

Clear of Weeds, Putting on Steam

Shane Boatright coupled his high finance degree to bootstrap determination and to one of the oldest industries he could pick at the dawn of the go-go, dot-com decade. He's still building on his investments, through a recession that's hit others hard as railroad steel.

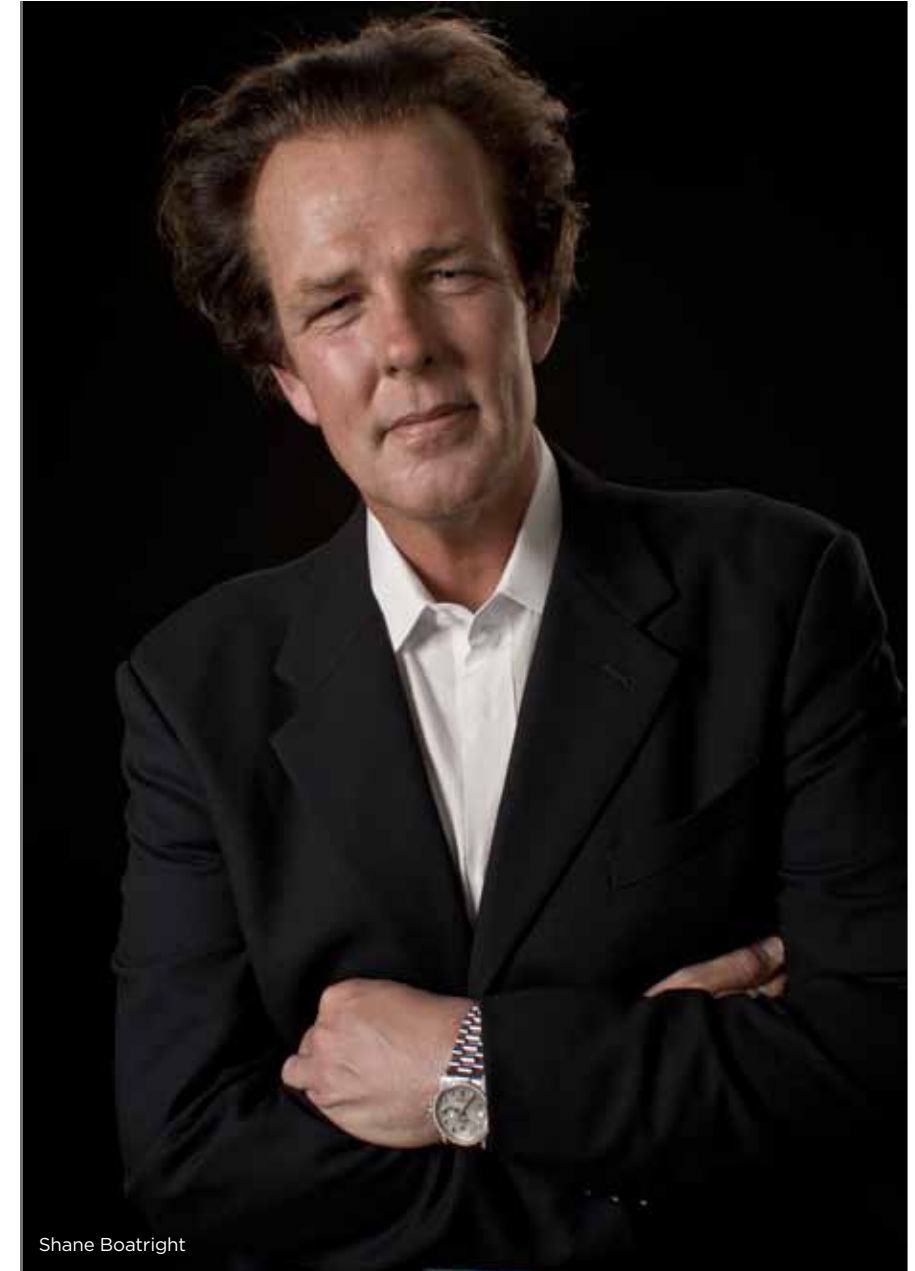
By Tara Hulen / Photo by Liesa Cole

As a college student, Shane Boatright worked summers clearing weeds from railroad right of ways. And after he got his degree in corporate finance from the University of Alabama, he went back to clearing weeds along the lines.

