



INTERMODAL

IN THE CURRENT MARKET ENVIRONMENT

Using multiple shipping modes can improve efficiency and decrease the cost of moving a load. Diversifying the shipping process can provide more reliable service and flexibility as the market changes. Intermodal is a mode that offers a cheaper shipping cost, sustainability, and additional capacity compared to just using truckload shipping alone.



WHAT IS INTERMODAL TRANSPORTATION?

Intermodal transportation is the use of two or more modes when shipping a load. This could mean a shipment will travel on a cargo ship and a truck, a truck and a train, or any combination of methods. The two categories for this type of shipping are international and domestic.

20' 40' 45'

INTERNATIONAL

International shipments are packed in 20', 40', and 45' sized containers and travel on ships as well as trucks and rail, while domestic shipments are in 53' containers and are only moved on trucks and by rail.

53'

DOMESTIC



Once the product is placed into a container, it will stay in that container for the duration of the shipping process. This means there is less handling during shipping, and transferring a container between a train and a truck is relatively quick and simple. **Transportation of the freight between the rail and the end destination is referred to as drayage and typically averages around 75 miles but can be up to 250 miles.**

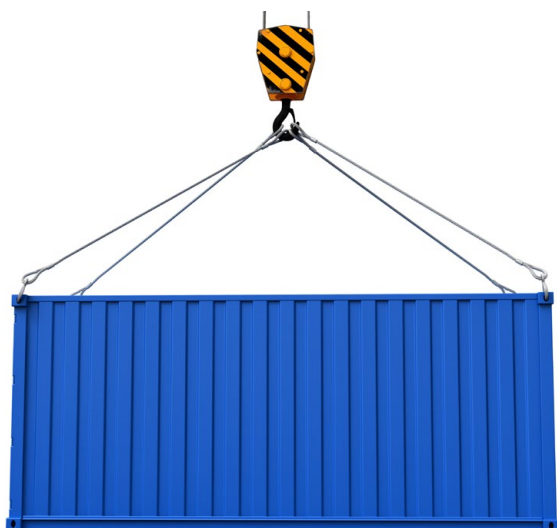
SUPPLY CHAIN CHALLENGES AND PANDEMIC RECOVERY STRATEGY

Over the last several years, the transportation industry has faced several challenges from the COVID-19 pandemic and the supply chain crisis domestically and globally. For intermodal, high volumes overwhelmed the ports, and transit times increased due to the amount of freight being moved. In addition to these challenges, staffing for terminals and railroad crews became difficult.

For shipping to be as efficient as possible, coordination must occur between ports, drayage companies, inland terminal operators, warehouses, and distribution centers. Although there was congestion and delays as volumes spiked, the system worked to get freight moved as quickly as possible. Given the system's complexity, the intermodal mode has shown resiliency through these challenges and the capability to bounce back from irregular circumstances.

While these challenges were impacting the mode, there were a number of strategies and, in some cases, new technology implemented to help reduce strain and improve efficiency. Union Pacific introduced Precision Gating Technology (PGT) which decreases a driver's wait time at an intermodal terminal by eliminating kiosk check-in.

Freight railroads also worked to expand network capacity by reopening dormant terminals and activating reserve fleets and resources. In addition to this class, railroads have increased their employee count significantly to improve service. **As of March 2023, employment is up 11% since the beginning of 2022 and is at its highest point since March 2020.**



INTERMODAL IN THE 2023 MARKET

The global intermodal market is expected to grow by \$50.45 million from 2022-2026, with a compound annual growth rate of 6.38%. Of this growth, about 33% is expected to originate from North America, although market growth there may be slower than in other areas.

As the transportation market bounces back from a challenging and volatile few years, there is growth to look forward to for intermodal. According to Chad Thomas, England Logistics' senior director of logistics services, this year will



"be a much less stressful peak season for all of the transportation providers, including the intermodal mode... in terms of where the marketplace is now within intermodal, it's better than it's probably been in I would guess five years."

WHAT ARE THE BENEFITS OF INTERMODAL?

There are many benefits to choosing intermodal transportation. Due to rail being more fuel efficient than truckload shipments when transporting loads, cost-effectiveness is a significant advantage of intermodal.



According to the Association of American Railroads, “US freight railroads, on average, move one ton of freight nearly 500 miles per gallon of fuel.”



Due to the fuel efficiency demonstrated by rail services, there is also a significant environmental benefit to intermodal. The Association of American Railroads claims that although railroads move about 40% of long-distance freight, they only account for 1.9% of United States transport-related greenhouse gas emissions.

In addition to environmental and cost-effectiveness, intermodal is a very safe way to transport freight.



Mainline accidents have decreased by 44% since 2000 and reached an all-time low in 2022.



Hazardous material accidents have reduced by 78% over this period.



Rail incidents caused 16 times fewer fatalities and three times less property damage than trucks transporting the same materials.



To continue to decrease accidents, the rail industry is in the process of installing around 1,000 new detectors that can warn crews about equipment that is under stress.

FLEXIBILITY OF INTERMODAL SOLUTIONS

Intermodal can also provide additional capacity. Using intermodal, shippers can be flexible as demand for trucks fluctuates. Using multiple modes can help stabilize long-term operating procedures and allow for fluidity as the market shifts. As the intermodal market bounces back, it is a great time to reevaluate the role of intermodal solutions.

Working with a 3PL like England Logistics can help make switching modes simple. England Logistics works with a vast network of carriers and intermodal providers to help meet various transportation needs. Thomas explains that



England Logistics works with all the providers because many of our clients have different geographic needs and different route needs. To access and garner capacity and price commitments, we are not exclusive to any one intermodal company. We use them all.”

Maintaining various options and solutions helps provide stability to clients and dependable service options. In addition to price commitments and capacity from different providers, working with multiple intermodal companies allows England Logistics to reroute a load in the event of a slowdown in a particular area.

Intermodal transportation has a variety of benefits, from cost-effectiveness to sustainability. One of the most significant advantages of intermodal is the flexibility that comes from incorporating it into your shipping strategy. Working with England Logistics can provide diverse service providers and options for additional capacity. The intermodal mode has been able to bounce back and build a consistent operating environment prepared to offer reliable solutions at a competitive price. The current marketplace is a great environment to incorporate intermodal into your arsenal of shipping solutions.



The England Logistics Full Truckload division offers services for companies of all sizes. Dedicated team members are available day and night to offer solutions and assistance with all logistical needs. Regardless of the transportation mode, our market and seasonal specialists provide flexible shipping solutions and are committed to helping every step of the way.