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April 2010

## Small roads, big achievers

Short Line of the Year

Greenville & Western

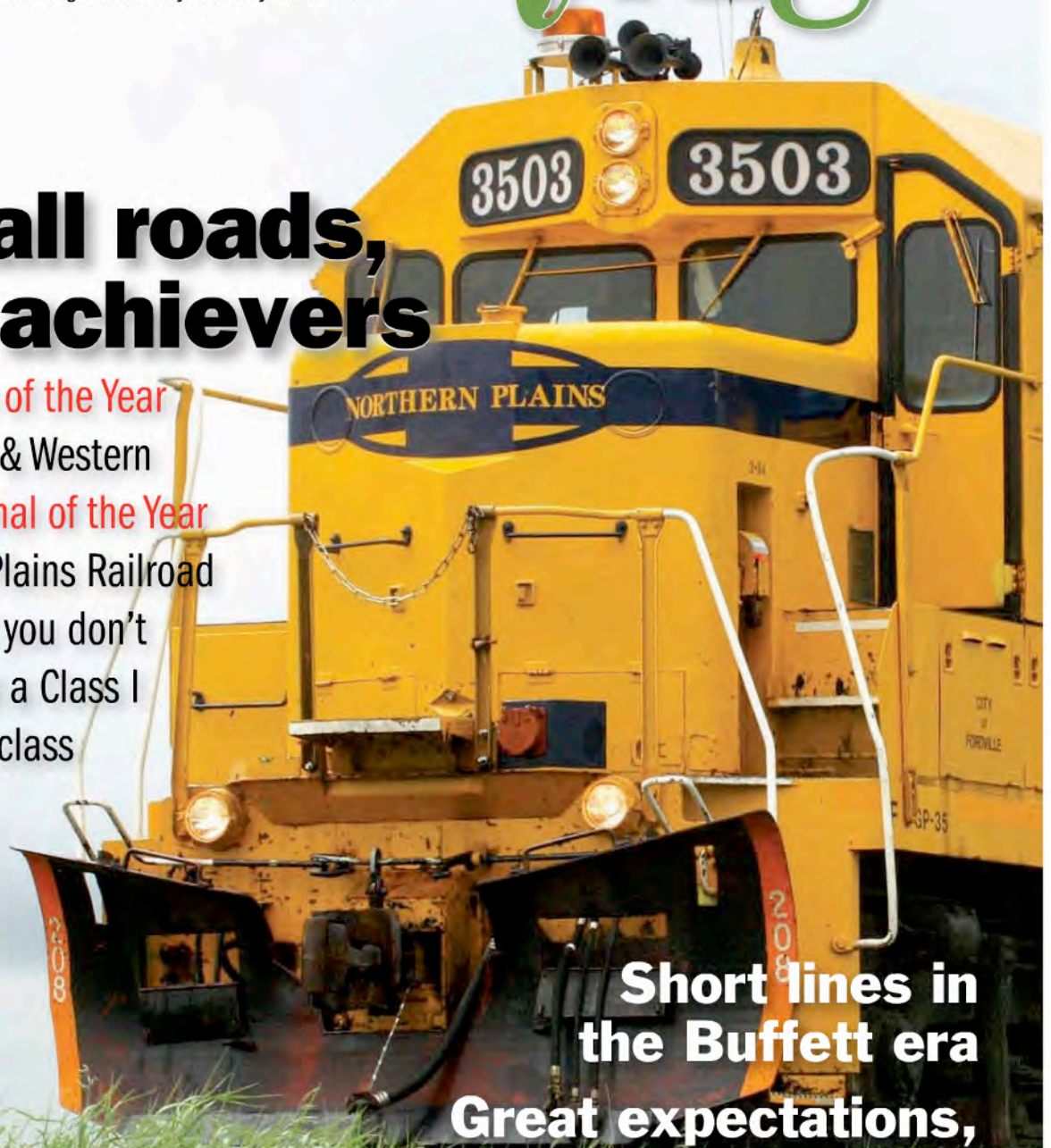
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# Greenville & Western: Bursting with energy

A short line plots land use development and alternative energy options, along with acquiring a right-of-way, to best advantage—and beats recessionary odds.

**By Douglas John Bowen, Managing Editor**

**W**ant to inspire Steven C. Hawkins? Just challenge the president of Greenville & Western Railway Co., LLC that his short line can't tackle the future.