Railroad workers he'd met networked him to a few contracts, which helped him get his first loan, which got him his first spray truck.

From that one-man operation in 1989, he bootstrapped a little empire of horizontally integrated railroad service companies.

"You keep your eyes open," Boatright says. "First of all, I saw what the railroads needed, what they bought: what products and services. Then it's just a matter of



Shane Boatright

finding a way to supply it faster and cheaper. They need railcars repaired; they need crossties, vegetation control along the right of way. They needed hi-rail equipment (rigs that allow trucks to run on rails) and safety gear."

Over 20 years, he has built or bought five companies that serve all those needs.

He's also gone directly into the railroad business. Among his five companies is the St. Mary's short line, in south Georgia. The line runs between St. Mary's and Kingsland, Ga. and transports military supplies — including ballistic missiles — to Naval Submarine Base Kings Bay.

"I'm never really satisfied in my career. I



Boatright's Montevallo plant

always want to continue to move forward,” Boatright says.

His company moved into railroad supplies when it bought the former Seaman Timber Co. in Montevallo in 2008 and expanded operations.

The crossties, switch ties, bridge timbers and tie plugs made there are the only products Boatright Companies manufactures, and Boatright is diving farther into that segment of the business — investing \$50 million to build a new crosstie manufacturing plant in Chilton County.

“With the state of the economy and what have you, we made the decision now would be a good time to build,” Boatright says, “and as we go forward, we will continue to pursue other opportunities and, hopefully, be able to pick up some bargains along the way.”

He’s in a position to do that because railroads are more recession proof than many industries, he says. Even in tight times, people need basic freight moved around, and railroads always will need support supplies and services.

Some recent developments make it an especially good time to be in the railroad business.

Locally, several inter-modal rail facilities are proposed, operational or underway. Norfolk Southern is planning to complete a \$112 million inter-modal terminal in McCalla by 2012 — a key link in the railroad’s ambitious \$2.5 billion

Crescent Corridor connecting the Gulf Coast and the Northeast.

Warren Buffett’s Berkshire Hathaway group earlier this year gave railroad futures a vote of confidence — putting down \$34 billion to buy the Burlington Northern Santa Fe Railroad.

“He came out and said that was his largest acquisition ever, it was an all-in bet, he said, for the future of America. For us in the railroad industry, it just really shed a great light on our industry going forward,” Boatright says. “A lot of people, they don’t really think about a train until they’re on their way to work or wherever they’re going and a train holds them up at a crossing. But railroads are still hauling half the freight in this country.”

Boatright comes across sharp, high-

charged and country — an entrepreneur sprung straight from the railroad earth. He always seems dressed for the boardroom but sports a gospel quartet hairdo big as locomotive smoke.

There was one departure from Brooks Brothers impeccable, he recalls. He tells how he suited up for a loan interview to borrow the money for the short line railroad, dressed in a crushed velvet jacket.

“I thought, even if he turns down the loan, hell, he won’t forget me.”

He got the loan.

Boatright’s life is consumed by business. His companies do business for railroads in 26 states and several countries. With his success, Boatright could move his base of operations anywhere. So, why Alabama?

“I’m just a redneck guy who grew up in Hueytown, Alabama,” Boatright says. “I had a dream, I had a vision. I enjoy working with the railroads. I made a career out of it. I like where I’m from. I do an extensive amount of traveling, and Birmingham is just the right sized place to come back home to.”

Boatright expects to keep busy expanding his companies. “We certainly want to continue to pursue more acquisitions,” he says. “I have so far made a lifetime dedication to the railroad industry and building these companies along the way, and I have a long way to go.”

Tara Hulén is a freelance contributor to Business Alabama. She lives in Birmingham.



Boatright ships 1.3 million crossties a year.