

Why New York Small Business Is in a Freight Rail State of Mind



Thanks to shortline railroads, Long Island small businesses are realizing their full potential and improving daily life for those who call the island home.

Surrounded by the East River, the Atlantic Ocean and Long Island Sound, New York's Long Island has long been one of the least accessible marketplaces in the country despite being home to more than 7.8 million residents. Local businesses have traditionally had to transport goods, commodities and finished products to and from the island by road, crossing one of seven heavily congested bridges and navigating horrendous New York City commuter traffic along the way.

The inaccessibility of the island came into sharp focus after Hurricane Sandy made landfall in October 2012. As communities began to rebuild, the need for lumber and other building materials was more urgent than ever before.

Fortunately, only a year before the storm, Brookhaven Rail Terminal (BRT) opened in Yaphank, New York. Served by New York & Atlantic, a shortline railroad, the terminal was created to handle shipments of construction materials, such as sand, gravel and crushed stone. However, even with the shipment of heavy materials, weight restrictions still applied to Long Island Rail Road tracks. In the wake of Hurricane Sandy, authorities lifted these restrictions so suppliers could deliver as much lumber as possible to help communities recover.

"A lot of the first shipments we made to BRT were lumber for rebuilding from the storm," said Andy Polbos of LBM Advantage, a not-for-profit cooperative that supplies independent mom-and-pop lumberyards on Long Island. "After the hurricane, we called BRT to bring 400 cars of lumber to its facility to help people rebuild."

What was a response to a natural disaster is now an economic engine for Long Island, home to around 40 percent of New York State’s population. Today, both LBM Advantage and Home Depot—which has 46 stores on Long Island—ship millions of dollars’ worth of lumber into the rail terminal. Along with shipments of flour, soybean oil and other commodities, BRT now handles almost one million tons of freight a year. In March 2016, a record 330 rail cars arrived at the terminal in one month.

For businesses like LBM Advantage, access to freight rail has shortened turnaround times on shipments, reduced costs and increased their ability to respond to market demands in real time. By using warehousing facilities at BRT, LBM Advantage can maintain millions of dollars’ worth of inventory, allowing local lumberyards to pick up supplies multiple times in a single day.



Most importantly for LBM Advantage—and the independent lumberyards it serves—BRT has played a major role in helping the cooperative achieve staggering growth. LBM Advantage’s sales have increased by 30 percent, and its market share has grown by almost 50 percent since the rail terminal opened.

“We treat BRT as an extension of all we do,” said Polbos. “We’re looking to expand and transport drywall, roofing shingles and more. I can’t emphasize enough how important the facility has been for us.”

Business has been so brisk at BRT that just five years after opening, the rail terminal is adding new track and expanding overall capacity to meet growing demands. In addition to erecting additional buildings for storing and cutting lumber, there is continued talk of building a large food distributorship, which would create hundreds of permanent jobs.

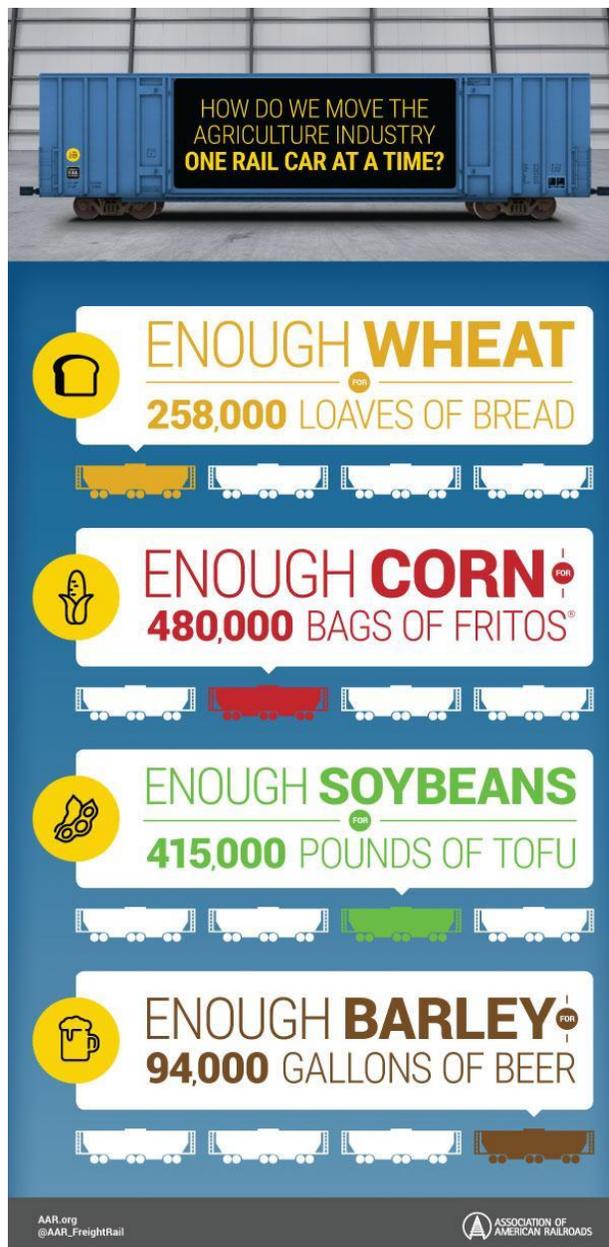
“The benefits of rail are tremendous, and I’m happy that the Brookhaven Rail Terminal is taking advantage of those benefits to the extent that they now see the need to expand,” said Dean Murray, New York State Assemblyman, 3rd District. “This expansion will result in more jobs and an immediate boost to the local economy.”

From Road to Rail

The ability to haul goods by rail isn’t just benefitting Long Island’s lumberyards. Before 2012, Wenner Bakery, which specializes in breads, pastries and rolls, trucked almost one million pounds of flour every two days to its bakery in Bayport, New York, on Long Island. Today, the bakery’s flour, which is sourced from producers in North Dakota, is transported to Fresh Pond Junction in New York City by CSX Transportation. From there, New York & Atlantic takes over and delivers about 35 rail cars of flour to BRT each month. That’s enough flour to bake well over nine million loaves of bread.

According to Paul Victor, president of New York & Atlantic, the railroad serves as a vital link between customers on Long Island and the national rail network. By delivering the flour by rail, the railroad is meeting the bakery’s staggering demands while removing traffic from the region’s crowded roads. Victor estimates that by hauling Wenner Bakery’s flour, New York & Atlantic takes almost 2,000 trucks off the region’s highways and bridges each year.

“This type of road-to-rail conversion will be even more important in the years to come,” Victor said. “The costs of trucking through New York City will continue to go up, and not down. Going forward, we can continue to take traffic off a congested mode and put it into the market via rail.”





Judy White, communications director for BRT, echoed the importance of rail for the island, which is the most populated island in any U.S. state or territory. Over the last two years, she said, BRT handled more than 4,000 freight rail cars, which translates to 16,000 trucks that would otherwise be on the road. Planned expansion of BRT later this year will help ease road congestion even more—and just as importantly, meet the growing demand for freight rail.

“I get calls every day from people who have heard about the terminal and are looking to sell on Long Island,” said Jim Newell, president of BRT. “Rail is proving to be instrumental in helping Long Island small businesses realize their full potential, while improving daily life for those of us who call Long Island home.”