

Intermodal Development



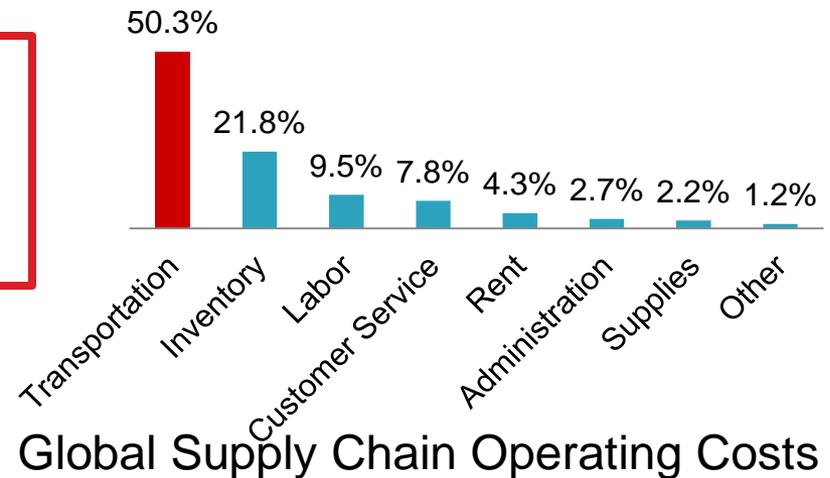
 **FHWA | Talking Freight Webinar | June 19, 2013**

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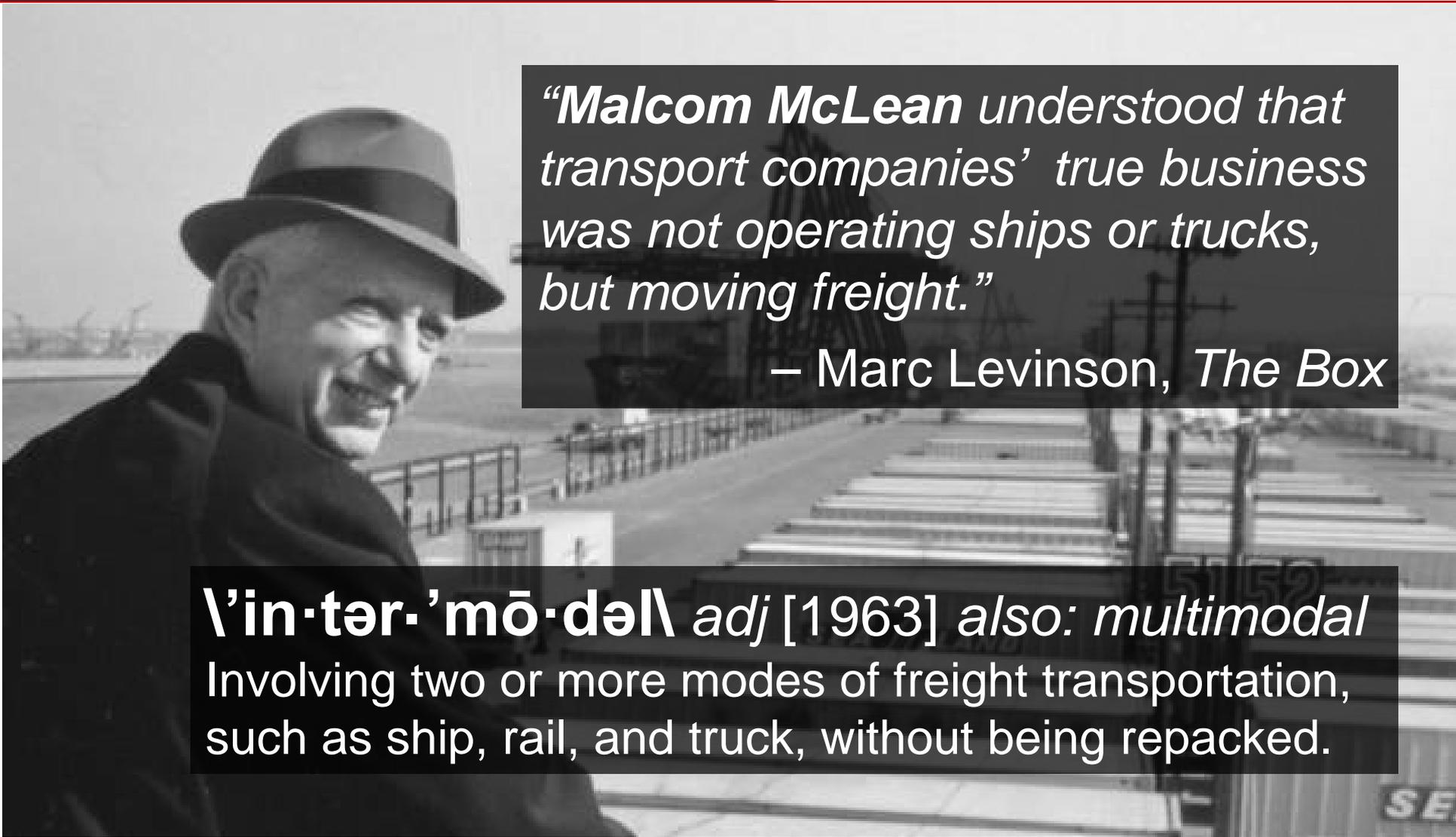
Big Picture: Working Better Together

