

WISCONSIN LEGISLATIVE COUNCIL PROPOSED REPORT TO THE LEGISLATURE

SPECIAL COMMITTEE ON WISCONSIN'S TRANSPORTATION NETWORK INFRASTRUCTURE

March 10, 2005

PRL 2005-06

Special Committee on Wisconsin's Transportation Network Infrastructure

Prepared by: Dan Schmidt, Senior Analyst March 10, 2005

CONTENTS

PART I - KEY PROVISIONS OF COMMITTEE RECOMMENDATION	3
LRB-1149/1, Relating to Creating a Council on Transportation Infrastructure in the Department of Transportation	3
PART II - COMMITTEE ACTIVITY	5
Assignment	5
Summary of Meetings	5
PART III - RECOMMENDATION INTRODUCED BY THE JOINT LEGISLATIVE COUNCIL	11
Background	11
Appendix 1 - Committee and Joint Legislative Council Votes	13
Appendix 2 - Lists of Joint Legislative Council Members	15
Appendix 3 - List of Committee Members	17
Appendix 4 - Committee Materials List	19

PART I

KEY PROVISIONS OF COMMITTEE RECOMMENDATION

The Special Committee on Wisconsin's Transportation Network Infrastructure recommends the following proposal to the Joint Legislative Council for introduction in the 2005-06 Session of the Legislature.

LRB-1149/1, Relating to Creating a Council on Transportation Infrastructure in the Department of Transportation

LRB-1149/1 does the following:

• Establishes a 16-member Council on Transportation Infrastructure within the Department of Transportation (DOT).

PART II

COMMITTEE ACTIVITY

Assignment

The Joint Legislative Council established the Special Committee on Wisconsin's Transportation Network Infrastructure by a May 21, 2004 mail ballot. The committee was directed to examine Wisconsin's transportation network infrastructure, especially the infrastructure for the transportation modes of railroads, seaports, and air, to determine ways to improve these facilities; to encourage intermodal forms of transportation; and to encourage regional cooperation among Midwestern states in improving freight and passenger transportation to increase efficiency and to alleviate highway congestion.

Membership of the Special Committee, appointed by a July 21, 2004 mail ballot, consisted of three Senators, five Representatives, and eight public members. A list of committee members is included as *Appendix 3* to this report.

Summary of Meetings

The Special Committee held five meetings at the State Capitol in Madison on the following dates:

October 7, 2004	December 14, 2004
October 20, 2004	January 18, 2005
November 17, 2004	·

<u>October 7, 2004</u>: At the first meeting of the Special Committee, the committee heard testimony on the current state of transportation infrastructure in Wisconsin from the following invited speakers:

Aaron Olver, Executive Assistant for the Wisconsin Department of Commerce, spoke on the importance of transportation in state and local economic development. He summarized the "Grow Wisconsin" program and explained that transportation is a crucial part of this and any other economic development project. He encouraged the committee to consider streamlined sighting of infrastructure and other intermodal issues when studying the state infrastructure network.

Mark Wolfgram, Administrator for the DOT's Division of Investment Management, presented a summary of Wisconsin's current transportation infrastructure use and gave projections for future use. He noted that the current use of state highways for trucking already meets the expected use for 2020 and will soon, if it does not already, exceed the expected use for the future plan. Mr. Wolfgram concluded by urging the committee to consider the importance of continued planning and wise infrastructure investment.

Dave Greene, Director of the DOT's Bureau of Aeronautics, presented a general overview of the status of aviation in Wisconsin. He stressed cooperation with the functional users of airports in Wisconsin and acknowledged that more state and local spending on airport infrastructure results in greater federal funding for state and local projects.

Ron Adams, Director of the DOT's Bureau of Rails and Harbors, summarized the status of state freight and passenger rail systems and the state harbor system. He noted that the amount of railroad track in Wisconsin is in decline, even though Wisconsin has the third highest use of passenger train service of all regions in the United States. In addition, Mr. Adams described the Wisconsin harbor system on the Great Lakes and the Mississippi River.

