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RAILROAD TIES TO EFFICIENT LOGISTICS

YOUR GUIDE TO THE BENEFITS OF INTERMODAL SHIPPING

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EXECUTIVE SUMMARY

Intermodal can change the way you do business.

With new opportunities to reduce costs remaining top of mind for all members of the supply chain, there's no better time than now to shift from more costly highway carriers to intermodal. Reap the on-time reliable rewards of rail to improve your bottom line today while driving environmentalism for tomorrow.

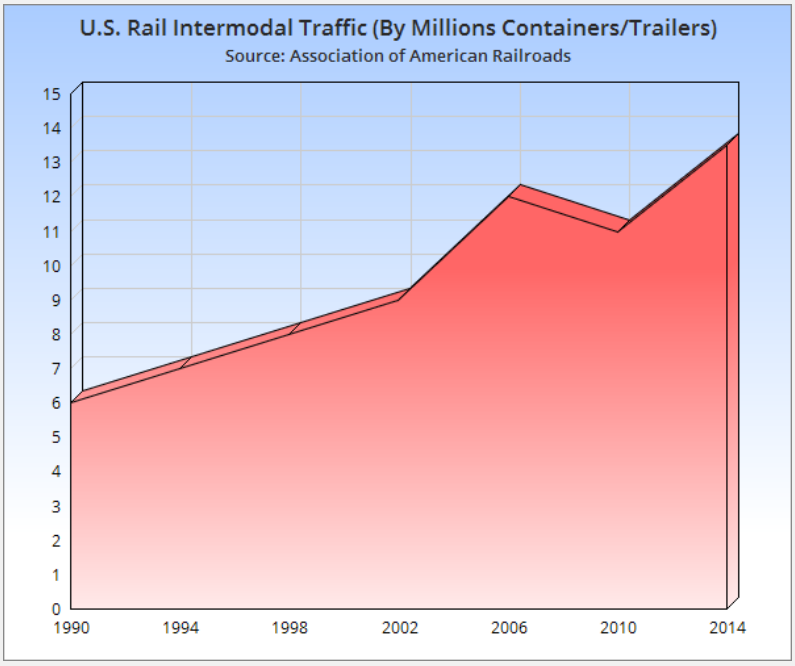
The U.S. rail network is considered one of the most dynamic freight systems in the world. It not only moves more freight than any other freight rail network in the world but its usage also results in numerous benefits to its users and the environment.

Transport of goods via intermodal rail has experienced rapid growth throughout the past quarter century. In 2014, U.S. intermodal rail volume hit 13.5 million containers, a 125 percent increase since 1990 (Figure A). Intermodal's growth trends are due, in large part, to the billions of dollars invested into its infrastructure which has resulted in a more fuel efficient, capacity expanding, and environmentally-friendly alternative to highway carriers.

COST SAVINGS | INCREASED CAPACITY | ENVIRONMENTAL SUSTAINABILITY

In 2014, U.S. **intermodal rail** volume hit 13.5 million containers, a **125 percent increase since 1990.**

FIGURE A:



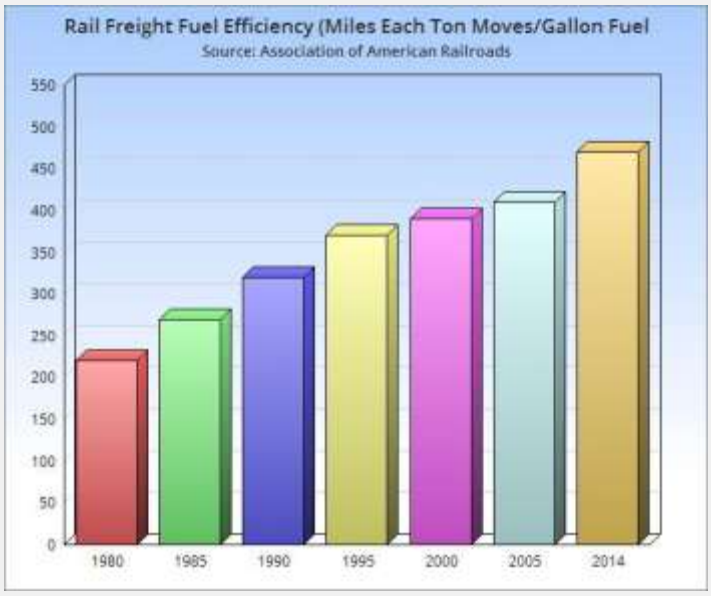
COST SAVINGS

Railroads and fuel savings have united to create a high efficiency transportation method.

While double stacking to increase freight density is one of the largest contributing factors to lower fuel consumption, technological advancements have also contributed to railroads being, on average, four times more fuel efficient than trucks.

Peak rail fuel efficiency is being uncovered through the technological advancements in rail lubrication, aerodynamic drag-reducing devices, along with highly-advanced computer software systems used to calculate the most fuel-efficient speeds through monitoring of spacing, timing, and overall train performance.

FIGURE B:



Railroads are fighting highway gridlock and reducing the economic costs and environmental impact of highway congestion.

The effects of gridlock within our nationwide highway system are detrimental to the economy. Loss of productivity, cargo delays, and highway wear and tear costs the American economy tens of billions of dollars each year. In fact, highway congestion cost Americans 6.9 billion hours in wasted time and 3.1 billion gallons of wasted fuel in 2014 alone, according to the Texas Transportation Institute's 2015 Urban Mobility Scorecard.

Just a single freight train can serve as a replacement for several hundred trucks on the highway, freeing up essential space for motorists while saving our already financially burdened economy billions.

