

## INTRODUCTION

*Due to grandfathered regulations on oversized/overweight (OS/OW) restrictions, loads in excess of 11 feet in width and/or 100 feet in length cannot use Interstate-43, Interstate-94, or US Highway 45 within the boundaries of Milwaukee County. The Wisconsin Department of Transportation, with program support from Cambridge Systematics and cmQue, inc., conducted a study to explore the economic and service impacts of these regulations on Wisconsin businesses. Through interviews with firms in OS/OW industries, the WisDOT project team documented specific instances where the regulations have impacted the supply chain.*



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## The Supply Chain Impacts of Milwaukee County Size Regulations on Oversize/Overweight Industries



## Case Study 1

### Background



The firm provides rental equipment as well as carriage services, with estimated annual revenues between \$10MM and \$50MM. The firm is located within the boundaries of Milwaukee County and has convenient access to Highway 100, Highway 59 and Highway 18. A significant portion of the firm's business includes out-of-state moves. A portion of the firm's business also involves customers that drive the equipment to the job site themselves.

### Supply Chain Impact Analysis

The firm adapted its routing operations to avoid the Interstate highways within the County, taking advantage of its location and access to other highways for alternative routes. Customers who pick-up the equipment can be adversely affected by the regulation. If oversized, lack of access to the Interstate can cost between \$100 to \$200 per job in the additional clock time. The regulation was also viewed as a business development issue, particularly to manufacturers/fabricators of oversized products and materials who are located within the County.

### Potential Regulatory Remedy

The firm sees a benefit in having off-peak OS/OW access to the Interstate highways in Milwaukee County for serving nearby customers.

## Case Study 2

### Background



With annual revenues between 50MM and \$100MM, the firm is manufacturer of pre-fabricated structural components used in roadway infrastructure and commercial/industrial buildings. Recently, about a third of the plant's revenues are generated by projects in northern Illinois. These projects were serviced from its plant via Interstate 43 passing through Milwaukee County. Oversized loads had to detour upon reaching the county boundaries.

### Supply Chain Impact Analysis

The firm's project can involve more than 500 loads that deliver product to a site. Between 30% and 50% of the loads for each project exceed the Milwaukee County limit by a foot. The incremental freight costs due to detours were estimated to be between \$150,000 and \$375,000 for each project, accounting for 6% to 17% of the total cost of delivery. Additional impacts included \$200 to \$400 in permit administrative time and increased transit time variability that placed the customer delivery commitments at risk. Penalties for delay range from \$2,000 to \$5,000 per hour.

### Potential Regulatory Remedy

The firm suggested: (a) changing the maximum width from 11 feet to 12 feet; (b) off-peak OS/OW access to the Interstate highways in Milwaukee County; (c) changing the early trip start time from "sunrise" to "5AM/6AM or sunrise, whichever is earlier"; and (d) streamlining the permitting process for high frequency, repetitive OS/OW moves.

## Case Study 3

### Background



The firm is a specialized carrier that hauls OS/OW loads. The firm will pick-up and deliver materials per customer specifications. For cases involving delivery of OS/OW equipment (e.g., heavy machinery, cranes, etc.), the firm will handle returns as well. The majority of the firm's hauls are for infrastructure related projects. About 65% to 70% of the firm's business is related to a WisDOT project and at least half of those loads exceed the current Milwaukee County limitations.

### Supply Chain Impact Analysis

The firm estimated a 15% to 30%+ increase in transit time on one-way deliveries to customers in the vicinity of Milwaukee County. The incremental transit time and delays could result in additional \$150 to \$500+ per delivery in asset, fuel, labor, administrative time and fees. The detours resulted in higher delivery time variability and sometimes impacted the job site. A significant volume of moves related to WIDOT projects were affected by the Milwaukee County regulations and WisDOT likely incurred the incremental freight expense.

### Potential Regulatory Remedy

The firm suggested: (a) OS/OW access to the freeway during off-peak hours; (b) increase the width limitations from 11 feet to 12 feet during off-peak hours; (c) increase the height limitations from 13.6 feet to 14 feet; and (d) add a provision to the annual permits to allow hauling 12-foot wide moves at night.



## The Supply Chain Impacts of Milwaukee County Size Regulations for OSOW

### Executive Summary

Due to grandfathered regulations on oversized/overweight (OS/OW) restrictions, loads in excess of 11 feet in width and/or 100 feet in length cannot use Interstate-43, Interstate-94, or US Highway 45 within boundaries of Milwaukee County. WisDOT, with program support from Cambridge Systematics and cmQue, inc., conducted a study to explore the economic and service impacts of these regulations on Wisconsin businesses. Through interviews with firms in OSOW industries, the WisDOT project team documented specific instances where the regulations have impacted the supply chain.

### Case Study Findings

The Milwaukee County regulations have a cost and service impact on firms in OS/OW industries. From the case studies, the cost impact ranges from \$100 per load, to \$375,000 per project. In instances where the load is related to a WisDOT project, WisDOT will have incurred the incremental cost. The detours also increased the variability in transit times to customers and placed delivery commitments at risk. Firms suggested several modifications to the regulations, including off-peak OS/OW access and increased limitations to 12 feet wide and 14 feet high.

### Findings

Given the documented impacts, the study results indicate potential benefits to exploring regulatory alternatives that will address Milwaukee County's roadway concerns and alleviate issues faced by OS/OW businesses under current restrictions.