<u>October 20, 2004</u>: The committee heard testimony from the following speakers regarding air transportation:

Carol Skornica, General Counsel, Midwest Airlines, started her presentation with a brief description of the background of Midwest Airlines. She stated that in 2004 Midwest Airlines celebrated their 20th anniversary as a commercial carrier, discontinued all legacy DC-9 aircraft, and added five new Boeing 717s. She stated that in 2003, Midwest Airlines completed a comprehensive financial and operational restructuring, changed their service to include a high-density low-fare product, Saver Service, all while still providing their Signature Service to business destinations.

Ms. Skornica also stated that it is important to understand the severe limitations airlines confront in providing any increment of additional support for infrastructure growth. Airlines face ever increasing fuel costs, struggle to return to profitability, growing taxes, and fees imposed or enabled by the federal government.

Ms. Skornica also stressed the importance of airline hubs to economic development.

Ms. Skornica concluded her remarks by stating that state government should adopt policies that encourage airline investment and promote growth of air service in Wisconsin, particularly the growth of an airline hub which is known to stimulate economic development.

Jim Cron, Vice President of Domestic Pricing and Yield Management, Northwest Airlines, informed the committee that Northwest Airlines serves more passengers in Wisconsin than any other airline and also serves the broadest network in this state. He expressed concern that airlines are currently losing money at unprecedented levels due to increased fuel costs, decreased fears related to terrorism and war, and high competition in the passenger industry. He stated that he did not have any specific concerns related to aviation infrastructure. He encouraged the state and local government units in Wisconsin to keep airport fees to a minimum, maintain solid security, and promote quality airport construction. He urged the committee to let the aviation service market drive airport and infrastructure development because such development does not promote aviation demand.

Jeff Baum, President, Wisconsin Aviation, briefly described his organization and indicated that fractional aircraft ownership is the fastest growing area in aviation today. He stressed the importance of "jet ready" airports to allow corporate use of local airport runways. He explained that such airports must have runways of at least 5,000 feet, adequate lighting, and proper radio-guided landing equipment. He warned that localities with less sophisticated airports would suffer from limited business use and, thus, less economic growth.

<u>November 17, 2004</u>: The committee heard testimony from the following representatives of the port industry:

Dean Haen, Director, Port of Green Bay, and President, Wisconsin Commercial Ports Association, presented a general overview of Wisconsin ports and the issues relating to their operation. Mr. Haen indicated that Wisconsin's ports are primarily utilized for the transportation of bulk commodities. He stated that these ports are responsible for in excess of \$377 million in personal income and wages in Wisconsin. He noted that shipping is the most efficient mode of transport for bulk commodities, has the fewest of accidents of all modes of bulk transportation, and the smallest environmental impact of these modes of transport. Mr. Haen also noted that the ports provide Wisconsin with shipping access to and from various international markets.

Mr. Haen then spoke of the reasons why shipping is not a ubiquitous form of transport in Wisconsin. He stated that the lack of sufficient funding for port infrastructure, competition for use of land on which ports may reside, and difficulty of acquiring additional land for port use have all had negative impacts on the Wisconsin port industry.

Mr. Haen concluded by identifying the three issues he believes are the greatest strategic issues facing Wisconsin ports. These were stated as:

- Increased congestion on the Great Lakes due to increased international trade;
- Trends toward the loss of small ports due to the lack of investment and alternative use; and
- An increase in short sea shipping within the Great Lakes.

Jason Serck, Planning and Port Director, City of Superior, briefed the committee on issues specifically related to the Port of Superior. Mr. Serck explained the results of a recent survey of infrastructure needs and a study on intermodal shipping, both conducted at the Port of Superior. Development considerations facing the port include the following:

- Removal of older, unusable buildings.
- A fumigation yard for grain.
- Docks for wintering ships.
- Facilities for off-loading grain shipments.

Mr. Serck also noted that the Port of Superior is the victim of a unique freshwater corrosion problem that is currently under investigation. Mr. Serck indicated that the corrosion of port infrastructure, which appears to be caused by a volatile combination of elevated oxygen levels and certain pollutants, may result in the replacement of considerable portions of docks and other submerged hardware.

