

# Wisconsin – Northern Michigan Branch Line Proposed Divestiture

For informational purposes only – this is not a solicitation



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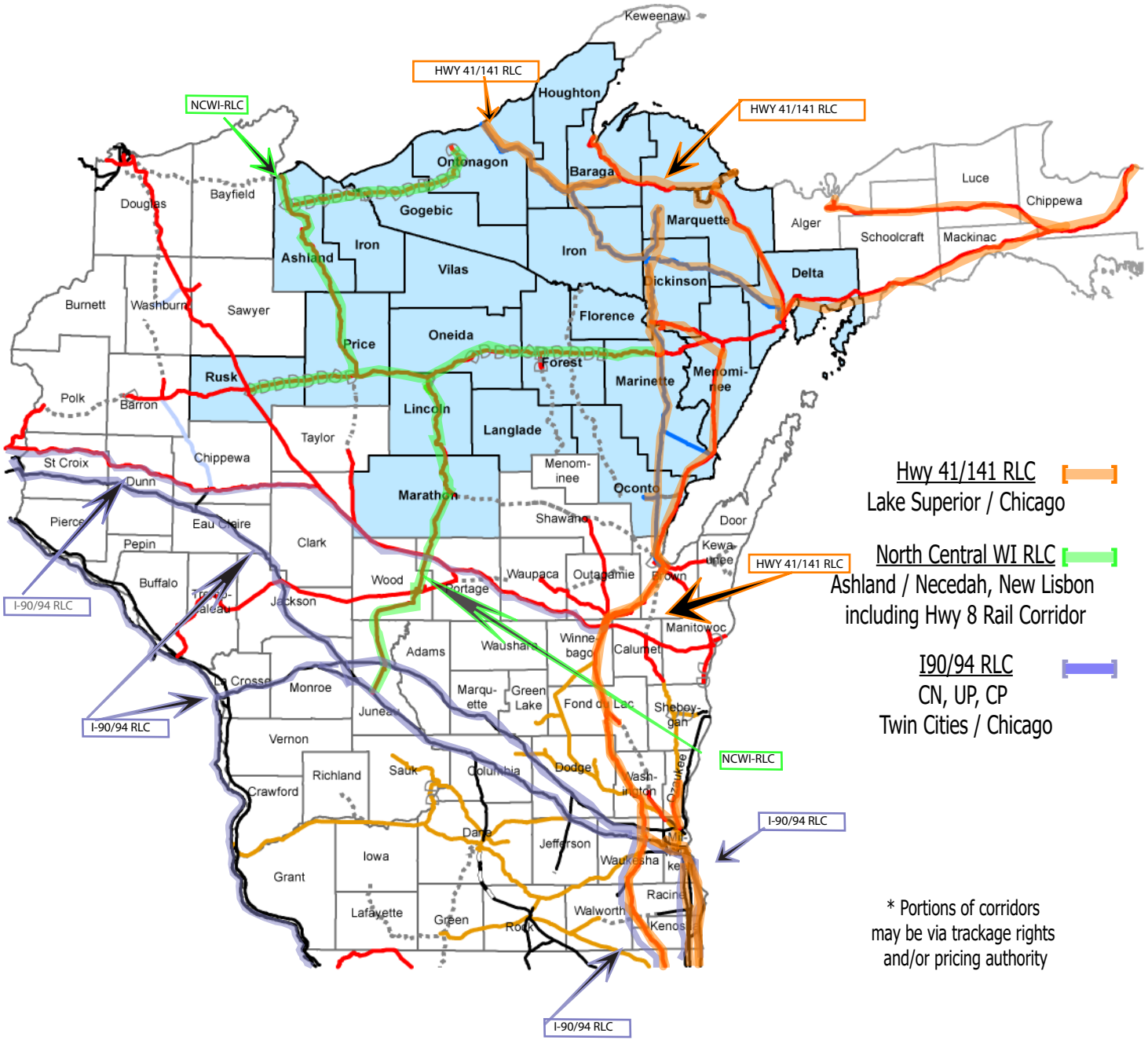
# Wisconsin / Upper Michigan Rail Line Corridors

## Looking at the Region as a Rail System and from a Corridors Perspective*

January 23, 2020




**Hwy 41/141 RLC**
Lake Superior / Chicago

**North Central WI RLC**
Ashland / Necedah, New Lisbon
including Hwy 8 Rail Corridor

**I90/94 RLC**
CN, UP, CP
Twin Cities / Chicago

* Portions of corridors may be via trackage rights and/or pricing authority

**Legend**

- CN
- ELS
- PR
- WSOR
- Other Railroad
- WSOR (Out of Service)
- Union Pacific (Out of Service)
- CN (Out of Service)
- Local Rail Bank
- Rails to Trails

0 15 30 60 90 120 Miles

Source: WI DNR, NCWRPC, CUPPAD

This map is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information and data used for reference purposes only. NCWRPC is not responsible for any inaccuracies herein contained.

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