

NY&LE Foresees Revenue Loss (2)

By CHARLES BOWEN

GOWANDA — The New York and Lake Erie Railroad of Gowanda expects to lose about 15 percent of its projected operating revenues this year because its operation of a line from Gowanda to Buffalo has been taken over by Buffalo Southern Railroad Inc.

NY&LE is the company that maintains rail service between Salamanca and Cattaraugus. The company is also in the process of acquiring 16.1 miles of track between South Dayton and Waterboro in Chautauqua County.

Robert O. Dingman Jr., head of NY&LE, said his firm will lose \$40,000 to \$50,000 this year because of the loss of the track to Buffalo.

"With a pie as small as ours, 15

percent is a big concern," Dingman said.

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Buffalo Southern Railroad Inc., a newly formed company composed of three of the line's shippers, is expected to sign a one-year agreement with the Erie County Industrial Development Agency sometime this week. The Erie County agency manages the 31-mile line owned by Erie County.

NY&LE lost a state subsidy to run the line on March 31, which was the motivating factor in transferring the line. The Gowanda firm had received \$340,000 in state subsidies during the past two years.

NY&LE will be able to maintain rights of way on the line in order to make service trips to Buffalo. The firm

will also continue its service in Cattaraugus County.

Dingman said the price of the track between South Dayton and Waterboro and the necessary legal fees will eventually total about \$280,000. The tab will be picked up by the Cattaraugus County Industrial Development Agency and the Appalachian Regional Commission.

Dingman said the state stopped subsidizing his operation because of the revenue NY&LE is expected to get from the South Dayton to Waterboro line.

The transfer means NY&LE will no longer service stations at Eden, Hamburg and North Collins on its runs to Buffalo.