

Short-line railroad C&A to get new owner

By Cindy Beamon
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The Chesapeake and Albemarle Railroad, a short-line railroad running from Chesapeake, Va., to Edenton, may soon have a new owner, but it's too early to tell how that could affect operations.

Genesee & Wyoming Inc., announced last month its decision to purchase of RailAmerica for \$1.39 billion. The deal will combine the two largest short-line and regional rail operators in North America, according to a GWI news release.

The Chesapeake and Albemarle Railroad, now operated by North Carolina and Virginia Railroad, will be among the acquisitions, subject to approval from the U.S. Surface Transportation Board.

Once the transaction is completed, the Connecticut-based GWI will own 108 railroads in North American and other smaller holdings in Canada and Europe.

A spokesman for GWI said this week that it's still too early to tell what changes may be ahead for the short-line railroad that begins in Chesapeake, Va., and ends in Edenton.

Michael Williams, GWI's director of corporate communications, said talks about the merger will not begin until the purchase is finalized, which would be December at the earliest.

"In general, it will be business as usual but with more opportunity," said Williams.

Currituck's Economic Developer Peter Bishop said he hopes the purchase will open up new economic opportunities for the area. Local officials across the region have talked about the potential for better use of the railroad in accessing the growing Port of Virginia in Hampton Roads, Va. The Chesapeake and Albemarle line connects to Norfolk and Southern in Virginia, which branches out to several locations in the Tidewater area.

"I was hoping it would open up some new opportunities for economic growth," said Bishop.

Williams said GWI is not ready to talk specifics yet, but the company will be looking at ways to grow Rail America's business opportunities.

In a news release, GWI president and CEO Jack Hellman said the combined operations will make the railroads more efficient and eventually contribute to a stronger economy.

"...This footprint not only provides us with strong leverage to an eventual recovery of the U.S. economy, but also creates a powerful platform for future industrial development along railroads in the 37 U.S. states in which we do business," said Hellman.

David Pope, general manager for Chesapeake and Albemarle, said customers will notice no difference in its operations in the coming months.

“You might see change in the (Rail America) headquarters in Jacksonville, but as far as local headquarters, there won’t be any change,” said Pope, whose office is in Ahuskie.

Trains will continue running four days a week as usual, he said. The railroad moves mostly stone and chemicals for ready-mix companies. Pope said he expects newly harvested corn will also be part of the cargo this month.

Despite the economy, business for the short-line railroad has been stable — but without growth — for the past few years, said Pope.