Freight Railroads in the Southeast
### U.S. is Leading Freight RR User

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>USA</td>
<td>1,554.1</td>
<td>2,257.6</td>
<td>2,559.8</td>
<td>2,556.6</td>
</tr>
<tr>
<td>Russia</td>
<td>1,522.9</td>
<td>1,373.2</td>
<td>1,950.8</td>
<td>2,090.3</td>
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<tr>
<td>EU(26)</td>
<td>529.9</td>
<td>393.7</td>
<td>427.1</td>
<td>436.8</td>
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<tr>
<td>Total ITF</td>
<td>5,421.0</td>
<td>4,486.0</td>
<td>5,576.2</td>
<td>5,711.5</td>
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</tbody>
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Thousand million tonne-kilometers
Railroads in Arkansas

- 25 railroads
- 2780 miles

2008: 9.1 million equivalent trucks

3422 employees - Ave. Salary $99,600
Regional – Corridor Access

• Railroads need the following:
  ➢ Point to Point Services
  ➢ Density

• Port Connections to Hinterlands
  ➢ CSX Gateway program
  ➢ NS Heartland Corridor

• Through connections to domestic markets
  ➢ NS Crescent Corridor
  ➢ Memphis
Logistics Parks and Economic Development

- What type of facility?
- Trackage and Terminals
- Develop densities
  - Drayage and equipment issues
  - Domestic and international
  - Shippers bear costs?
- Don’t cannibalize other facilities
Operational Considerations

• Cargo:
  - Intermodal – fastest growing segment on railroads
  - Bulks - less time sensitive

• Balancing usage:
  - Competing Railroads
  - Private vs. Public usage
  - Trackage considerations
A Future of Transportation?
Forecast of Freight in Southeast
2002-2035 (source: FAF)
Railroad Bottlenecks: 2007-2035
(National Rail Freight Infrastructure Capacity and Investment Study)
Can Railroads Be Part of Region’s Freight Solution?

- Balance with existing international/coastal flows
- Recognize multimodal corridor tradeoffs exist
- Emissions and Environmental accountability
- Determine ways to encourage private sector investment in equipment, services
- Work with states/cities for truck congestion
- Federal and State Multiagency planning, data, analysis
Partnership Challenges?

• Federal and State Funds and Private Funds
• Grade Crossings approval
• External Pressures
  ➢ Reregulation (rates)
  ➢ Positive Train Control (operations)
  ➢ “Cap and Trade” (cargo mix)
  ➢ Security (SecureNOW)
• Balancing Expectations
• “Do no harm” to modal “balance”
• Don’t forget Shortlines
Final Thoughts

• US is world’s largest freight Railroad user
• Southeast is large user with capacity to exploit
• Broad regional strategies must focus on Corridors
  • Shortlines and terminals will focus on access
  • Balancing Partnerships will be more critical
Thank you

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