

IDA Track Takeover

(3)

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Tentatively Set May 14

By CHARLES BOWEN

GOWANDA — The takeover of 16.1 miles of track running from South Dayton to Waterboro by the Cattaraugus County Industrial Development Agency has been tentatively set for May 14, according to Robert Dingman of the New York & Lake Erie Railroad.

Dingman and Charles Deneen of the IDA were in Philadelphia earlier this week to discuss the takeover with Conrail officials.

"We had to restructure the deal to give better protection to the IDA and give better protection to Conrail," Dingman told *The Post-Journal* this morning.

Dingman said the agreement was

reworked to take advantage of recent federal legislation that provides for fewer government regulations in the railroad industry.

"The IDA is involved to make the project available to an operator. They don't want to be a railroad," Dingman said.

He said previous federal regulations required rail firms to continue providing service to an area even if no one in that area shipped by rail any longer.

"That's what killed the rail industry," Dingman remarked. "We want none of the old hangers."

Federal legislation approved in 1980 makes it easier for rail firms to abandon trackage if service is unprofitable.

Dingman said the restructured agree-

ment protects Conrail because it would still be free to abandon the line if the deal fails to materialize.

Conrail announced last year that it planned to abandon the line.

Dingman said Conrail officials seem pleased with the restructured deal.

Under a previously announced agreement, the IDA will purchase the trackage using an Appalachian Regional Commission grant and some of its own funds. Dingman's NY&LE will be the line's operator.

Dingman said previously that the price of the track between South Dayton and Waterboro and the legal fees will eventually total about \$280,000. The actual price tag of the track is \$240,000.