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The lights go out

WITH THE whistle blowing and the crew wearing black armbands, Guatemala’s last revenue freight train (for now) pulled out of Puerto Barrios on September 4, bound for El Rancho and Guatemala City.

After a 10-year struggle against natural disasters and vested interests, concessionaire Ferrovías Guatemala (FVG) has suspended all services pending the resolution of its dispute with the government (RG 8.07 p474).

On August 20 the World Bank’s international Center for the Settlement of Investment Disputes formally accepted the US$65m claim lodged by FVG and its majority shareholder Railroad Development Corp under the Central American Free Trade Agreement. Both parties have now appointed arbitrators to handle the case. FVG Chairman Henry Posner III said the ‘cavalier attempt’ to ‘confiscate a business on behalf of selected private-sector interests will cost the Guatemalan people in three ways’ — the arbitration claim, the loss of rail services, and reduced investor confidence in the country’s business environment.

Although revenue services have ceased, occasional trains continue to run to try and safeguard the right-of-way from encroachment and prevent the theft of materials or equipment. After riding the last train and speaking to most of the railway’s staff, Posner said ‘we are carrying the banner high and acting as professionals until the end. Next stop: justice!’

(L to R) Jorge Senn, FVG General Manager, and Henry Posner III
(Photo by Gus Posner)