

New Account Helps Railroad Revenues Climb

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By DONNA SNYDER

SOUTH DAYTON — Hauling cans of milk with labels in Spanish has helped a local shortline railroad to increase revenues.

Robert O. Dingman, president of the New York & Lake Erie Railroad, told directors of the Cattaraugus County Industrial Development Agency Tuesday he anticipates increasing freight carloads from 370 to more than 1,000 this year.

The IDA owns the former Erie rail line across Cattaraugus County, which is leased to the NY&LE.

"We finally landed the Carnation account," explained Dingman, "and our car loadings have dramatically increased. We had planned to serve Carnation from the beginning of our line, (over 10 years ago) but until now revenues have been marginal."

In May the railroad moved more than 95 cars but the new contract, which replaces shipping the milk to Puerto Rico by trucks, will mean more than 1,000 annual carloads.

The train now makes trips from the Carnation plant in South Dayton to Salamanca three times per week, where the box cars are then transferred south to Pennsylvania.

A recently hired marketing firm from New Hampshire helped the railroad to land the account, Dingman explained.

The line has also carried passengers since 1980. "We needed to do it to stay alive," he admitted. But now that aspect of railroading is also on the rise with 1,150 passengers moved in 1987 and anticipating up to 2,600 this year.

Also the line has added dining by rail,

a new product says Dingman. In all 62 of trips this season will feature eating in two dining cars. Other excursions carry school children, senior citizens and tourists on regularly scheduled runs to Salamanca, South Dayton and Gowanda.

Dingman also talked about insurance coverages for freight and passenger services noting the amount of coverage changes with the market. Currently he carries a \$1 million policy with \$2,500 deductible. "We've never had an insurance payout," he boasted.

Minor track problems have prompted inspectors from the Federal Railway Administration to cite the line. Often they are corrected before the citation is written, he noted.

Also, the state Department of Transportation has been after the railroad to clear brush along the line. As a result of the situation the railroad has discontinued use of the open air car. A brush cutter is now in use and the line has contracted with a professional weed spraying firm for additional services.

Since 1984 DOT has contributed \$400,000 toward rehabilitation of the rail line. About one-half of that work has been completed, said Dingman. Money must be spent before the state provides reimbursement.

Dingman is working with the IDA to seek \$2 million from the state for further rehabilitation work on the line to enable trains to reach greater speeds and to accommodate growth of the line.

Dingman urged IDA directors to lobby for financial support for the local line.