Larry Kirch, Director of Planning, City of LaCrosse, discussed the Port of LaCrosse and its role in shipping and boating on the Upper Mississippi River. Mr. Kirch stated that, in addition to a number of private businesses, the City of LaCrosse operates two facilities on the LaCrosse Harbor. Mr. Kirch gave a brief history of the Upper Mississippi River and the system of 21 locks and dams that extend from St. Louis, MO, to Minneapolis, MN. Mr. Serck indicated that the aging lock and dam system requires transport barges traveling on the river to disassemble and reassemble in order to fit into the smaller locks. He added that this process is very inefficient and time consuming for Upper Mississippi River shippers.

Mr. Kirch also described the cost savings and environmental advantages related to water transport on the Mississippi River versus rail or highway transport. Mr. Serck concluded by emphasizing that the public receives \$8 in benefit from shipping for every \$1 of federal funding.

Louis Okey, President, Village of Cassville, explained the importance of inland waterway transportation to small towns in addition to the state as a whole. He stated that his presentation is intended to promote the maintenance of the Cassville ferry which allows automobiles to cross the Mississippi River between Wisconsin and Iowa. He indicated that Cassville is located amid the longest stretch on the Upper Mississippi River (72 miles) without a bridge. He stressed that the car ferry is important to economic development in Cassville and indicated that state funding in the amount of \$30,000 would maintain ferry service at its current levels.

Mark Ormsby, Official, U.S. Coast Guard, Milwaukee, discussed the role of the Coast Guard in the security and maintenance of ports and waterways in Wisconsin and the rest of the U.S. He stated that the Coast Guard provides maritime services which include operations for: security, safety, natural resource protection, mobility, and national defense. He indicated that local Coast Guard assets included a number of types of boats and helicopters.

Mr. Ormsby concluded his presentation with a brief summary of the Maritime Transportation Security Act of 2002 and the Coast Guard's responsibility in enforcing its provisions.

<u>December 14, 2004</u>: The committee heard testimony from the following representatives of the rail industry:

Rodney Kreunen, Commissioner of Railroads, explained the significance of railroad crossing safety and its impact on the business of railroads and economic development, in general. Mr. Kreunen indicated that railroad accidents and the liability suits that often follow are a significant burden on the railroad industry. Mr. Kreunen indicated that allowing the Office of the Commissioner of Railroads to close certain lines, when emergencies make it necessary, would improve railway safety.

Tom Bartel, Schneider National, discussed the importance of railroad infrastructure to the intermodal container trucking industry. He stated that Wisconsin is a heavy user of intermodal transport, but that few goods are loaded in Wisconsin and, thus, that more loading ramps are not needed at this time. He added that short haul shipments are generally of little interest to Class I railroad companies, making the use of smaller lines important to intermodal container transport. Mr. Bartel encouraged the committee to spend efficiently on future infrastructure by concentrating expenditures where the most traffic resides.

Ken Lucht, Community Development Manager, Wisconsin and Southern Railroad Company, summarized the role of Wisconsin and Southern as a railroad company and service provider in Wisconsin. He also presented Wisconsin and Southern's view of the economic impact of "short line" railroad service providers in Wisconsin. He reviewed Wisconsin and Southern's capital improvement plan and described its potential effects on future infrastructure needs.

Rosemary Potter, Executive Director, TransitNOW, and **Chip Brewer**, Director of Worldwide Public Relations, S.C. Johnson and Son, presented an overview of the proposed Kenosha-Racine-Milwaukee commuter rail corridor. They described the potential economic benefits and private support governed by the project. They encouraged the committee to support the project in the future.

Kevin Soucie, Soucie and Associates, and **Robert Wedam**, Associate Vice President for Network Strategies, CN Railways, described the background and current role of CN as a railroad company. They summarized current business and service in Wisconsin. They noted that there is a delicate balance between infrastructure investment improvements and the costs with these improvements that has a direct impact on rail line profitability. Mr. Wedam and Mr. Soucie indicated that CN is responsible for 1,500 employees in Wisconsin and that the company will spend \$19 million on Wisconsin rail improvements in 2004.

Mike Payette, Assistant Vice President of Government Affairs, Union Pacific Railroad Company, presented general information regarding the railroad industry and the advantages of rail transport. He discussed Union Pacific's infrastructure investment and related operational costs. He concluded requesting that the committee consider a proposal addressing railroad taxation issues.

