

Rail Service

Needed To

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Stay Competitive

By MANLEY J. ANDERSON

Three industries in the greater Jamestown area are keenly interested in the future of rail service on which their operations are largely dependent.

"Needless to say, I think it's a well-known fact there are two well-known shippers here in the Southern Tier area," said Bob Walrod, purchasing manager at Monofrax Inc. in Falconer, "and they have about an equal volume."

He was referring to his employer and the nearby Agway Agriculture Products plant in Poland Center.

The third rail-dependent industry uses the service to a lesser degree but feels it is vital to remain competitive.

The Agway plant managed by Bob Holmes is involved in receiving feed and fertilizer shipments and is the largest area industry using rail service deliveries.

"We get on the average 520 cars a year, about 10 cars a week," Holmes said. "The service has been very good and we have no real problems."

The concern about continued dependable rail service has increased since efforts by various railroads to acquire the extensive Conrail system.

It appears to have been largely resolved earlier this week with the agreement in Richmond, Va., between Norfolk Southern Corp. and CSX Corp. as to how the Conrail assets would be divided among them.

Norfolk Southern's proposed acquisitions include the trackage serving the Southern Tier.

"We've had no problem," Holmes said. "It really hasn't changed any."

He noted that rail shipments to the Agway feed and fertilizer plants are incoming only, with the 520 rail cars representing deliveries to both locations.

"They've done a real fine job," Holmes said of the rail service, "and I have no complaints whatever."

Monofrax Inc. in Falconer also is highly dependent on rail service to remain competitive as a manufacturer of fused cast refractories for glass furnace applications.

"We've been fairly consistent on this matter for some time," said Monofrax President Dave Brooks. "Our situation is we receive all of our major raw materials



A train waits outside the Monofrax Inc. plant in Falconer.

from our suppliers by rail. It is not economical to be supplied by truck."

Brooks said Monofrax receives its raw materials via 250 to 300 railroad cars a year, with each car representing the equivalent of about four semi-truckloads.

"If we were to switch (to truck supply), the cost would be huge," he said. "It's critical to us to retain rail service to this spur and to have competitive alternatives to the spur."

Brooks viewed the local situation realistically from a rail service standpoint.

"It seems likely at this point, it would be a short line operator who would service Jamestown," he said. "The question remains if there would be competitive service to the spur."

Although most of Monofrax's raw materials come in by rail, most of its finished products go out by truck.

"We generally ship by truck. That's not to say we wouldn't be interested in shipping by rail," Brooks said. "Generally, the customers pay for the delivery."

Monofrax Inc. is a wholly owned subsidiary of the Vesuvius Group which in turn is owned by the Cookson Co. of the United Kingdom, a holding firm.

"It's pretty important," said David L. Naetzer, president of Eastern Plywood Corp. of Livingston Avenue, Celoron, regarding rail service to his company.

"We bring in supplies of lumber, flakeboard, and plywood from the West Coast," he said. "The ocean freight is usually the cheapest, rail is next, then trucks."

Naetzer said that if competitors buy by rail it is important to have similar delivery service or the business relying on truck transportation for receiving its product is at a competitive disadvantage.

"We just receive (by rail)," the company president said. "About a dozen or so (carloads) a year. You have to be competitive today."

Naetzer said Eastern Plywood has been in business locally for 25 years, serving customers within about a 90-mile radius as a wholesale distributor of

building materials.

Canadian National Railway Co. and three other members of the "Northeast Network" are attempting to enter the arena as new players in the railroad breakup game.

The announcement said their plan to enhance rail competition for Northeast U.S. shippers would involve estimated investments of nearly \$60 million for track improvements and new terminals.

The companies said their network plan is designed to give greater competitive choice to shippers that would be disadvantaged by the division of Conrail by Norfolk Southern Corp. and CSX Corp. The network said about 100 new jobs would be created.

However, Don Rychnowski, executive director of Southern Tier West Regional Planning & Development Board in Salamanca, said the possibilities of the Canadian railroad entering the game at this juncture appear non-existent.

He said it has no present operations in New York and no role in the present Conrail breakup negotiations.

P-J photo by Joe R. Luzzo