Innovative Truck/Rail Transport and Future of Trucking and Agriculture Shipping

Presented by Donna Lemm
Agenda

• Challenges
  – US rail and truck infrastructure
  – Ramp closures
  – Carrier Removal of certain CY locations
  – Weight limitations

• US Hub locations

• Security Concerns
Intermodal Infrastructure

- Norfolk Southern
- CSX / Union Pacific
- Canadian National
- Burlington Northern / SF
- Kansas City Southern
Trucking Infrastructure
Cancellation of Services

CSX
- Chicago to BNSF Houston and Robstown
- Birmingham, AL to BNSF El Paso, TX and Phoenix, AZ
- Columbus, OH to Worcester, MA

NS
- NACS service from NS origins to KCS Laredo, TX and interior MX points
- NS EMP container service to and from Toledo, OH
- EMP/NACS interline service to and from Cincinnati with UP/BNSF/CPRS/CN
- EMP service between NS terminals and UP Ft. Smith, AR
- EMP service to and from Houston/Englewood, TX via Memphis interchange

BNSF
- Closed Richmond, CA ramp

UP
- Barbours Cut, TX to Oakland, CA
- Marion, AR to Englewood, TX (48’ and 53’ service)
- Houston, TX to Dallas, TX
- Hawk Fresno Ramp Closed (Fresno, CA)
Ag Export Issues:
Some Ocean Carriers - Eliminating Store Door and CY services

- Major World Class Carrier eliminating service to major US Cities including:
  - Denver, CO
  - Kansas City, KS
  - St. Paul, MN
  - Minneapolis, MN
  - St. Louis, MO
  - Omaha, NE
  - Buffalo, NY
  - Syracuse, NY
  - Salt Lake City, UT
A Second Leading Global Carrier Eliminated these Store Door and Ramp Services

- Portland, OR (Oregon)
- Salt Lake City, UT (Utah)
- Denver, CO (Colorado)
- El Paso, TX (Texas)
- San Antonio, TX (Texas)
- Dallas, TX (Texas)
- Omaha, IA (Iowa)
- Cincinnati, OH (Ohio)
- Buffalo, NY (New York)
- Huntsville, AL (Alabama)
- Tampa, FL (Florida)
- Seattle, WA (Washington)
Service Cancellations:

- Barbours Cut, TX to Oakland, CA
- Omaha to Buffalo
- Syracuse to Tampa
- St. Paul to Huntsville
- Omaha to Memphis, TN to Laredo, TX
- Oakland to Portland
- Salt Lake City
- Chicago, IL to Houston, TX
- Harrisburg to St. Louis
- Houston, TX to Dallas, TX
- Cincinnati
- Memphis, TN to Seattle, WA
- Memphis, TN to Laredo, TX

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Limited US Infrastructure Capacity & Congestion Issues

- US infrastructure cannot accommodate growing volume and shipper demands.
- Railroads are closing ramps and intermodal options are fewer today, than ever before.
- Increased pressure on trucking capacity
- Increased fees and tolls increase transportation costs.
- SAFETEA-LU at least $100 billion short of needed funding
Shipper Dilemma
Given Restricted Equipment Usage and Limitations on Services

- Chassis charges
- Repositioning charges as cy’s are eliminated
- Free time concerns on equipment
- Forced transloading
- Push for private equipment, elimination of NACS 48’ equipment by BNSF, NS, and KCS.
Infrastructure Options for Shippers
Increased Trucking Opportunities

- Shippers are looking at warehousing and transloading near equipment, rail and trucking hubs.
- Match back programs – exporters and importers working in concert.
- Bottom line, as Rail options decrease, Trucking options increase.
- Increase in port to door movement across the US.
- Key areas of opportunity include the East Coast and West Coast Gateways.
- Atlanta, Memphis, Dallas, Chicago will act as regional hubs for international and domestic truck opportunities.
Additional Agricultural Shipper Concerns: Security!
AG Export Security Concerns

- Raw Materials
- Warehouse Terminal Receipt of Freight
- Inland Movement
- Overseas Ocean Transport
- Port of Loading

Use rail boxcars, trailers, and containers dedicated for food products.

Inspect locks/seals on boxcars at pull and place.

High secured seals (PAS ISO17712 high security seals) are recommended.

WCO – customs guidelines are being implemented in other countries.

Customs Entry at Foreign Port

ZOLL DOUANE
Potential Solutions

• Security Concerns – Know your supply chain.
• Verify all contracted transporters have a security program in effect. (truckers, rail providers, warehouses, terminals, ocean carriers, forwarders)
• Assess and identify vulnerable points of contamination
• Define and implement controls to prevent product adulteration or contamination during transportation and storage.
• Use tamper resistant seals.
Thank you!