Jackie Pavelski and Scott Rogers, West Central Rail Coalition, explained the purpose of the coalition and gave a summary of the costs and benefits of passenger rail. They encouraged the committee to support the coalition in bringing passenger rail to west central Wisconsin.

Bruce Ridley, Mill Manager, Packaging Corporation of America, discussed the importance of railroad service to Wisconsin's paper industry. He encouraged members to consider measures that would help minimize cost barriers to industry use of rail transport, especially the paper industry.

January 18, 2005: At this meeting, the committee discussed LRB-1149/1, creating a council on transportation infrastructure in the Department of Transportation.

A mail ballot recommending LRB-1149/1 for approval by the committee was mailed to the committee on January 26, 2005.

PART III

RECOMMENDATION INTRODUCED BY THE JOINT LEGISLATIVE COUNCIL

This part of the report provides background information on, and a description of, the draft as recommended by the Special Committee on Wisconsin's Transportation Network Infrastructure.

Background

The committee heard testimony from a variety of public and private sector experts on air, water, and rail transportation. From the outset, Chairperson Kanavas indicated that he wanted the committee to concentrate on the intermodal aspects of transportation, particularly freight transport. Upon hearing extensive testimony, the committee determined that the number and breadth of issues raised at the meetings required a comprehensive future planning effort with a central body coordinating between modes of transportation.

With this in mind, the committee proposed and approved the creation of a 16-member council on transportation infrastructure which will offer consultation and coordinated solutions to the DOT.

Description

The proposed draft creating the council establishes the following:

- The council consists of the following members:
 - Four persons who have knowledge or experience in matters related to transportation infrastructure, appointed by the Governor;
 - Four persons who have knowledge or experience in matters related to transportation infrastructure, of whom one person is appointed by the speaker of the Assembly, the Assembly minority leader, the Senate majority leader, and the Senate minority leader;
 - Two state officers with duties related to transportation infrastructure, appointed by the Governor;
 - The Secretary of Transportation (or his or her designee), who serves as chairperson; and
 - Five legislative members, three from the Assembly and two from the Senate, who serve on legislative standing committees that deal with transportation matters.
- Members shall serve staggered three-year terms, with the exception of the Secretary or his or her designee, who serves at the pleasure of the Governor, and the legislative members, who serve for the length of their terms.
- The council is authorized to consider and make recommendations to DOT on matters related to the following:

- Transportation infrastructure development, including intermodal transportation opportunities among railways, highways, waterways, harbors, and airports in this state and between these transportation modes in this state and those of other jurisdictions;
- Opportunities for interaction and interconnection between appropriate modes of transportation;
- The standards and measures by which consumers select modes of transportation;
- The adequacy of infrastructure capacity for all appropriate modes of transportation; and
- Opportunities for coordination and cooperation between other states and provinces in order to improve transportation between Wisconsin and other markets.

Committee and Joint Legislative Council Votes

The following draft was recommended by the Special Committee on Wisconsin's Transportation Network Infrastructure to the Joint Legislative Council for introduction in the 2005-06 Session of the Legislature.

Special Committee Vote

LRB-1149/1, relating to creating a Council on Transportation Infrastructure in the Department of Transportation, was approved by the following vote of the Special Committee: Ayes, 16 (Sens. Kanavas, Leibham, and Risser; Reps. LeMahieu, Stone, Townsend, Van Roy, and Zepnick; and Public Members Cook, Crowley, Grossardt, Kreilkamp, Olsen, Thiele, Thillman, and Walker); and Noes, 0.

Joint Legislative Council

[Joint Legislative Council Members Who Selected and Appointed Committee and Its Membership]

