



SOME RAILROADS ARE DOING GREAT, WHILE OTHERS ARE SUFFERING

The price of fuel is hurting individuals and many industries, but it seems to be helping at least some of the railroads. Most of the major railroads are reporting hauling record levels of freight and making a profit. Their success seems limited only by constraints (bottlenecks) in their system, and the improved cash flow is helping resolve some of these issues as well. Likewise Amtrak is having a good year, with many trains sold out as many riders are taking the train rather than driving to their vacations.

On the other hand, excursion trains such as the Great Smoky Mountains Railroad are suffering, because the same high costs are keeping vacationers from driving to their locations. GSMR recently announced that it is shutting down its Dillsboro operations and dismissing 40 employees because of difficult business conditions. The railroad will continue operating trips from Bryson City to the Nantahala Gorge in western Swain County. The general economic slowdown has cut business, and higher fuel costs have deterred visitors and raised the expense of operation, said Jeffrey Jackson, CEO at Colorado-based American Heritage Railways, GSMR's parent company.

"We got real used to better economic times, and unfortunately that cycle has changed," he said. "The businesses that want to withstand it have to change also." Railroad passengers are a significant portion of the customer base for many Dillsboro businesses. Dillsboro got its start when the railroad reached it in the late 1800s. Local businesspeople say that losing railroad passengers will hurt sales but that the town has other attractions like craft shops and float trips on the Tuckasegee River to keep people coming. "Our craft shop's been there for 32 years. We were there before the railroad, and we hope we'll be there after," said Brenda Anders, board chairwoman for Dogwood Crafters cooperative. Great Smoky began operating pleasure trains in 1988. "Dillsboro got a little more hustle and bustle with the train," said Emma Wertenberger, a long-time proprietor of the Squire Watkins Inn.

Diesel fuel is one of the railroad's top expenses, and GSMR's diesel bill has more than doubled recently. The railroad has about 60 year-round employees and usually adds another 90 or so seasonally. The railroad moved its headquarters and many other operations to Bryson City several years ago, and its future is still promising. "The Great Smoky Mountains Railroad is still viable. There is zero percent chance that the railroad is going to shut down its operations in Bryson City," Jackson said, adding "We still want to be the economic engine for that region, pun intended."

Parting Shot

We will leave you with this parting shot:

What are these folks doing,
and where are they?

If you think you know, send an email to me
(Clint Smoke) at chsmoke@bellsouth.net.

The first correct entry may receive some
sort of prize.

