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RISI Conference, 13 November
Connecting the Dots... So You Can Plan for the Future

FREIGHT FOCUS REPORTS
EQUIPMENT FOCUS REPORTS

CONSULTING | SPECIALTY REPORTS | ON-SITE EVENTS
NEW HOME SALES
POSITIVE RETAIL SALES FIGURES
BUSINESS INVESTMENT

Nondefense capital goods orders, excluding aircraft, in $Billions (Current)

Source: Census Bureau
DRY VAN TRUCK CAPACITY

2018 (Index = 2014 average)

Week

Loads
Trucks

Source: Truckstop.com; FTR; www.trans4cast.com
TRUCKLOAD RATES (Y/Y % CHANGE)

U.S. truckload rates (SA), monthly, excluding FSC

- Spot
- Contract
- Total

-20%
-10%
0%
10%
20%
30%

2016 2017 2018
RAIL INTERMODAL GROWS

N.A. Intermodal Loadings 4 Week Avg. Ending 10/27/18

Source: AAR, FTR Analysis

Source: FTR, AAR
EQUIPMENT HEADWINDS

- Part of the reason domestic container growth has been limited is equipment
- Truckload markets support a stronger rise in intermodal
- Some container freight is moving in trailers today
53FT TRAILER VOLUMES

Source: FTR, JANA ETSO
ECONOMICALLY SENSITIVE FREIGHT

N.A. Selected Commodities Carloads 4 Week Avg. Ending 10/27/18

Source: AAR
PULP AND PAPER PROVIDE OPPORTUNITY

N.A. Pulp & Paper Carloads 4 Week Avg. Ending 10/27/18

Source: AAR
TRAIN SPEEDS ARE LOW

Source: FTR, AAR, Company reports
BOXCAR SITUATION

- Older boxcars are nearing retirement
- The railcar is not being replaced because it does not make enough trips
- Predominately operates in manifest service, making 8-10 trips/year
BOXCARS ARE BEING RETIRED

[Graph showing the retirement of boxcars from 2008 to 2022, with numbers decreasing each year.]
BOXCAR SUPPLY & ATTRITION
BOXCAR SHIPPERS NEED TO START PLANNING NOW

- Two main types of boxcars in existence

- Forest Products shippers generally prefer the older style/model of car

- Newer versions have more cubic capacity, but are not ideal for all forest products
KEY TAKEAWAYS

- Shippers face limited options even if they can move goods via rail and truck

- Pulp and paper shippers rail volumes have grown recently, but are only back to average levels

- Boxcars will become increasingly difficult to find