

Article 1
December 24, 2015

U.S. freight stalls as firms try to cut unwanted stocks

By John Kemp

LONDON (Reuters) - Traffic on the U.S. rail network continues to weaken in a sign of the slowdown spreading across the industrial economy and efforts by firms to reverse the unplanned build up of inventories throughout the supply chain. The number of railcars and containers carried by the major railroads was down 8 percent last week compared with the same week a year earlier, according to the Association of American Railroads (AAR).

For the first 49 weeks of 2015, traffic has fallen 2.1 percent compared with the same period in 2014. At the end of June, rail traffic was down just 0.9 percent year on year, according to the AAR. The slowdown in the industrial economy has deepened, with carloads carrying bulk commodities down 3.8 percent in the first half of the year, down 5.4 percent in the year to date, and down 13.2 percent year on year last week.

In the second half of 2015, the slowdown has spread to the more high-value and consumer side, with container shipments growing 2.3 percent in the first six months, but just 1.7 percent for the year to date, and actually down 2.3 percent in the most recent week.

The weakness in rail shipments has been matched by sluggishness in other forms of freight transportation over the last 12 months (tmsnrt.rs/1IpIMWw).

Freight volumes carried by road, rail, barge and pipeline peaked in November 2014 and have been essentially flat since then, ending five years of strong growth, according to the U.S. Bureau of Transportation Statistics. Some of the weakness is the result of the end of the oil boom, which has cut the amount of crude shipped by rail, and had a knock-on effect on shipments of everything from drill pipe to fracking sand.

Coal shipments, which are the largest single item on the rail network, have been hit hard as lower natural gas prices and environmental regulations encourage power producers to switch to burning gas.

Article 2
January 5, 2016

Governor Walker announces more than \$31 million in freight rail awards

Governor Scott Walker today announced awards for seven freight rail improvement projects totaling more than \$31 million in grants and loans. The goal of Wisconsin's freight railroad assistance program is to increase the use of rail transportation and support economic development and job creation.

The Wisconsin Department of Transportation (WisDOT) is distributing more than \$24 million in grants through the Freight Railroad Preservation Program (FRPP). FRPP grants cover up to 80 percent of project costs to help preserve freight rail service or rehabilitate track on publicly-owned rail lines. In addition, WisDOT is providing loans worth over \$7 million through the state's Freight Railroad Infrastructure Improvement Program (FRIIP). FRIIP is a revolving loan program used to improve rail infrastructure and construct new rail-served facilities. Recipients for 2015-2016 are:

City of New London

A \$384,000 FRPP grant was awarded to rehabilitate a city-owned industrial spur that is connected to a Canadian National Railway branch line in Outagamie County. The project will replace 1,100 ties and add 900 tons of ballast to approximately one mile of track. Two public road crossings also will be reconstructed. Rehabilitation of the spur track will reactivate rail access to a timber processing plant owned by Granite Valley Forest Products. Reactivating this spur will allow Granite Valley to bring in hardwood logs by rail from other states that are currently trucked to

its facility, reducing the company's shipping costs, and will enable the company to expand production at the site through addition of a sawmill, resulting in the hiring of an additional 15 full-time employees.

Wisconsin and Southern Railroad Company (WSOR)—WSOR received four project awards:

- Prairie Subdivision—Phase 1 rail replacement: \$2,543,608 FRPP grant and \$317,951 FRIIP loan to replace existing 85 and 90 lb. rail with 115 lb. continuously-welded rail on 2.4 miles of track in Prairie du Chien. Five public crossings and ten turnouts also will be reconstructed between Prairie du Chien and Wauzeka.
- Prairie Subdivision—Phase 2 tie replacement: \$2,978,400 FRPP grant and \$372,300 FRIIP loan to replace ties and resurface track on 45.5 miles of track between Avoca in Iowa County and Crawford in Crawford County on the Prairie Subdivision in preparation of installing continuously-welded rail. WSOR will replace 30,000 ties between Avoca and Crawford during this phase of work on the Prairie Subdivision.
- Waukesha to Milton—Phase 2 track rehabilitation: \$8,098,600 of FRPP grant funds and a \$1,012,325 FRIIP loan to implement Phase 2 of a multi-year project to rehabilitate 41.25 miles of track between Waukesha and Milton. Work in Phase 2 will include reconstructing eight public crossings, five turnouts, installing 115 lb. continuously-welded rail and 11,800 ties over 12.7 miles of track and resurfacing 15 miles of track.
- Spring Green Bridge Reconstruction/Replacement: \$10,428,912 FRPP grant and \$1,303,614 FRIIP loan to replace several of the spans that comprise a bridge located near Spring Green. This project has been identified by engineering studies as necessary to keep the Prairie du Chien-to-Madison rail line operational.

The Prairie du Chien-to-Madison rail line and the Waukesha-to-Milton rail line are co-owned by WisDOT and the Wisconsin River Rail Transit Commission.

Rio Creek Feed Mill—Luxemburg, WI

A \$1.5 million loan was awarded to construct a grain bin, dryer and conveying equipment at the Rio Creek Feed Mill facility located in Luxemburg in Kewaunee County, which was previously owned by the Kewaunee Co-op. The facility is located on a rail line owned and served by Canadian National Railway. The new equipment and facilities will permit Rio Creek Feed Mill to vastly increase their capacity to handle canola pellets and meal, their primary commodities, as well as help local growers ship out corn, oats, wheat and soybeans.

Country Visions Co-op—Valders, WI

A \$2,650,000 FRIIP loan was awarded to construct two rail spurs and a 9000-ton dry fertilizer plant in Valders in Manitowoc County. When complete, the project is expected to reduce fertilizer shipping costs by nearly \$200,000 per year for the co-op's member growers. The expanded facility will be served by Canadian National Railway.

Since 1994, WisDOT has provided more than \$195 million in FRPP grants and more than \$120 million in FRIIP loans to help fund 160 infrastructure acquisition, rehabilitation and improvement projects statewide.

Wisconsin's rail system consists of 10 freight railroads which operate more than 3,500 miles of track in the state. Each year, more than 200 million tons of cargo is moved by rail.

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Article 3

January 6, 2016

Wisconsin railroad commissioner resigns; Walker appoints successor

Wisconsin Gov. Scott Walker on Tuesday appointed Yash Wadhwa the state's new commissioner of railroads after Commissioner Jeff Plale abruptly resigned on Monday.

Wadhwa has more than 44 years of consulting experience in civil, environmental and transportation engineering. He has worked on infrastructure projects in the Milwaukee area, and has served as president of the Wisconsin Association of Consulting Engineers and the Wisconsin Society of Professional Engineers.

"Yash Wadhwa's extensive experience in engineering and transportation will be a great contribution to the Office of the Commissioner of Railroads," Walker said in a press release.

Wadhwa's appointment requires confirmation from the state's Senate.

In his press release, Walker did not give a reason for Plale's resignation. However, Wisconsin news media reported that the resignation came in the wake of a controversy involving Plale's handling of discipline of two state employees accused of inappropriate conduct while on the job.