Co-Chair

ALAN LASEE Senate President 2259 Lasee Road De Pere, WI 54115

RONALD W. BROWN

1112 Violet Avenue Eau Claire, WI 54701

G. SPENCER COGGS 3732 North 40th Street

Milwaukee, WI 53216

ALBERTA DARLING 1325 West Dean Road River Hills, WI 53217

RUSSELL DECKER 6803 Lora Lee Lane Schofield, WI 54476

STEVEN M. FOTI

Majority Leader 351 Lisbon Road Oconomowoc, WI 53066

STEPHEN J. FREESE

Speaker Pro Tempore 310 East North Street Dodgeville, WI 53533

JOHN GARD

Speaker 481 Aubin Street, P.O. Box 119 Peshtigo, WI 54157

DEAN KAUFERT

1360 Alpine Lane Neenah, WI 54956

SENATORS

MICHAEL G. ELLIS 1752 County Road GG Neenah, WI 54956

JON ERPENBACH Minority Leader

Minority Leader 2385 Branch St. Middleton, WI 53562

SHEILA HARSDORF N6627 County Road E River Falls, WI 54022

<u>Co-Chair</u> STEVE WIECKERT

Representative 1702 S. Irma Street Appleton, WI 54915

MARY E. PANZER

Majority Leader 635 Tamarack Drive West West Bend, WI 53095

FRED A. RISSER 5008 Risser Road Madison, WI 53705

ROBERT WELCH

President Pro Tempore P.O. Box 523 Redgranite, WI 54970

REPRESENTATIVES

JIM KREUSER

Minority Leader 3505 14th Place Kenosha, WI 53144

MICHAEL LEHMAN 1317 Honeysuckle Road Hartford, WI 53027

MARLIN D. SCHNEIDER 3820 Southbrook Lane Wisconsin Rapids, WI 54494

DAN SCHOOFF

1955 Pebble Drive Beloit, WI 53511

JOHN TOWNSEND

297 Roosevelt Street Fond du Lac, WI 54935

DAVID TRAVIS

5440 Willow Road Waunakee, WI 53597

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees. [s. 13.81, Stats.]

Joint Legislative Council

[Current Joint Legislative Council Members Receiving Committee Report]

<u>Co-Chair</u>

ALAN LASEE Senate President 2259 Lasee Road De Pere, WI 54115

RONALD W. BROWN 1112 Violet Avenue Eau Claire, WI 54701

RUSSELL DECKER

6803 Lora Lee Lane Schofield, WI 54476

SCOTT FITZGERALD

N4692 Maple Road Juneau, WI 53039

GLENN GROTHMAN 111 South 6th Avenue West Bend, WI 53095

JOHN AINSWORTH

W6382 Waukechon Road Shawano, WI 54166

STEPHEN J. FREESE

Speaker Pro Tempore 310 East North Street Dodgeville, WI 53533

JOHN GARD

Speaker 481 Aubin Street, P.O. Box 119 Peshtigo, WI 54157

MICHAEL HUEBSCH

Majority Leader 419 West Franklin West Salem, WI 54669

SENATORS

DAN KAPANKE 1610 Lakeshore Drive La Crosse, WI 54603

MARK MILLER 4903 Roigan Terrace Monona, WI 53716

FRED A. RISSER

5008 Risser Road Madison, WI 53705

JUDY ROBSON Minority Leader 2411 E. Ridge Road Beloit, WI 53511

REPRESENTATIVES

DEAN KAUFERT 1360 Alpine Lane Neenah, WI 54956

JIM KREUSER Minority Leader 3505 14th Place Kenosha, WI 53144

ANN NISCHKE 202 W. College Avenue Waukesha, WI 53186

MARK POCAN 309 North Baldwin St. Madison, WI 53703

<u>Co-Chair</u>

STEVE WIECKERT *Representative* 1 Weatherstone Drive Appleton, WI 54914

DALE SCHULTZ

Majority Leader 515 N. Central Avenue Richland Center, WI 53581

DAVID ZIEN

President Pro Tempore 1716 63rd Street Eau Claire, WI 54703

MARLIN D. SCHNEIDER 3820 Southbrook Lane Wisconsin Rapids, WI 54494

DAVID TRAVIS 5440 Willow Road Waunakee, WI 53597

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees. [s. 13.81, Stats.]

