



Wisconsin Department of Transportation
www.dot.wisconsin.gov

231552

Scott Walker
Governor

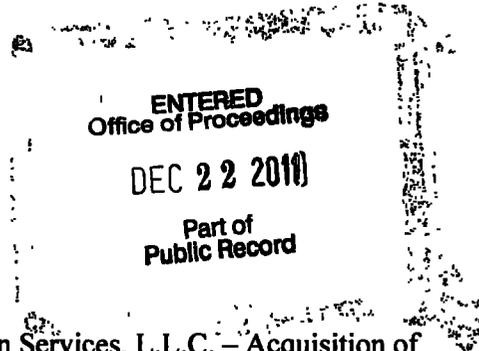
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December 22, 2011

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423



ELECTRONIC FILING

RE: STB Finance Docket No. 35573
Watco Holding, Inc. and Watco Transportation Services, L.L.C. – Acquisition of Control Exemption – Wisconsin & Southern Railroad, L.L.C.

Dear Ms. Brown:

Wisconsin Department of Transportation is the state rail agency. Enclosed for filing is the Comment by the Wisconsin Department of Transportation on the above listed Docket.

Sincerely,

Kathleen Chung
Attorney

cc: Attorney Karl Morell, Ball Janik, LLP, by electronic mail

Enclosure

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35573

**WATCO HOLDINGS, INC. AND WATCO TRANSPORTATION SERVICES, L.L.C.
-- ACQUISITION OF CONTROL EXEMPTION --
WISCONSIN & SOUTHERN RAILROAD, L.L.C.**

**COMMENT BY THE WISCONSIN DEPARTMENT
OF TRANSPORTATION**

**KATHLEEN CHUNG
Assistant General Counsel
Wisconsin Department of
Transportation
4802 Sheboygan Ave.
P.O. Box 7910
Madison, WI 53707-7910**

DECEMBER 22, 2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35573

**WATCO HOLDINGS, INC. AND WATCO TRANSPORTATION SERVICES, L.L.C.
-- ACQUISITION OF CONTROL EXEMPTION --
WISCONSIN & SOUTHERN RAILROAD, L.L.C.**

Wisconsin Department of Transportation

COMMENT

The Wisconsin Department of Transportation hereby submits its Comment on the above-referenced proceeding. The Wisconsin Department of Transportation (WisDOT) is the designated state agency in rail matters in the State of Wisconsin.¹ WisDOT is responsible for all state and federally-aided highway and airport construction in Wisconsin.² As the state rail agency, WisDOT has the statutory first right to acquire for present or future transportation, recreational or scenic purposes any property used in operating a railroad that is abandoned in Wisconsin, and the authority to administer grants and loans for rail projects to assist in the preservation and improvement of freight rail service in the state.³

As part of its statutory mission, WisDOT has engaged in the purchase of rail property to preserve the line for an Operator with common carrier authority issued by the Surface Transportation Board (the Board) to continue service. The state of Wisconsin currently has over

¹ 49 C.F.R. § 266.1 and Ch. 85, Wis. Stats.

² Secs. 84.01(2) and 114.32(1) and (5), Wis. Stats.

³ Secs. 85.09(2), 85.08(4m) Wis. Stats.

530 miles of publicly-owned rail lines that are jointly owned by the state and a combination of Rail Transit Commissions, Consortia, and/or Transit Authorities (collectively Rail Transit Commissions).” By entering into agreements with WisDOT and the Rail Transit Commissions, the current WSOR operates on several publicly-owned lines, including some on which it operates under a modified certificate in Wisconsin.⁴

The State of Wisconsin made these investments to preserve service on lines where service availability may have been threatened, and desires to protect that mission for the economic benefit of the state.

WisDOT also attaches a map created by the Federal Highway Administration indicating the boundaries of the designated nonattainment areas in southeastern Wisconsin.⁵

WisDOT does not seek to stay these proceedings or interfere with the proposed transactions, and submits these comments in support of the public interest.

