

NORTHWOODS RAIL TRANSIT COMMISSION

MEETING SUMMARY

GLTPA - Rhinelander

April 24, 2026

1./2. Call to Order / Roll Call - Introductions and Public Comment

The meeting was called to order at approximately 10 am by Vice Chair Peter Kaz. Those in attendance included the following: Peter Kaz Clark County EDC, Jeff Ratcliffe Houghton County/KEDA, Tom Buelteman Marinette County Board, BJ Rauckman CEDA-Rusk County, Brad Peot Watco, Ken Lucht Watco, Matt Pleshek City of Shawano, Michael Santis WUPPDR, John Varda LSSA-WCG, Sarah Simonson WisDOT Freight Rail Program Manager, Rich Kedzior WisDOT Passenger Rail, Don Vruwink WI Commissioner of Railroads, Jim Schmidt City of Colby-Dairyland Rail, Rick Bliese, Robert Pittman, Don Nelson Domtar, Sheila Nyberg Clark County EDC and Darryl Landeau NCWRPC.

Public Comment: None.

3. Approval of NRTC Meeting Notes from July 11, 2025

Item is tabled to next meeting due to lack of attendance.

4. Election of Officers

Item is tabled to next meeting due to lack of attendance.

5. Discussion/Approval of 2027 Budget

Item is tabled to next meeting due to lack of attendance.

6. Discussion/Approval of 2027 Administrative Services Agreement

Item is tabled to next meeting due to lack of attendance.

7. Membership Update & Issues Discussion

Landeau reported on NRTC membership issues he wanted to bring to the Commission's attention for monitoring. First, the NRTC has continued to lose member counties from its peak of 23 total counties to 19 currently. In 2025, Florence County dropped, and in 2026, Douglas County dropped. Primary reasons for counties discontinuing with the NRTC are budgetary and a disconnect between the individual

county and the specific rail service issues broadly facing Northern Wisconsin and the Upper Peninsula of Michigan.

Secondly, is a lack of payment of 2026 membership dues by four counties: Ashland, Dickinson, Houghton and Ontonagon. Typically, there are issues with dues payments each year, but these counties have been reliable in the past. Does this signal a greater erosion of membership? Ratcliffe indicated that Houghton is supportive of the rail efforts, but has had some staff transition issues, so this is probably an oversight. He will follow up with the County. Landeau will follow up with the other counties to see what their intentions are.

Finally, is the growing list of commissioner vacancies. Landeau has regular contact with the counties and is not sure why appointments seem to be going unaddressed. Some counties are better at communicating their appointments. Landeau will follow up with all counties to confirm/update appointments and encourage filling of vacancies.

8. Watco/Foxy Rail Service Update

Brad Peot of Watco reported on their service activities affecting Northern Wisconsin and the UP. Watco has realigned their sales and marketing coverage, bringing a greater focus on Northern Wisconsin and the UP. In addition, they recently acquired a rail line in lower-Michigan further strengthening their commitment to service in the Wisconsin-Michigan area.

The Tarriff Situation has led to significant uncertainty and disruption that has affected rail operations resulting in a significant drop-off in business. They have been working hard to “claw back” that business, which has detracted from new business development efforts. They see long-term changes in business strategy and supply lines that will have an impact on rail business.

Short lines continue to struggle with the larger railroads which may detract from business on Watco lines, but the big railroads are seeing stagnation in business growth and may begin looking at the short lines as a source of car volume.

The announced scaling back of operations at the Mosinee mill won't have a major direct impact on Watco but will likely lead to an increased demand for market pulp and potential volume on rail. Along with other changes in wood markets, this may increase business. Watco is continuing its wood fiber outreach to try and capture wood volume from forests to mills, and they continue to confront challenges facing rail movement of forest products including transloading site liability and rail equipment (cars). As existing cars “age-out” of service – how do they continue to move forest products? With regard to the transload challenge, Watco indicated that they are looking into grants to support physical projects that by highlight benefits and stimulate industry buy-in. Feasibility studies will not drive growth.

Watco is seeing customer expansions in Merrill, Luxemburg, Shawano, Wausau and the Fox Valley. The New London-Manawa line is being rehabbed to service new development after being out of service for 15-years. Watco hopes that increased volume on the Prentice-Bradley line will drive capital investment. Reactivation of two warehouses in Wausau and the Fox Valley are expected to lead to increases in rail business. And a proposed (off rail) facility in Hayward will be good for loggers but may detract from potential rail business.

Watco continues with major maintenance and capital improvements including rebuilding grade crossings, replacing and rehabbing bridges (including system critical swing bridges in the Fox Valley), tie replacement, brush clearing, and work on the Bradley and Ashland subs to increase operating speeds. In 2025 they had 4 washouts that had to be restored, and in 2026 they have already had 8 washouts due to a larger snow-pack and heavy rains.

From an operations perspective, labor and hiring continue to be a challenge. Developments expected to benefit rail include increased trucking costs, a new tax credit for rail served industries and the opening of the Freight Railroad Infrastructure Improvement Program (FRIIP) to railroads.

Watco answered a number of questions from the floor, and there was general discussion.

9. WisDOT Freight Rail Program Update

Sarah Simonson introduced herself as WisDOT's new Freight Rail Program Manager. She is working on revitalizing the Program, and there is a lot going on that she is sorting out. She is from the area and looks forward to working with the NRTC in the future. Landeau indicated that her position has been a valued advisor to the NRTC in the past, and we look forward to continuing that relationship moving forward.

Simonson asked how things were going rail service wise in the NRTC area. There were several comments and general consensus that Watco/Foxy was making great progress in improving rail service in the area. Then conversation turned to developing service issues on the Escanaba and Lake Superior Railroad. Wisconsin and Michigan are investigating the situation. There was some discussion regarding how the NRTC might become involved.

Simonson answered a number of questions from the floor, and there was general discussion.

10. Roundtable: County Updates

Landeau stated that Libby Ogard, rail consultant, asked him to let the group know that: "The Build America Bureau received more than 60 applications (NRTC Technical

Assistance Application). The scoring is complete and an announcement of the selected awards is anticipated before the end of the month."

Clark County reported that they have formed a new group focused on revitalizing rail service on the Medford-Spencer line.

Ratcliffe emphasized the importance of the organization in keeping a spotlight on rail issues for the counties and "rattling chains" were necessary.

11. Next Meeting Date/Potential Topics

Landeau reported that there was an idea floated to get a program update from WEDC related to how economic development funding can enhance and support rail. So, he will follow up with WEDC to see if this is something that could be arranged.

Landeau also noted that he received a request from Commissioner Johnson, Marinette County regarding NRTC considering support for passenger rail projects. Landeau indicated that the group had not previously dealt much with the passenger side of rail, but there was general consensus that a resolution could be entertained.

12. Adjourn

Vice Chair Kaz adjourned the meeting at approximately 11:45 am.