

= Ofotbanen (company) =

Ofofbanen Drift AS , trading as Ofotbanen , was a Norwegian passenger and freight railway company . The company operated a fleet of six locomotives , three multiple units , 22 passenger and 48 freight cars . The sole service was the passenger train Unionsexpressen between Oslo and Stockholm ; it had previously offered freight haulage on contract .

The company was founded in 2001 , and took over Norges Statsbaner 's (NSB) passenger operation of the Ofoten Line in 2003 . The following year it entered the freight market , in particular with timber trains for Norske Skog . It further expanded into other services , such as charter trips . In 2006 , the company almost went bankrupt , and was taken over by Rail Management . In 2007 , the automotive distributor Autolink started purchasing the autorack operations from Ofotbanen , and at the same time bought 40 % of the company . 2008 saw a dramatic decline in operations , as both the Norske Skog , Autolink and passenger train services were terminated . In April the company started service with the Unionsexpressen between Oslo and Stockholm . The company went bankrupt in October , but was immediately re - established as Ofotbanen Drift . In May 2010 , the new company filed for bankruptcy .

= = Operation = =

The company was based in Narvik , a city that is only connected to the rest of the Norwegian railway network through Sweden . The company was led by CEO Terje Østensen and Chairman Thor Ask Terkelsen .

= = = Unionsexpressen = = =

The Union Express is a passenger train service between the Norwegian and Swedish capitals of Oslo and Stockholm . The service was a cooperation between Ofotbanen and the Swedish company Scandinavian Railway . In competition with SJ , it operates one daily round trip , in 5 hours 45 minutes , between Oslo and Stockholm , using renovated stock from the 1960s . While more expensive than SJ , the service aims at being more luxurious . One of the four cars is a traditional dining car , and the company markets the product as a first @ - @ class only service . Each train has a capacity of 84 riders , and provides perks such as Wi @ - @ Fi and 2 + 1 seating . The service has not operated since 7 October 2008 , due to the bankruptcy in Ofotbanen , and SJ no longer being willing to rent out locomotives to the company .

= = = Rolling stock = = =

The company had five Di 3 diesel locomotives , and a single El 13 electric locomotive . Ofotbanen had 22 B3 passenger carriages , used for charter trains . These were supplemented by three two @ - @ car Class 68 electric multiple units . The 48 freight cars the company used were owned by Nord @ - @ Norsk Spedisjon . Of these , 19 were timber cars . All stock was painted dark green . All motorized stock was used stock that NSB has chosen to take out of service .

= = History = =

= = = Establishment = = =

Ofofbanen AS was founded on 20 March 2001 . In November , it bought five used Di 3 for NOK 250 @ , @ 000 each , well under market price , from Norges Statsbaner (NSB) . The purchase raised controversy , because the potential operator Banetransport had offered full market price for the trains . Also , NSB had to rent back several of the locomotives for six months , while six of eleven brand @ - @ new Class 93 trains were out of service . NSB paid the whole purchase price for the six

@-@ month rental .

In 2003 , NSB announced that they wanted to discontinue their operations in Narvik , hoping they could leave operation of passenger trains on the Ofot Line to Ofotbanen . In May , NSB signed an agreement with Ofotbanen , where the latter would take over NSB 's responsibilities to operate trains from Narvik to Riksgränsen along the Ofot Line . The initial contract would last until 2006 , and NSB paid NOK 13 million for the service . From 15 June , Ofotbanen took over all passenger transport on the line , including employing all former NSB employees in Narvik . On the same day , Connex Tåg took over the operations on the Swedish side of the border after winning a public service obligation contract with the Swedish government , and dismissing SJ of the right to offer the service . An operating and security license was granted from the Norwegian Railway Inspectorate to Ofotbanen on 11 June .

= = = Expansion = = =

In 2003 , the company managed to cover its costs , and the company stated that it hoped to have a revenue of NOK 30 million the following year , through an ambitious expansion plan . A private offering for NOK 8 million was issued to allow this expansion . Among the purchasers was the Municipality of Narvik and Narvik Port Authority . In March , Chair Rune Arnøy was forced to withdraw after accusations of conflict of interest , since he was both chair of Ofotbanen and harbormaster at the Port of Narvik . CargoNet , a freight competitor of Ofotbanen , had felt that they were being unfairly treated by the port after the municipality had bought shares in Ofotbanen and appointed Arnøy as chair . The legality of the port 's purchase of the shares was considered by the Norwegian Coastal Administration ; though deemed legal , the port authority was required to sell the shares within three years . In April , Ofotbanen received a permit to operate in Sweden , and started offering charter trains between Narvik and Kiruna in Sweden , primarily for cruise ship passengers . It also announced that it was going to bid for the public service obligations for subsidized passenger railway transport that the government was planning to conduct in 2006 . In June , Ofotbanen received permission to operate freight trains throughout the entire railway network in Norway . This was the first time such permission was granted to a different company than NSB or its subsidiaries .

