

The Future of Logistics & Transportation  
in Manufacturing—  
Regional Railroad Perspective

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# Class one railroads visual

[http://www.memphis.edu/ifti/images-1/final\\_the3rd.swf](http://www.memphis.edu/ifti/images-1/final_the3rd.swf)

# Rail Industry – General Comments

- Highly Capital intensive
  - Track
  - Land
  - Assets
- Capacity constraints
- Expertise in their business
- Technology
- Safety
- Public Private Partnerships / Tiger Grants
- Regulations / Legislative Issues
- Profitability – Cost Advantage





# Memphis Area Intermodal Terminals

- Railroad history in Memphis, TN : 5 Class Ones
- Brief history of Intermodal in Memphis
- Technology changed the way the railroads grew
  - Potential for the business unit called intermodal
  - Circus ramps to lift facilities
  - Systems
    - Measureable
    - AGS
    - OASIS

## Optimization Case Study Comments

- **‘Timing is everything’**
- Example Case Study: West Coast Issue with working without a contract
  - West Coast vs East Coast or CN Option
  - Rates
  - Asset Capacity
  - Total costs:
    - Fuel
    - Chassis
    - Accessorials
  - Further issues down the line with the Supply Chain
    - Balance, shortages
- **Lesson: Must be nimble**

# Current Intermodal Trends

- Volumes improved 4.8% in 2014 over 2013
  - 16,276,892
- Revenue up 3.6% (IMC's)
- Capex: 2014 - \$27 Billion (44% of capex on maintenance infrastructure). 2015 est.- \$29 Billion
- Environment is ripe for growth
  - Driver shortage
  - Infrastructure issue in highway
  - Potential - Capacity
- Intermodal versus other business units
- Fuel impact





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