



FAR WEST  
enterprises

Your  
Public Relations  
Navigator



## **COLT RAILROAD KEEPS ON TRUCKING: TRAFFIC GROWS IN 2005 (Published December 3, 2005, Columbia Business Times) - 12/3/2005**

November 23, 2005

About 650 words

Contact: Jim Muench  
President  
Far West Enterprises  
(573) 499-4897

### COLT RAILROAD KEEPS ON TRUCKING: TRAFFIC GROWS IN 2005

COLUMBIA, Mo. – Traffic on the COLT railroad grew 21 percent in fiscal year 2005, chiefly because of high energy costs and the new transload facility, which opened in 2004, say COLT officials.

The Columbia Terminal railroad, or COLT, which is owned by the City of Columbia, moved 2,606 total rail carloads of cargo in the year that ended September 30. Last year, the COLT transported 2,150 carloads. In two years, traffic increased by nearly 1,000 cars.

The trend included an increase from 692 cars handled by the transload facility in 2004 to 1,154 in 2005. The transload facility, run by Columbia Transload Inc., or CTI, allows customers to house their cargo in its warehouse space, which can be helpful for big commodities such as steel and lumber, which are particularly economical to ship by train because of their weight.

“Previously COLT could only deliver to customers directly on the rail line,” said Connie Kacprowicz, utility spokesperson for the city. “So this really helps customers that want to take advantage of rail, but aren’t directly on the rail tracks. It also helps them if they can’t quite store a whole trainload. They can go ahead and order a whole trainload, store some of it there and then get the commodities when they need it.”

According to Christian Johanningmeier, supervising engineer of the COLT railroad, the bulk of the new traffic has come from the transload facility. Some customers who use the facility include ABB, Dana Corp., Fuqua Homes, Metal Culverts, Missouri Fabricators, NuWay Concrete, Mitek, Trees Unlimited and Waterloo Industries.

The railroad is also happy that its receipts covered its infrastructure capital needs this year for the first time. “We’ve actually covered our operating expenses every year since 1992,” Johanningmeier said. “What we have not done until just this past fiscal year is cover our capital needs. Railroads are very capital-intensive industries. It takes a lot of money to fix the track whether we run the trains or not.”

High fuel prices are also driving the move to rail. “That’s definitely playing into it,”

Kacprowicz said. "People are looking for cheaper ways of transporting commodities. Now that fuel prices have gone up, people are starting to see additional costs with truck traffic. You can haul a lot of stuff in a train car, and a lot of bulky commodities, so there's definitely been an increased interest in rail service."

This year, the increased traffic made it necessary for the railroad to ask for a budget increase of \$65,000, approved by the City Council on August 1, to purchase additional fuel and to pay to hire more freight cars.

"I couldn't survive without them; they bring in the rail cars and raw materials that we use to process our product," said Tom Ogden, manager of the PW Eagle plant in Columbia, a manufacturer of PVC -- polyvinyl chloride -- pipe. "All the big railroad companies have pretty much abandoned all the small lines."

"We've grown each year by 10 to 15 percent [in usage of the COLT]," said Duke Moser, production manager for Honeywell International in Columbia. "We produce paraffin wax products for the PVC industry, so the rail cars that we're dealing with are coming from the Houston, Texas, area. Most of our products come in via the rail; about 80 to 85 percent of our inbound material comes in via the rail, so they're crucial."

The COLT is also looking toward future growth in the railroad industry. Demand is rising, and new rail lines are being built around the country, said Dave Meyer, marketing director for Regional Economic Development. In addition, with international trade becoming more important, the COLT railroad may become an important link with NAFTA trade through Kansas City. (See sidebar.)

"Five to ten years from now, that may be a huge source of goods and services coming into the mid-continent area and into mid-Missouri," Meyer said.

SIDEBAR:  
About 325 words

#### CITY EXPLORES POSSIBLE LINK TO NAFTA TRADE VIA K.C. SMARTPORT

The City of Columbia's COLT railroad is exploring the possibilities of cooperating closely with Kansas City's inland port for NAFTA goods, dubbed KC SmartPort, which announced last week that it will be coming on line next May.

Kansas City has been developing its port facility for NAFTA goods for years. It will include an International Freight Gateway at the former Richards-Gebaur Air Force Base. Interstates 35 and 29 travel link in Kansas City and form the foundation of a truck pipeline that runs from Mexico City to Winnipeg, Canada. Trucks from Mexico will be able to drive all the way to Kansas City before going through customs.

While trucks will be the first focus of the operation, KC Smartport hopes to move into its second phase, which will allow it to process railroad cars as well. The COLT connects to Norfolk Southern, which in turn connects to Kansas City Southern.

The Kansas City Southern railroad owns two Mexican railroads, the TFM (Transportacion Ferrovaria Mexico) and the Texas Mexican Railway, which travel through Laredo, Texas, to Monterey and Lazaro Cardenas, a port on Mexico's Pacific Coast that is seen as an alternative to the crowded ports on the U.S. West Coast. Corporations such as Wal-Mart and Mazda Motor Corp. are now moving cargo through Mexican ports, driven in part by the loss of New Orleans because of Hurricane Katrina.

"Even though it's a little bit further, you still may be shaving off several days just due to the immense back up in the Pacific Coast ports in the United States," said Dave Meyer, marketing director for Regional Economic Development Inc. "Theoretically, you could get containers coming into the port there in Mexico, moving through the system to SmartPort in Kansas City, being transferred onto the Norfolk Southern and ending up here in Columbia reasonably simply. And then, with our intermodal facility here in Columbia, they could be off-loaded easily onto truck and then go from there."