Respectfully Submitted,



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DATED: December 22, 2011

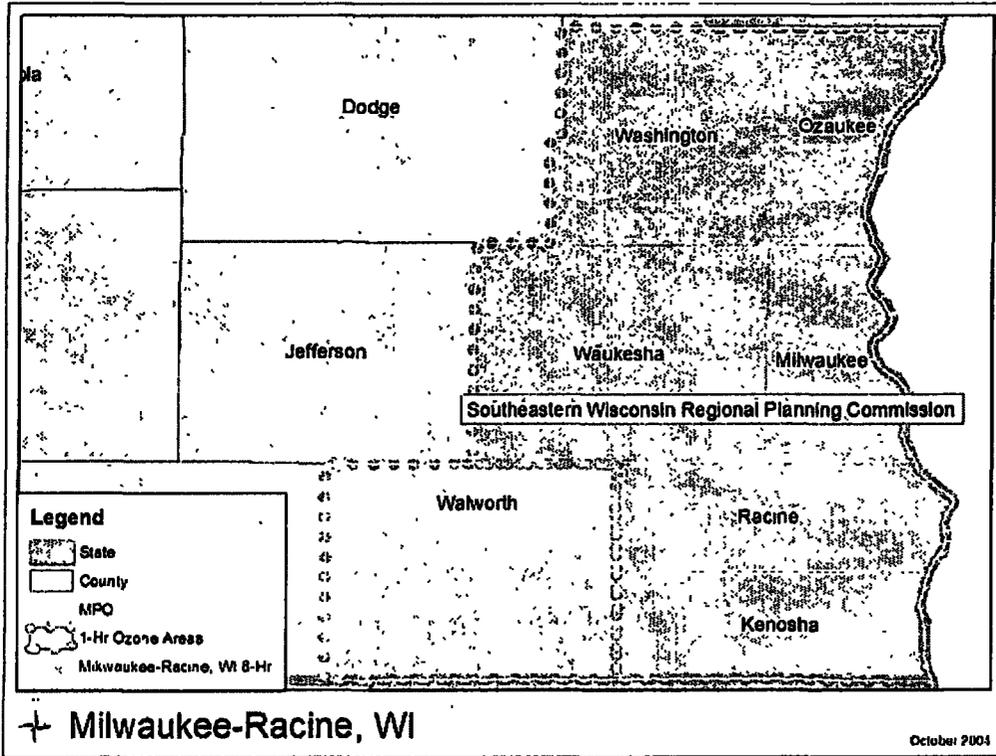
⁴ 49 C.F.R. Subpart C.

⁵ WisDOT interprets the language on page 11 of Watco’s Verified Notice of Exemption, filed November 29, 2011 to mean that the any expected increased emissions are within the parameters of the State Implementation Plan.



Exhibit 1
FD35573
WisDOT Comment
12/22/2011

Milwaukee-Racine, WI 8-hour Ozone Nonattainment Area Map



"This map shows the boundaries of the designated Milwaukee-Racine, WI 8-hour ozone nonattainment area. It includes the boundaries of associated 1-hour ozone nonattainment and/or maintenance areas, as well as any associated MPOs. The map is intended to depict the extent of 8-hour ozone nonattainment in this area, and how the boundaries of the 8-hour area, 1-hour area, and the MPO planning area relate to each other."

Milwaukee-Racine, WI 8-hour Ozone Nonattainment Area

o WISCONSIN

- Kenosha Co
- Milwaukee Co
- Ozaukee Co
- Racine Co
- Washington Co
- Waukesha Co

Milwaukee-Racine, WI 1-hour Ozone Nonattainment Area

- o WISCONSIN

- Kenosha Co
- Milwaukee Co
- Ozaukee Co
- Racine Co
- Washington Co
- Waukesha Co

Southeastern Wisconsin Regional Planning Commission

- o Kenosha Co
- o Milwaukee Co
- o Ozaukee Co
- o Racine Co
- o Walworth Co
- o Washington Co
- o Waukesha Co

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing Comment in regards to **FD35573**, by electronic mail, or regular mail pursuant to 49 C.F.R. §1104.12, this 22nd day of December, 2011, on all parties of record on the service list.



Kathleen Chung, Attorney
State Bar no. 1032802
Wisconsin Department of Transportation
Office of General Counsel