



Office of the Governor
Jim Doyle



WISCONSIN

Monday, June 12, 2006

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Media Room

For Immediate Release Monday, January 30, 2006

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Governor Doyle Announces Nearly \$10 Million in Freight Rail Awards

DATCP Secretary Rod Nilsestuen Presents \$760,000 Ceremonial Check for Project at Landmark Services Cooperative in Evansville

As part of his "Capital for a Day" tour through Rock County, Governor Jim Doyle today announced nine state awards totaling nearly \$10 million that will be used to construct freight rail-related facilities and upgrade freight railroad infrastructure.

"A quality transportation system serves as the foundation of Wisconsin's economy, and freight rail is an important part of that system, moving some 150 million tons of commodities in this state every year," Governor Doyle said. "These awards will enhance the safety and efficiency of the freight rail system in Wisconsin, while also supporting our agricultural economy."

Rod Nilsestuen, Secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection presented one of the awards in Evansville today with a \$760,000 ceremonial check to Landmark Services Cooperative. The loan, from the state's Freight Railroad Infrastructure Improvement Program (FRIIP), will help construct a 516,000-bushel capacity grain storage bin and purchase associated conveying equipment at the co-op's Evansville facility. The project will support the area's agricultural community by allowing Landmark to ship grain to a wider variety of markets, while holding additional grain for sale at times when prices are favorable. The Union Pacific Railroad Company serves the facility.

"Agriculture generates \$51.1 billion for Wisconsin," Secretary Nilsestuen said. "And we are proud to partner with local businesses and communities on efforts like this to continue to boost farm profitability."

Landmark Services Cooperative, Wisconsin's largest agricultural cooperative, provides grain, feed, energy, and agronomy services to agricultural producers in southern Wisconsin and northern Illinois.

"The FRIIP loan will allow us to store more grain for farmers and ship it out to grain buyers more efficiently," said Larry Swalheim, CEO of Landmark Services Cooperative.

The award to Landmark Services Cooperative is one of six FRIIP loans totaling \$6,602,306 announced today. A revolving loan program, FRIIP awards are provided to private industries, railroads, and local governments to improve rail infrastructure and construct new rail-served facilities with the overall goal to boost economic



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development and jobs. As FRIIP loans are repaid, the dollars are used to help fund new projects. Most of the work on the recently-approved FRIIP loan projects will begin in the spring of 2006. Other FRIIP award recipients include:

- **United Ethanol Cooperative, Beaver Dam (Milton).** A \$2,999,806 loan will help construct rail spur tracks, and ethanol and dry distiller grain load-out facilities associated with a 40 million gallon capacity ethanol production facility United Co-op is constructing in the city of Milton industrial park. Once completed, United Co-op will be able to receive and ship-out 25-car unit trains of corn, ethanol and dry distiller grain which will enhance transportation efficiency, reduce transportation costs, and support stronger prices for agricultural commodities. The ethanol plant will be located along rail lines served by the Wisconsin and Southern Railroad Company.
- **Utica Energy, Oshkosh (Jefferson).** Utica Energy of Oshkosh will use a \$1.9 million loan to construct a rail siding, three ethanol storage tanks, and a pipeline connecting the tanks and siding at the current Cargill Malting facility in Jefferson. Utica Energy plans to construct a 110-million-gallon ethanol production facility and a 20-million-gallon bio-diesel facility at the site. The rail siding may also be used in the future to bring in coal for a planned co-generation facility. The overall project is expected to promote energy alternatives and support the market for corn benefiting the area agricultural community. The ethanol plant will be located along rail lines served by the Union Pacific Railroad Company.
- **Cooperative Plus, Inc., Burlington.** Cooperative Plus, Inc. (CPI) will utilize a \$485,000 loan to construct a new grain elevator leg, dump pit, and a 100,000-bushel wet grain storage bin at their facility in Burlington. The project will also move an existing continuous-flow grain dryer to the site of the new elevator leg. The reconfiguration will enhance grain-handling efficiency and reduce waste. Canadian National Railway Company serves this CPI location.
- **Agri-Land Cooperative, Ripon.** This \$382,500 loan will help construct a 2,800-square-foot addition to Agri-Land's existing dry fertilizer storage facility at Ripon. The building addition will add 2,200 tons of fertilizer storage capacity and will allow Agri-Land to purchase fertilizer at times of the year when prices are favorable, benefiting the agricultural community. The Wisconsin and Southern Railroad Company will ship the fertilizer along the state-owned rail corridor.
- **Cooperative Plus, Inc., Union Grove.** Cooperative Plus, Inc. (CPI) will use this \$75,000 loan to convert its present feed mill and store in Union Grove to a seed and feed mixing plant and warehouse. The completed project is expected to reduce truck traffic on area roads while boosting the local and regional agricultural economies. The Canadian Pacific Railway Company serves the facility.

In addition, three awards totaling \$3,281,063 are being distributed through the state's Freight Railroad Preservation Program (FRPP). A grant program, FRPP awards cover up to 80 percent of the cost of projects designed to preserve rail service or rehabilitate fixed-facilities on publicly-owned rail lines. Award recipients provide the 20 percent local share. Most of the work on the recently-approved FRPP projects will begin in the spring of 2006. The Wisconsin Department of Transportation administers both the FRIIP and FRPP programs. FRPP award recipients include:

- **Wisconsin and Southern Railroad (WSOR), Milwaukee (Slinger/Hartford).** WSOR will use this \$2,164,049 grant to complete phase-two rehabilitation work on the 7.5-mile rail line between Slinger and Goodland Road near Hartford. The project will replace 6.3 miles of worn 90-pound rail with new 115-pound rail to accommodate increasing rail traffic and larger 286,000-pound rail cars. The new rail will be installed in the spring and summer of 2006. Phase I of the project was completed in 2005 and included a tie, crossing and switch replacement program in preparation for the rail installation. The overall \$2,705,061 project includes \$541,012 in local matching funds.
- **Wisconsin and Southern Railroad (WSOR), Milwaukee**

(Janesville/Monroe). This \$557,014 grant will help WSOR fund phase-two rehabilitation of the Janesville-to-Monroe rail line including installation of 1.3 miles of new 115-pound rail on the Orfordville Hill segment of the line and replacement of a three-span bridge. The first phase of the project was completed in 2002 and consisted of a safety tie replacement program needed to keep the line operational with the opening of the Badger State Ethanol Plant in Monroe. The third phase of the project, to be completed at a future date, will consist of a more extensive tie replacement and bridge renewal program to allow the line to handle heavier cars over the long term. WSOR, in conjunction with the Pecatonica Rail Transit Commission, will provide the \$139,254 local match for the \$696,268 overall project.

- **Port of Milwaukee.** This \$560,000 FRPP grant will help reconstruct the Port of Milwaukee's 2,600-foot mooring basin track that is in deteriorating condition. The project will include new ties, ballast, 112-pound rail, and some 1,400 feet of crossings to accommodate loading and unloading activity. Approximately 150,000 tons of material moves over this dock each year including industrial salt, structural steel and other miscellaneous commodities. The overall \$700,000 project includes a \$140,000 local match.

Since the FRIIP program was approved by the Legislature in 1993, WisDOT has provided 72 loans through the program totaling \$73.7 million. Another \$35.7 million in FRPP grants have been awarded to local governments and railroads since 1993. Twelve freight railroads operate in Wisconsin on a system of over 3,600 route miles of track, handling some 2.5 million rail cars in the state each year.

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