Figure B showcases the positive correlations found between these technological advancements and fuel efficiency in the U.S. throughout the past 35 years. The year 2014 had freight railroads moving a ton of freight an average of 479 miles on just one gallon of fuel, a 103% increase over the 235 miles of 1980.

INCREASED CAPACITY

Of the many inland freight transportation modes, none compare to trains in terms of total available capacity.

It takes 250 truck trailers on the highway to move the amount of freight of just a single 70 car train. But rail is currently moving just 16 percent of all freight transported annually throughout the US (with truck freight covering most of the remaining 70 percent – see Figure C for breakdown by transportation method).

The high costs of transport via truck and the ability to move nearly anything and everything needed via rail from automobiles to construction materials and coal to food goods, results in unprecedented opportunities for market share gains.

This low hanging fruit is driving rail networks to invest heavily in the construction of new infrastructure intended to develop new lines, curtail current rail capacity bottlenecks, and allow for higher speeds via high tech tracks and signaling systems. Higher speed capabilities will only further the demand for technological improvements that will result in further increases in freight capacity for railroads.

FIGURE C:

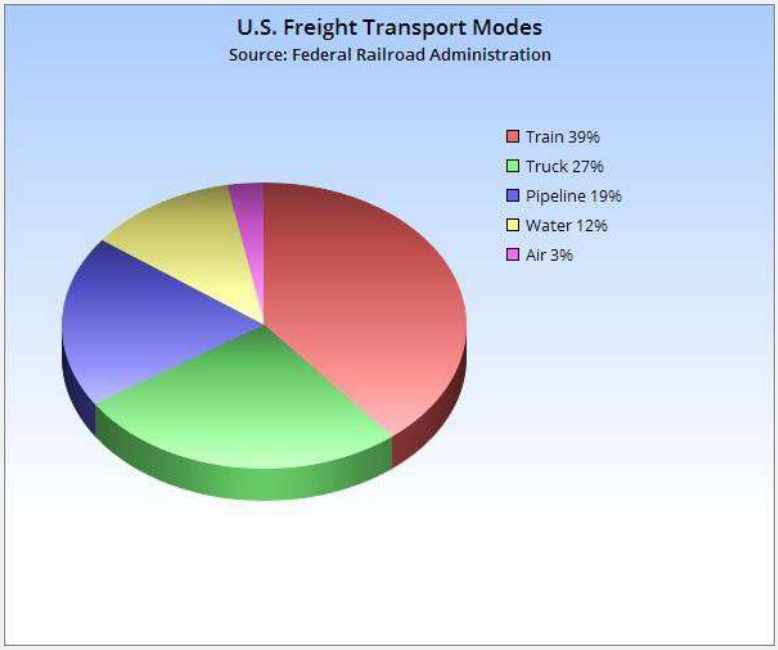
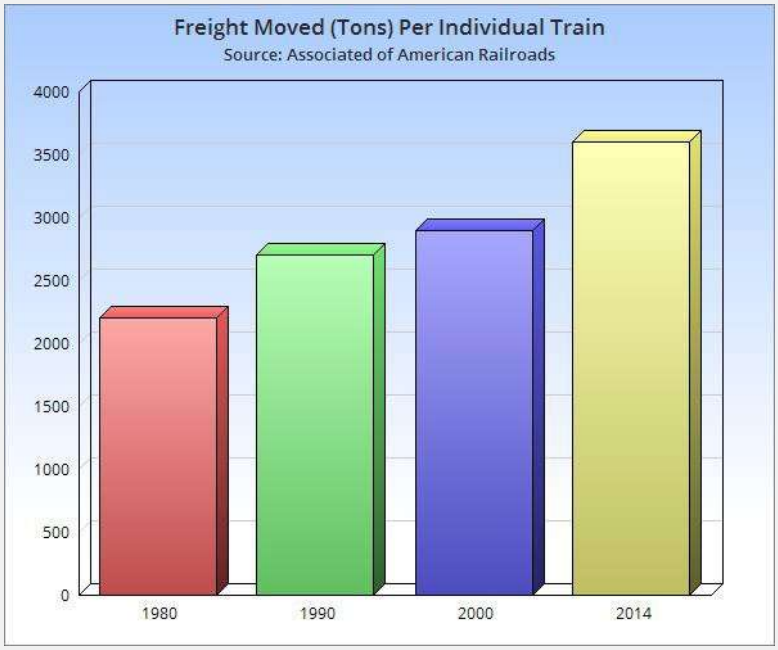


FIGURE D:



Railway infrastructure, technological advancements, and improved railcar designs have contributed to major advances in freight capacity – the amount of freight transported via an average train has increased by over 60 percent (up to 3,060 tons) in the last 35 years (Figure D).

ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability efforts are no longer taboo. Corporations and small companies nationwide have engrained sustainability efforts into their corporate fabric.

Moving freight via our railway systems allows shippers the opportunity to reduce greenhouse gas emissions (by a massive 75 percent over truck freight) without making additional capital investments.

The environmental impact of a shift in freight transport from truck to rail is immense.

If just 5 percent of truck transported freight was shipped via rail it could reduce greenhouse gas emissions by 9 million tons. That's the equivalent of removing 1.8 million cars from our roadways or planting over 200 million trees.

CONCLUSION

It's time to experience the benefits of intermodal – the most efficient shipping solution.

The formula is simple – incorporate intermodal into your shipping plan and reap the rewards .

COST SAVINGS | INCREASED CAPACITY | ENVIRONMENTAL SUSTAINABILITY

Learn more about MCS Intermodal Shipping Solutions

MCS Logistics, LLC
8801 West 50th Street
McCook, IL 60525
630-478-2060
mcs-logistics.com

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