

IV. LOOKING AHEAD

As indicated in the beginning of this document, freight railroads are streamlining their operations in order to compete with other modes of goods movement transportation, first by eliminating the less profitable passenger market, then through consolidation of rail companies and lines, and last as explained in this section, through the years railroad companies have also consolidated yard operations.

- The 1995 inventory highlighted three major railroads and documented the presence of 11 rail yards as shown in Figure 8 (Franklin and Delaware Counties, only),
- The 1985 system also consisted of three major railroads and documented the presence of 17 rail yards as shown in Figure 9 (Franklin County, only), and
- The 1968 inventory included five major railroads and documented the presence of 19 rail yards as shown in Figure 10 (Franklin County, only).

In the 7-county central Ohio area documented in this update, it is evident that railroads are streamlining operations even further. Of the 11 yards documented in 1995, only parts of 4 yards are operational today, with these being the yards that had the most acreage available for expansion. The majority of yards in the 1968 and 1985 reports were well under 50 acres in size, and in a few cases were approximately 20 acres in size. Today the most efficient classification and intermodal yards are in excess of 300 acres. The driving force behind most of these abandonment's has been lost productivity and transit time savings. Since the average train spends only 14 percent of their time in transit and 62 percent of their time is spent in railroad yards being classified, railroad carriers have made conscious efforts to narrow this classification time spent in the yards.

Another factor in the abandonment of railroad yards in the region can also be attributed in part to the increased use of containers. In recent years, there has been a trend on behalf of rail carriers in the region to use standardized containers for their shipments. In the days prior to containerization, the box car and the hopper car were the principal devices used to transport bulk quantities of goods by surface however, some of the Class 3 operators in the region still rely heavily on the box car for their operations. Since the inception of the containers, there has been a world-wide trend to move freight via containers. The increased use of containers allows the shipper the flexibility to use multiple modes to move their freight (i.e. water, rail, & truck). The increased use of containers is evident in the central Ohio region as we see intermodal facilities expanding and the traditional railroad yards disappearing. In addition, ISTEA with its new emphasis on multi-modal and intermodal facilities has also lead to the increased use of containers and intermodal facilities in general.

Railroad yards represent the largest portion of land used by the railroads. Yards can range in size from a few acres for small industrial support yards to hundreds of acres for large classification yards and intermodal facilities, depending upon their location on the railroad system (i.e., the area topography, the locations of smaller yards of the small company, and the function of the yard. Yards are generally located parallel to lines (Buckeye Yard is an important exception to this convention). An overview of the major rail yards in central Ohio follows. Table 4 on page 32 presents historical information on rail yards in central Ohio. Many of the yards that have been abandoned have had their tracks pulled up for scrap and sit vacant today. Many of these properties are well suited

for re-use as future light rail operations and maintenance centers, as well as sites for transit oriented development.

Intermodal transportation is currently under great scrutiny in the supply chain. Debate continues as to whether intermodal is a cost-saving method that can help ease supply chain capacity issues, or a second-tier solution, limited by a finite supply of railroad track in the United States.

Like many aspects of today's supply chain industry, the intermodal debate has its roots in globalization. Thanks to global trade and sourcing from low-cost countries, containerized imports to the United States have increased greatly, from slightly more than 5 million TEUs in 1991 to more than 18 million twenty-foot equivalent units (TEUs) in 2005, according to research by international trade database Piers and rail services provider TTX Company.

In addition, imports will continue to grow at a 6-percent compounded annual rate over the next 10 years, experts predict.²¹ Recent statistics from the Intermodal Association of North America (IANA) support robust growth predictions for the industry, between 2001 and 2005, intermodal units (trailers and containers) grew from 10.3 million to 13.6 million, according to IANA's Intermodal Market Trends & Statistics Report.

Many of the concerns associated with the trucking industry (driver shortages; increasing fuel, equipment, and insurance costs; and a potentially volatile regulatory environment, among others) add to intermodal's appeal. In addition, the industry has made strides in creating seamless interactions between modes as a result of shipper demands.

Central Ohio is in good position to take advantage of this rise in intermodal activity. Columbus is already home to two intermodal facilities, Discovery Park (NS) and Buckeye Intermodal Yard (CSX). One of the larger projects currently underway is NS Rickenbacker terminal in Columbus. When completed in early 2008, this facility will have an annual lift capacity of 250,000 units, 1,800 wheeled parking spaces and an additional 450 spaces for double stacked. In partnership with the Columbus Regional Airport Authority, Rickenbacker is being developed as NS' first fully integrated Intermodal logistics park.

The construction of the Rickenbacker Logistics Center is a major catalyst for the Heartland Corridor project. The States of Ohio, West Virginia and Virginia, NS and FHWA recently announced the release of \$95 million in federal funding as part of a total cost of \$151 to clear 30 tunnels on this route to accommodate double-stack train service.

If NS' investments are any indication, shippers will be embracing intermodal as a means of handling increased import volumes in 2007 and beyond. In that case, the debate may shift from whether or not intermodal is the answer to capacity issues, to whether or not intermodal providers can keep up with demand.

²¹ Partridge, Amy Roach . January 2007. *Investing in Intermodal*. Inboundlogistics.com