Economic Development and the Growth of Intermodal Facilities

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U.S. Rail Intermodal Traffic: 1989-2013
(millions of containers and trailers)

Source: AAR
Rail Intermodal Flows
Excerpt from: *The Terminalization of Supply Chains: North American and European Perspectives*, by Theo Notteboom and Jean-Paul Rodrigue
Driving Forces
Why Move Inland?
Global Supply Chains
“Rails should have edge on trucks over the next ten years.”

- Bear, Stearns

Offshore manufacturing, whereby large shipments of freight that are produced well in advance in Asia and transported by ocean to U.S. ports lend themselves to longer-haul, non-service-sensitive rail shipments within the country.

A sharper focus on reducing fuel costs and dependence on imports (we estimate that the rails are about two to three times more fuel-efficient than truckload carriers).

Worsening highway service and growing public frustration with congested highways, causing federal and state governments to increasingly encourage rail, barge, and creative tolling programs to help alleviate this problem.
<table>
<thead>
<tr>
<th>Market</th>
<th>Containers and Trailers</th>
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</thead>
<tbody>
<tr>
<td>1. Chicago / Elwood / Joliet, IL</td>
<td>5,078,000</td>
</tr>
<tr>
<td>2. Long Beach / San Pedro / San Bernardino / City of Industry, CA</td>
<td>4,697,000</td>
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<tr>
<td>3. Dallas / Ft. Worth / Saginaw, TX</td>
<td>1,148,000</td>
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<tr>
<td>4. Atlanta, GA</td>
<td>1,084,000</td>
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<tr>
<td>5. Little Ferry / North Bergen / South Kearny / Jersey City / Newark / Elizabeth, NJ / Staten Island, NY</td>
<td>1,026,000</td>
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<tr>
<td>6. Seattle / Bremerton / Tacoma / Everett, WA</td>
<td>957,000</td>
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<tr>
<td>7. Memphis, TN / West Memphis, AR</td>
<td>808,000</td>
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<tr>
<td>8. Kansas City, MO / Kansas City, KS</td>
<td>583,000</td>
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<tr>
<td>9. Harrisburg, PA</td>
<td>531,000</td>
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<tr>
<td>10. Stockton, CA</td>
<td>493,000</td>
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<td>11. Houston, TX</td>
<td>493,000</td>
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<tr>
<td>12. Jacksonville, FL</td>
<td>479,000</td>
</tr>
<tr>
<td>13. Detroit / Pontiac, MI / Toledo, OH</td>
<td>412,000</td>
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<tr>
<td>14. Norfolk / Portsmouth, VA</td>
<td>383,000</td>
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<tr>
<td>15. Columbus / Marion / Marysville, OH</td>
<td>357,000</td>
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</tbody>
</table>

*Originated and terminated  Source: AAR analysis of 2011 STB Waybill Sample
Inland Port: Definition

“A rail or a barge terminal that is linked to a maritime terminal with regular inland transport services. ..........supports a more efficient access to the inland market both for inbound and outbound traffic. ........an array of related logistical activities linked with the terminal ...distribution centers, container and chassis depot, warehouses and logistical service providers.”


Other names: dry ports, inland terminals, inland hubs, inland logistics centers, inland freight villages
Why Move Inland

Other Driving Forces

- Logistic capabilities (one location)-logistics clusters
- Lower distribution cost
- High land prices (and land availability) at Marine Terminals
- Improve marine terminal operations
- Lower land costs inland
Basic Characteristics

• Terminals

• Connections

• Logistics Activities
CenterPoint, Joliet, IL
BNSF, Memphis
Other New Facilities

- Columbus, Ohio
- Indianapolis, IN
- Birmingham, AL
- Kansas City Expansion
- Many More
NS – Rossville, TN
The Dark Side

1. What kind of Jobs?
2. Congestion
3. Safety
4. Noise
5. Air Quality
3 P’s

- Planning
- Partnerships
- Perseverance
Summary

• Can the Development of Intermodal Facilities Be an Economic Engine for Growth in a Region?

• Answer - YES - But
Thank You,
Thank You Very Much