In September , Ofotbanen was one of six companies prequalified to bid for the first public service obligation tender on the Gjøvik Line . However , the company chose to not submit a bid , and the contract was won by the NSB subsidiary NSB Anbud . In September , the mechanical company Narvik Sentralverksted , that had provided maintenance for the Norwegian National Rail Administration in Narvik since 1999 , accused the municipality of illegally subsidizing Ofotbanen through providing the company with subsidized rent for their workshops . Ofotbanen had just won the public tender for the contract , and the company threatened to take the municipality to court for violation of competition laws . The matter was soon resolved , without the courts being involved . In December , the government granted permission for Ofotbanen to operate charter trains throughout the entire railway network .

By November 2004 , the largest owners of Ofotbanen were Cargo Nor (26 @. @ 1 %) , the Municipality of Narvik (12 @. @ 5 %) , Narvik Port (12 @. @ 5 %) and Moe Media (8 @. @ 5 %) . In addition , employees had bought shares for more than NOK 1 million . During a general meeting on 13 December 2004 , a capital placement was initiated for NOK 5 @. @ 2 million . An anonymous , British consortium named GB Group bought a 36 % stake for NOK 2 @. @ 5 million . In 2004 , the company had a revenue of NOK 20 million . The following general assembly in December 2005 , GB Group made a private placement of NOK 11 @. @ 7 million in Ofotbanen , increasing the consortium 's ownership to 52 % .

Freight transport started in 2004 , when an agreement with Norske Skog was made to transport timber along the Røros , Meråker and Nordland lines to the paper mill at Skogn . The activity was further increased in 2006 , when a contract worth NOK 30 million was signed to transport 250 @, @ 000 t (250 @, @ 000 long tons ; 280 @, @ 000 short tons) of timber , including some to the other paper mill in Halden . The following year , Ofotbanen also entered the container freight market , with a train running from Narvik via Sweden to Oslo , both via the Meråker Line and via the Kongsvinger

Line . The trains would continue to Drammen when necessary . Ofotbanen was also in negotiations about transporting 700 annual trains of ore for Rana Gruber , but the contract was instead awarded to CargoNet . By 2005 , Ofotbanen only had a 50 % utilization of their stock , but in March a contract for the rest of the year was signed securing full use of the equipment to transport timber in Southern Sweden , with two trains in continual traffic . The extraordinary traffic was needed to clean up after the Gudrun storm , and the contract gave a revenue of NOK 20 million .

= = = Troubles = = =

In April 2006 , Ofotbanen declared that they were in severe financial difficulties . Accounts payable were giving liquidity problems , and Ofotbanen announced that they needed more capital , estimated at NOK 8 million . GB Group said they were not willing to invest more money in the railway company . Ofotbanen had then been losing money continually since the start @-@ up in 2001 ; in 2004 , it had a deficit of NOK 4 million of a NOK 20 million revenue . At the extraordinary general meeting on 4 September 2006 , the company was sold for NOK 1 million to Rail Management , a holding company for the London @-@ based shipping owner Mons Bolin . In November , the Norwegian Rail Inspectorate threatened to withdraw the company 's safety license , since they had failed to show proper maintenance of the rolling stock .

On 31 January 2007 , Autolink ? Norways largest distributor of automobiles ? bought 40 % of Ofotbanen , and transferred their train haulage contract to them . This made Autolink Ofotbanen 's largest customer . In March , Autolink ordered an additional 70 new autoracks for NOK 175 million . In June 2007 , a new report from the Rail Inspectorate showed that Ofotbanen had severe safety problems ? the company was using engineers without necessary licenses , and was not performing safety analysis . Director of the inspectorate , Erik Ø . Johnsen , stated that the inspectorate did not believe that Ofotbanen was taking safety seriously . CEO of Ofotbanen , Terje Østensen , felt that the issues taken up by the inspectorate were mere formalities , and that it was difficult to make necessary documentation , stating that in his opinion , none of the procedures criticized actually influenced safety .

