

## *Wisconsin Railroad Committee*

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Wisconsin has recently worked at improving freight transportation efficiency by legislating opportunities for heavier trucks. This is accomplished at the expense of our bridge and highway infrastructure. While the Wisconsin Department of Transportation's 2009 Truck Size and Weight Study found benefits associated with heavier truck weights, the WisDOT's own description says "... changes in TSW would require extensive bridge upgrades, many of which are needed without the introduction of the new trucks. **Because the State lacks the financial resources to make these bridge upgrades, the TSW study does not recommend the introduction of the new trucks at this time.**" (Emphasis added.) "WisDOT concluded that, in light of current economic conditions, decreasing transportation revenues, and the costs associated with allowing heavier vehicles on state and local roads, the State would not recommend any changes to Wisconsin's TSW laws at this time."

Traditionally, road and highway costs are borne by direct taxes, or more precisely, 'user fees'. The gap between highway user fees and true costs of road construction and maintenance has widened in recent years.

On the other hand, freight rail is paid for almost entirely in the private sector. To the extent that increased truck weights result in a subsidy to highway freight carriers, our freight rail companies suffer an increased competitive disadvantage. Our freight rail industry feels comfortable competing with highway freight, as long as road carriers pay the true costs of the infrastructure the State provides.

The Class I Freight Railroads in Wisconsin make several points for consideration:

- Wisconsin has more than two thousand bridges either structurally deficient or functionally obsolete. The added weights that new legislation would impose on our bridges across the state add cost to the infrastructure that is even now not adequately covered. The added sixth axle on a truck does nothing to protect bridge structures.
- Railroads carry the full cost of their own infrastructure. Wisconsin's shippers expect more in terms of better pricing and service from railroads, not fully understanding the extent of the subsidy the highway freight carriers enjoy.

- The fuel and other taxes and fees devoted to highway construction and maintenance that heavy trucks pay do not come close to covering the costs of the damage they cause. According to the U.S. Department of Transportation's Highway Cost Allocation Study, combination trucks weighing 80,000 to 100,000 pounds pay just half the cost of the damage they cause to our highways. "From an economic standpoint, this... distorts the competitive environment by making it appear that heavier trucks are a less expensive shipping method than they actually are and puts other modes, such as rail and maritime, at a disadvantage."
- Passing legislation that increases truck weights amounts to an additional subsidy to highway freight transportation. This subsidy to highway users will eventually result in diversion of more traffic from rail to highway..
- The question that this legislation needs to have answered is: To what extent does this cause an additional subsidy, advantaging one freight mode over others?

Wisconsin searches for an appropriate funding balance for its transportation systems. In that process it must also balance the needs of the publicly financed road and highway system and its users, with the investments of railroads, that must compete using virtually all private investment capital. The challenge is not just adequate public resources, but fairness between competing modes.

*Represented by Samuel O. Gratz*