



Business

Port of Davisville is on track

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The first car delivered by rail rolls down the ramp from the train at the Davisville pier last week. Previously, new autos arrived by ship. Driving the Volkswagen is Michael Miranda, president of auto importer North Atlantic Distribution.

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NORTH KINGSTOWN — The Galaxy Ace was in port, and the stevedores were busily unloading 1,800 new Audis and Volkswagens from Emden, a city in northwest Germany.

But last Tuesday morning at the Port of Davisville, the 650-foot ship was not turning heads. Instead, the executives from automobile importer North Atlantic Distribution were gathering nearby on a sea of fresh asphalt, their backs to the water as they observed a milestone: the company's first rail delivery.

Previously, NORAD had received cars by ship only. The railroad tracks in the Quonset Business Park were too worn for transporting cars. And outside the state-owned park, the Providence and Worcester Railroad tracks in Rhode Island and Massachusetts ran under bridges that were too low to accommodate the triple-decker rail cars used to deliver vehicles.

Those hurdles forced NORAD to transport cars by truck, keeping costs high and limiting the range of its business. For long hauls, truck transport is nearly 40 percent more expensive than rail, according to the company.

But that has all changed, since the Quonset Development Corporation invested \$6 million improving the park's railway and the state and federal governments spent \$225 million upgrading tracks from the border of Quonset to Central Falls.

Those improvements prompted NORAD to spend more than \$5 million to clear and pave 14 acres by the pier for a private railhead.

Now, those massive investments have begun paying off.

Last Tuesday, eight rail cars, all 19 feet high, rumbled onto the NORAD property, carrying 120 Volkswagens that had been manufactured in Mexico. Another 2,000 that did not fit on ships in Mexico are expected from the factory over the next several weeks.

"It's a pretty exciting day," Steven J. King, the chief operating officer at the QDC, said.

The cars are destined for regional dealerships, so they will travel by highway after being inspected, repaired and outfitted with upgraded stereos and navigational systems.

But in the future, many cars arriving by sea and rail to NORAD will be sent by train to dealerships in Canada, as well as U.S. cities in the South and the Midwest.

"It opens us up to the whole North American market," company president Michael Miranda said, smoking a cigar as he surveyed the deliveries.

"This is a major expansion for us," he said, as railroad staff attached bridge plates to connect the rail cars and NORAD workers positioned a special automotive loader into place to receive the shiny Volkswagens. "It changes everything."

Quonset competes with New York, New Jersey and Baltimore for incoming auto shipments. But importers at those ports, Miranda said, have little room to expand. At Quonset, NORAD is already planning to pave another 24 acres to accommodate new business.

The company grew consistently under its previous business model. It started in 1985 with about 75 employees and 40,000 cars imported annually. It now has 250 employees and brings in 120,000 cars per year.

NORAD already accounts for 95 percent of all shipping at Quonset, and has made the port the country's 14th busiest for auto imports. But rail access, Miranda said, will speed growth dramatically.

The company has already signed contracts with a Subaru manufacturer in Indiana, and there are plans to bring in vehicles from General Motors, Chrysler and Ford for export to Europe. (For now, ships that dock at Quonset leave empty.)

"This is an entirely new line of business for us," said Marie Angelini, a spokeswoman for the Providence and Worcester Railroad. "We have never shipped cars before."

In a year, NORAD imports could reach 350,000 and staff should increase by 40, Miranda said.

"This was the piece we needed to make us competitive," said Justin Miranda, a NORAD vice president.

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