

# Local Railroad Bid Meets Competition

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By MARK SPANG

ALBANY — Cattaraugus County's New York & Lake Erie Railroad has met some competition in its bid to operate on two local short lines.

Two companies submitted bids last week to the state Department of Transportation Rail Division to be granted the right to operate rail lines connecting Gowanda and Buffalo and South Dayton and Waterboro, northeast of Kennedy.

New York & Lake Erie was one bidder. The other was the parent company of the Genesee and Wyoming Railroad.

It is likely to be two or three weeks before the proposals are evaluated, John Connor, director of DOT Rail Regulatory Assistance said this morning. Rail Division Director Louis Rossi has said previously that after the bids are evaluated, he will meet with Lt. Gov. Mario Cuomo and officials from western New York to determine if service on the lines can be continued.

Conrail services those lines but has announced plans to abandon the track because they are not profitable to a large rail company.

The DOT feels, however, that a short line rail operator can make a profit on those two rail lines. The specifications for the bids, which were opened Thursday, indicate that no state subsidy of the lines will be granted to the operator.

Connor said this morning he could not say whether either proposal requires state financial assistance. He said that is one of the specifications being evaluated.

Robert O. Dingman Jr., owner of New York & Lake Erie, submitted a proposal to operate the Gowanda-to-Buffalo line earlier in the year. His proposal, like others, was rejected because it requested a state subsidy. DOT was unsatisfied with all the bids and subsequently it re-bid the operation.

Dingman currently has a contract with the state to operate on the Salamanca-to-Cattaraugus rail until Jan. 15. That track is leased by the state from the trustees of the defunct Erie-Lackawanna Railroad.

State officials also said they will be considering the rehabilitation of tracks that would connect Cattaraugus to Gowanda. There is reportedly a track washout there that will be costly to repair.

Dingman has indicated that acquisition of the rights to operate on the Gowanda-to-Buffalo and South Dayton-to-Waterboro lines are essential to the creation of a profitable short line rail system in Chautauqua and Cattaraugus counties. He said that while he cannot operate at a profit on the one short line, if New York & Lake Erie were able to operate all of them, a profit could be made.