

## Work's a joyride for rail renovation entrepreneur

By **Bill Steigerwald** TRIBUNE-REVIEW

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HUANCAYO, Peru — The passenger train thunders into the outskirts of town, triumphantly blasting its horn at each quiet intersection and raising a cloud of dust into the starry night.

It's almost midnight. Henry Posner III sits alone in the dark on the cold, wind-whipped platform at the rear of the small train.

For almost 16 hours and 200 twisting miles, Posner has been riding the noisy, jostling, smoking diesel-powered beast as it climbed from Lima through a spectacular mountain canyon and over the top of the Andes.

It's been a long, hard mid-October Saturday for the international railroad entrepreneur from Pittsburgh. But Posner - one of the world's few experts in resurrecting broken-down freight rail lines in Third World countries - has enjoyed every minute.

Sitting in a wicker chair like a man relaxing on his back porch, he can't wait for the equally grueling return trip to Lima. It begins as soon as the train can drop off its passengers and turn around in Huancayo, a 2-mile-high industrial and mining city nearly as large as Pittsburgh.

The special train consists of a diesel locomotive, two Romanian-built passenger coaches, an empty open gondola for viewing purposes and a 1930s-vintage private car called "The Paquita," which has two tiny bedrooms and kitchen facilities.

The train is carrying a cargo of 35 British railroad enthusiasts on the first leg of their 18-day tour of Peru's mountain railroads. The Brits have paid serious money (\$4,500) for the chance to experience the trestles, tunnels and many fabulous vistas of the famed Ferrocarril Central Andino, the highest standard gauge railroad on Earth. It's also one of the BBC's "Great Railway Journeys of the World."

Posner, however, is riding for free. That's because the Central Andino, a freight line that usually carries minerals and industrial products like cement in and out of the Andes from Lima, is managed and partly owned by his tiny railway investment and management firm, the Railroad Development Corp.

The son of Pittsburgh businessman and philanthropist Henry Posner Jr., Posner is the chief executive and founder of Railroad Development. From offices in Green Tree, and with a staff of just five people, Railroad Development manages and owns parts of seven former government-owned freight railways like the Central Andino in six underdeveloped countries — Peru, Guatemala, Argentina, Mozambique, Malawi and, most recently, Estonia.

The company's only American holding is the Iowa Interstate Railroad, which mainly hauls grain from Omaha to Chicago. Railroad Development's first and largest railroad, it was rescued from bankruptcy in 1991 after Posner and an investment group he formed failed in their bid to buy the Pittsburgh & Lake Erie Railroad.

Posner, 45, is in Peru for three days for business and pleasure. He's come to check on the Central Andino's operations, which he has done several times a year since 1999, when Railroad Development won a 30-year concession from Peru's government to run it as a profit-making enterprise.

But the very hands-on executive also has come to ride the rails with the Brits.

Being on a tourist train, which makes many more stops than a freight would, gives Posner a better chance to closely eyeball Central Andino's tracks and rolling stock.

Several times, he's also crouched on top of the locomotive's oil tender as the train passed through one of the 67 low, pitch-black tunnels that 19th century British engineers carved out of solid granite. It's a hellish, choking steam bath in hot smoke and oil that only true railroad lovers like Posner could endure.

Despite such self-inflicted tortures, as the train comes to a stop at the quiet station at Huancayo, Posner is his usual upbeat, pleasant and curious self. He has been unaffected by the energy-sapping altitude sickness that sent several passengers to the onboard nurse for oxygen when the train crossed South America's continental divide at 15,651 feet.

He also has survived his duty as unofficial host to the excited Brits. Not only did he answer their every question, he encouraged them to clamber over every inch of the slowly chugging train - as long as they promised not to sue if they fell off.

Posner's laissez-faire attitude - not to mention the obvious pleasure he takes in being able to joyride like a teen-ager on real trains - might surprise anyone who met him formally during office hours.

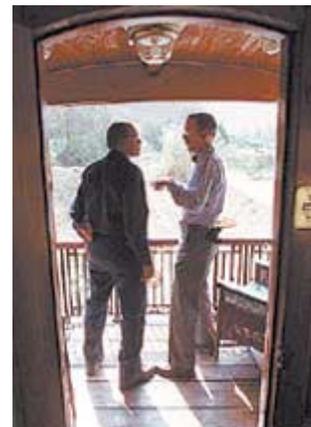
When he's working in Green Tree, he appears to be all business. He's a serious, time-efficient, no-nonsense exec, characteristics you'd expect from the lanky son of a multimillionaire who got his civil engineering degree from Princeton and his master's in finance from the Wharton School in Philadelphia. He also speaks Spanish and French, both of which are indispensable for his travels.



Henry Posner III



Posner and Gerbert Llerena



Gabriel Enchandia and Posner



Posner rides the FCCA

When he flies overseas for Railroad Development, which he does about 18 times a year, he keeps everything he needs to know about any one of Railroad Development's railroads - plus things like Estonian pocket dictionaries, Guatemalan Internet access numbers and Web sites of Pakistani railroad news groups - packed into his laptop.

There's not much about the history and operations of the planet's railroads that Posner doesn't seem to know. He gives talks at international railway conferences on things like "The Structuring of Rail Concessions: Economics and Ethics."

Posner learned the financial nuts and bolts of railroad business at Conrail, where he worked after college in the operating, marketing and sales departments. Since then, he has seen and dealt with just about every problem a operational railroad can have in a developing country, whether it's government personnel cutting up freight cars for scrap in Guatemala or floods and social upheaval in Argentina.

At Railroad Development, which he formed in 1987, Posner is mainly responsible for spotting new railroads for the company to invest in and then analyzing their operations and revenue projections.

That's not as much fun as standing on the nose of a 120-ton diesel locomotive for an hour while it chugs along at 22 mph in the broad, empty Yauli Valley, as he does Sunday morning as the train heads back to Lima.

Or slipping into the engineer's seat for 20 minutes at the 14,000-plus foot level and driving a locomotive down a steep grade, which he does so he can see how the braking system works.

By dinnertime Sunday, Posner's 36-hour joyride is over and he is back at his hotel in Lima, apparently unaffected by his 400-mile roundtrip. First thing Monday morning, he's in bow tie and blazer and back to more traditional executive work.

He visits the Ferrocarril Central Andino's main offices and rail yard at Chosica. During a special, three-hour luncheon train ride with Juan Olaechea, the Central Andino's CEO and chief Peruvian investor, Posner steals time to drive the steam locomotive and ride atop the oil tender through another tunnel.

That afternoon, Posner attends a speech given by Olaechea and by 9 p.m., he is already jetting from Lima to London and on to Estonia. There, he will inspect his company's newest adventure in privatization, Eesti Raudtee, the Estonian state railway.

He arrives in Tallinn, Estonia, at 11:30 p.m. Tuesday — 7,423 air miles and 26 hours from the Andes. At 6:20 the next morning, he is on a passenger train to the Latvian border. Why? Not because he's a masochist or an insomniac.

Posner needs to check out the condition of the track in Estonia before the winter snows cover it. His predawn commute that day is the only chance he'll have until spring. Plus, the indefatigable global railroad entrepreneur says, "It's a great way to cure jet lag."

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**Photos by Steven Adams / Tribune-Review**

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