Wisconsin's Transportation Network Infrastructure

Senator Ted Kanavas, **Chair** 17570 Sierra Lane Brookfield, WI 53045

Representative Daniel R. LeMahieu 21 South 8th Street Oostburg, WI 53070

Representative Jeff A. Stone 5535 Grandview Drive Greendale, WI 53129

Representative Karl T. Van Roy 1010 Coggins Court Green Bay, WI 54313

Bob Cook Transportation Development Assc. of WI 131 West Wilson St., Suite 302 Madison, WI 53703

George Grossardt Schneider Logistics 235 Windward Road Green Bay, WI 54302

Paul Olsen Olsen Mills/Utica Energies N2084 State Road 49 Auroraville, WI 54923

Peter J. Thillman Director of Economic Development City of Green Bay 100 North Jefferson Street Green Bay, WI 54301 Senator Joseph K. Leibham 3618 River Ridge Drive Sheboygan, WI 53083

Senator Fred Risser 5008 Risser Road Madison, WI 53705

Representative John F. Townsend 297 Roosevelt Fond du Lac, WI 54935

Representative Josh Zepnick 3173 South 49th Street Milwaukee, WI 53219

Geoff Crowley Air Wisconsin W6390 Challenger Dr., Suite 203 Appleton, WI 54914

John Kreilkamp Kreilkamp Trucking 6487 Highway 175 Allenton, WI 53002

Jerome Thiele Airport Manager Chippewa Valley Regional Airport 3800 Starr Avenue Eau Claire, WI 54703

Tom Walker Executive Director Wisconsin Trans. Builders Assn. 1 South Pinckney, Suite 818 Madison, WI 53703

STUDY ASSIGNMENT: The committee is directed to examine Wisconsin's transportation network infrastructure, especially the infrastructure for the transportation modes of railroads, seaports, and air, to determine ways to improve these facilities; to encourage intermodal forms of transportation; and to encourage regional cooperation among Midwestern states in improving freight and passenger transportation to increase efficiency and to alleviate highway congestion.

16 MEMBERS: 3 Senators, 5 Representatives, and 8 Public Members.

LEGISLATIVE COUNCIL STAFF: Dan Schmidt, Senior Analyst, and Kelly Mautz, Support Staff.

Committee Materials List

(Copies of documents are available at www.legis.state.wi.us/lc)

January 18, 2005 Meeting

- Memorandum from Chairperson Kanavas to the members of the Special Committee
- <u>Draft Bill</u> LRB-1149/P1, relating to creating a Council on Transportation Infrastructure in the Department of Transportation
- Memorandum from Dan Schmidt, Senior Analyst, to members of the Special Committee

December 14, 2004 Meeting

- Handout from Mark Wolfgram, Department of Transportation
- <u>Powerpoint</u> presentation by Rosemary Potter, TransitNOW
- Statement by Chip Brewer, S.C. Johnson & Son Corporation
- <u>Powerpoint</u> presentation by Jackie Pavelski and Scott Rogers, West Central Rail Coalition
- <u>Powerpoint</u> presentation by Tom Bartel, Schneider National
- Testimony of Bruce Ridley, Mill Manager, Tomahawk Mill Packaging Corporation of America
- Testimony of Mike Payette, Union Pacific
- Testimony by Ken Lucht, Wisconsin and Southern Railroad Company

November 17, 2004 Meeting

- <u>Powerpoint</u> presentation by Dean Haen, Director, Port of Green Bay, and President, Wisconsin Commercial Ports Association
- Powerpoint presentation by Jason Serck, Planning and Port Director, City of Superior
- Powerpoint presentation by Larry Kirch, Director of Planning, City of LaCrosse
- Handout by Louis Okey, President, Village of Cassville
- Powerpoint presentation by Mark Ormsby, U.S. Coast Guard
- <u>Handout</u> by Larry Kirch, Director of Planning, City of LaCrosse

October 20, 2004 Meeting

- <u>Statement</u> of Midwest Airlines, Inc.
- <u>Remarks</u> by Jeffrey Baum, President, Wisconsin Aviation, Inc.

• <u>Remarks</u> by Jim Cron, Northwest Airlines

October 7, 2004 Meeting

- Staff Brief 04-4, Wisconsin's Transportation Network Infrastructure (9-17-04)
- Map, Wisconsin Railroad 2004, DOT
- Report, Wisconsin Rail Issues and Opportunities Report, DOT
- Report, Wisconsin's Commercial Ports, An Economic Overview, DOT
- Report, Wisconsin's Commercial Ports, Helping to Keep the State's Economy Afloat, DOT
- Report, Wisconsin State Airport System Plan 2020, DOT
- <u>PowerPoint</u> presentation by DOT