Not only did Hawkins purchase 12.74 miles of CSX track in Anderson County, S.C., in October 2006; he purchased 38.3 acres of land in anticipation of a new customer, a producer of ethanol-based fuels.

The twofold strategy contributed to the short line's traffic growth of more than 130% the past two years, from fewer than 100 annual car loads in 2006 to 1,872 revenue carloads in 2009—all during the most severe global recession in 70 years. That's qualification enough, and then some, for *Railway Age* to recognize Greenville & Western Railway Co., LLC, as its 2010 Short Line of the Year.

CRAIG A. MYERS



For Hawkins, purchasing the site and acquiring the railroad were parts of the whole, based on his industry experience with both Railtex (now part of RailAmerica) and with Norfolk Southern Corp. "I helped start up five railroads, ranging from Oregon to Nova Scotia," he explains. Though experience and doing one's homework counts, Hawkins says nothing was guaranteed: "I went to the cliff and jumped," he quips.

GRLW's biggest customer, at present, is Lincoln Energy Solutions, Inc., which acquired GRLW's acreage in 2008 for its ethanol production and distribution by rail. Hawkins, though noting he's no ethanol industry expert, does note "I've learned enough to realize that the ethanol business will be here, at a minimum, at least a generation," countering skeptics by observing "options are more than corn-based [fuels]."

Says CSX Southeast Short Line Development Manager Gina Arnold, "GRLW had a vision for an ethanol terminal in Belton and with the support of local development officials and CSX ... worked diligently to market the site to ethanol companies nationwide. ... Initially, Lincoln started by receiving single car shipments of ethanol until the unit train facility was completed. This required GRLW to quickly construct a temporary facility and increase service days to include multiple switches to the customer. By the end of 2008, the GRLW had delivered almost 300 carloads of ethanol to Lincoln Energy."

GRLW's other customer at its startup was a plastics producer, but a third shipper of scrap metal, which hasn't shipped by rail since 2005, is re-evaluating its options "largely because they see what we're doing," Hawkins says.

For Greenville & Western, no potential customer, no potential load, is too small. "We value even one car; if you

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## SHORT LINE AND REGIONAL RAILROADS OF THE YEAR



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want to ship a single car with us, we'll find a way," he vows. Load storage also counts; one plastics shipper told Hawkins "doing business with you is a pleasure because we say what we mean and we do it. I believe in a handshake agreement," he says.

Any such handshake involving GRLW is indeed a personal commitment. The short line currently employs eight full-time employees; 'a year and half ago, we had my wife, myself, and two part-time employees," Hawkins says. Hawkins credits wife Cheryl and her banking expertise for the company's sound finances. "I told her as plainly as I could, 'I need you here,'" he says.

It took Hawkins six years to convince CSX to sell the line and, Hawkins says, CSX to its credit has been extremely helpful in forming a partnership with the short line. "We had a mile of excepted track on CSX that stood between our improvements and their Class II track," he recalls. CSX's Arnold says the Class I railroad invested close to \$300,000 "to upgrade the interchange tracks" to achieve what Arnold calls "a seamless operation" and what Hawkins calls a win-win situation for both railroads.

Hawkins says more route growth is possible, saying G&W would assume control over the rest of CSX's Belton Subdivision if it were offered. "We're also exploring the possibility of expanding south" via old rail right-of-way to an industrial park, also owned by CSX.

GRLW's equipment pool includes two GP-9s—"57 years old, and the best locomotives I ever had," Hawkins enthuses—a caboose, and "four flatcars we use for maintenance of way. Everything else we use is [owned by] the customers."

The short line's efforts have been supported by the city of Belton, which "has been wonderful to work with," with Anderson County also offering assistance. State aid wasn't available at start-up, though now that G&W is operating successfully, "we're on the map; we have its interest," Hawkins says.

South Carolina isn't the only entity to notice the rise of GRLW. Indeed, the

short line is collecting numerous honors this year in addition to *Railway Age's* award, including recognition from CSX at the Class I railroad's Short Line Workshop held last month. ASLRRA already has bestowed its Jake Award with Distinction, honoring GRLW's safety record, in 2007, 2008, and 2009. And no wonder; Hawkins proudly notes "we haven't had an injury at all" in the com-

pany's existence.


Hawkins notes risk-taking is, well, risky; his efforts to revive a second short line nearby fell short when "the rails-to-trails folks got that one." But GRLW will grow, he says, based on its employees "believing we can do what we're doing." That's a worthy battlecry, born of experience, for *Railway Age's* 2010 Short Line of the Year. ■


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