From the beginning of 2008 , Ofotbanen lost two important contracts . All the timber contracts with Norske Skog were transferred to CargoNet and Hector Rail . At the same time , the public service obligation contract on the Ofot Line was won by SJ . This included a subsidy of NOK 3 @.@ 0 million from the Norwegian Ministry of Transport and Communications for the 40 km (25 mi) section on the Norwegian side of the border . Therefore , SJ started operating trains all the way to Narvik , and Ofotbanen lost the contract of operating the trains on the Norwegian side of the border . Ofotbanen had been receiving NOK 4 @.@ 5 million in subsidies from NSB for the operation from 15 June .

= = = Unionsexpressen = = =

With the termination of NSB and SJ cooperation Linx on the Oslo ? Stockholm route in January 2005 , Ofotbanen announced they would be willing to take over operation of the route from the summer . However , SJ and NSB held monopolies on non @-@ subsidized passenger trains services in their respective countries , and it would not be possible for a private company to operate the route . In May 2007 , the company announced its plans for the Oslo ? Stockholm train , after necessary permissions had been granted from Norwegian and Swedish authorities . By then , SJ had already reopened its route on the line . In March 2008 , plans had been launched to start operations in April , but Ofotbanen had not met the requirements to get a safety licence from the inspectorate . The company rented rolling stock from SJ , including an Rc locomotives , and newly renovated cars from the 1960s . The service was a cooperation between Ofotbanen and the Swedish company Scandinavian Railway .

The necessary certificates were granted on 10 April , and the first trial run was made the following day . Ordinary service started on 25 April , though without the dining car . The initial price was NOK 422 , and travel time was 5 hours 45 minutes . The trains have four cars , of which three are regular

open seating , and one is a dining car . From 15 June , full service was introduced . The company stated that the service was meant to be more luxurious than with SJ , including wider seating (three instead of four abreast) and a wooden interior . The company markets the service as all first @-@ class seating . The trains also had Wi @-@ Fi . After the full service was introduced , the price increased to NOK 593 . By July , Ofotbanen had still not found a locomotive for the second train , and was still operating only a single round service . Passenger numbers were at 35 per departure , not close to the capacity of 84 , or the necessary annual 100 @,@ 000 needed to make a profit .

= = = Bankruptcy = = =

In July 2008 , Autolink canceled their contract with Ofotbanen . Two weeks later , Autolink announced that they would establish their own railway company , which they had been working with since March . They stated that the deal with Ofotbanen was discontinued because Rail Management would not allow additional private placements of capital , nor sell their shares to Autolink . From 29 July , all automotive trains stopped running , and no cars were transported for ten days . The same day , all board members in Ofotbanen representing Autolink withdrew from their positions .

The matter ended in court , concerning if Autolink should be allowed to take control over four train radios that were located in locomotives owned by Autolink , but operated by Ofotbanen . In a shareholder agreement between Autolink and Rail Management , the ownership of the train radios had been transferred to Autolink , but the agreement has clauses that specified that Autolink could not start a competing railway company . Stating that Autolink had been disloyal with regard to the contract , Ofoten District Court ruled on 17 July 2008 against Autolink 's demand for an interim order to transfer the possession of the radios to Autolink . The court ruled that an interim decision could not be made due to the complexity of the contracts , and that a normal lawsuit would have to be carried out to determine the matter . The parties agreed that Autolink , on 13 February 2008 , had bought five shunters from Ofotbanen for NOK 12 million , of which NOK 9 @.@ 5 million was paid by Autolink deleting debt . On 18 September , Autolink won the appeal in Hålogaland Court of Appeal , where Ofotbanen was convicted of stealing four radios .

Ofotbanen lost their license from the Norwegian Railway Inspectorate on 7 October 2008 at 12 : 00 . This was because Ofotbanen had not documented necessary accounting for 2007 , nor provided evidence of necessary liquidity . On 24 October , the company filed for bankruptcy .

Autolink had already founded their company Cargolink on 27 March , and received an operating and safety licence from the inspectorate on 18 September . They took control over the five shunters they owned , in addition to leasing ten Di 6 diesel locomotives . Operations started on 2 November , when all autorack trains were taken over by the new company .

= = = Rebirth = = =

Immediately after the bankruptcy , Rail Management established a new company , Ofotbanen Drift AS , to take over the estate in bankruptcy . They also stated that the cause of the bankruptcy was that Autolink had not let them make a private placement of NOK 10 million . The new company received an operation and safety licence from the inspectorate in January 2009 , and plans to start operation again in February . On 9 April 2010 , the Norwegian Railway Inspectorate withdrew Ofotbanen 's operating certificate because it was not economically sound to operate . The company filed for bankruptcy in May , after the Norwegian Tax Administration could not claim NOK 700 @,@ 000 in due taxes .