A Brown Perspective on Intermodal Transportation in the Future

National Summit on Agriculture and Food

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UPS Perspective on Intermodal Transportation in the Future

• UPS Services
  – Small Package
  – Less Than Truckload Freight
  – Truckload Freight
  – Air Freight
  – Ocean Freight
  – Logistics
  – Freight Forwarding
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• UPS Services
  – Customs Brokerage
  – Warehousing
  – Consulting
  – Mail Services
  – Financial Services (UPS Capital)
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• UPS Transportation Network:
  - 15.6 Million Packages Delivered Daily
  - 80,000+ Domestic Commercial Vehicles
  - 1,070 Domestic Flight Segments
  - 3,100 Trailers Moved via Rail Daily
  - 600,000 TEU’s Moved Annually via Ocean (NVOCC Operations)
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• Martrac Operations:
  - 1200 Reefer Trailers
  - Back-haul Produce / Dry Freight Service
  - CA, AZ, OR, WA to Midwest & Northeast
  - $70M in Gross Revenue ('06)
Percentage Change in Key Indicators: 1984 - 2004

- Foreign Trade: 119%
- CT VMT: 102%
- GDP: 95%
- Passenger Vehicle VMT: 87%
- Number of CTs: 61%
- Avg. annual miles/CT: 48%
- Population: 27%
- Miles of Highway: 3%
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• Domestic Challenges
  – Taxes vs. Tolls
  – Congestion Pricing
  – HOT Lanes
  – Highway Trust Fund Challenges
  – Railroad Service Levels
  – Size and Weight Debate
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• Domestic Multimodal Challenges
  – Highways
  – Airways
  – Rail Network
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• Macro / International Challenges
  – Trade
  – Customs
  – Alternate Fuels / Climate Change
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Who Bears the Cost:

CONSUMERS
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• The Future:
  – Holistic Approach Needed
  – Need to Nationalize Issues
  – Competitiveness Issues
  – Trade is Good!
  – Shipper Involvement Needed
  – Unconventional Stakeholder Involvement
  – Need to Buck-Up
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• The Future:
  – Cost of Doing NOTHING?