- Intermodal transportation – combining the flexibility of road with the dependability of rail – provides cargo owners with a more stable and flexible network.
- To meet changing customer demands, Norfolk Southern Intermodal is expanding its intermodal rail markets, route capacity, equipment fleet and workforce.

Transportation accounts for more than half of global supply chain operating costs.



On the Waterfront: 1955

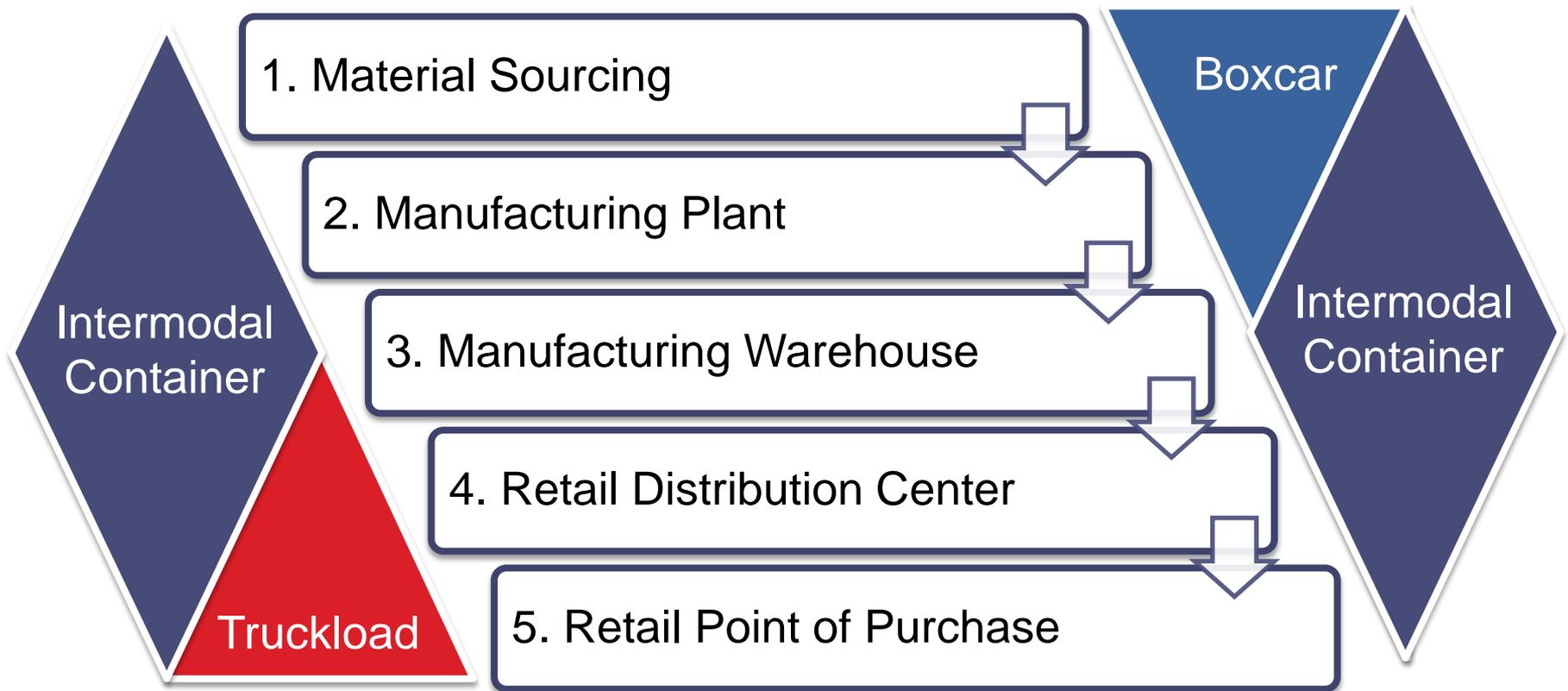


“Malcom McLean understood that transport companies’ true business was not operating ships or trucks, but moving freight.”

– Marc Levinson, *The Box*

ˈin·tər·ˈmō·dəl *adj* [1963] *also: multimodal*
Involving two or more modes of freight transportation, such as ship, rail, and truck, without being repacked.

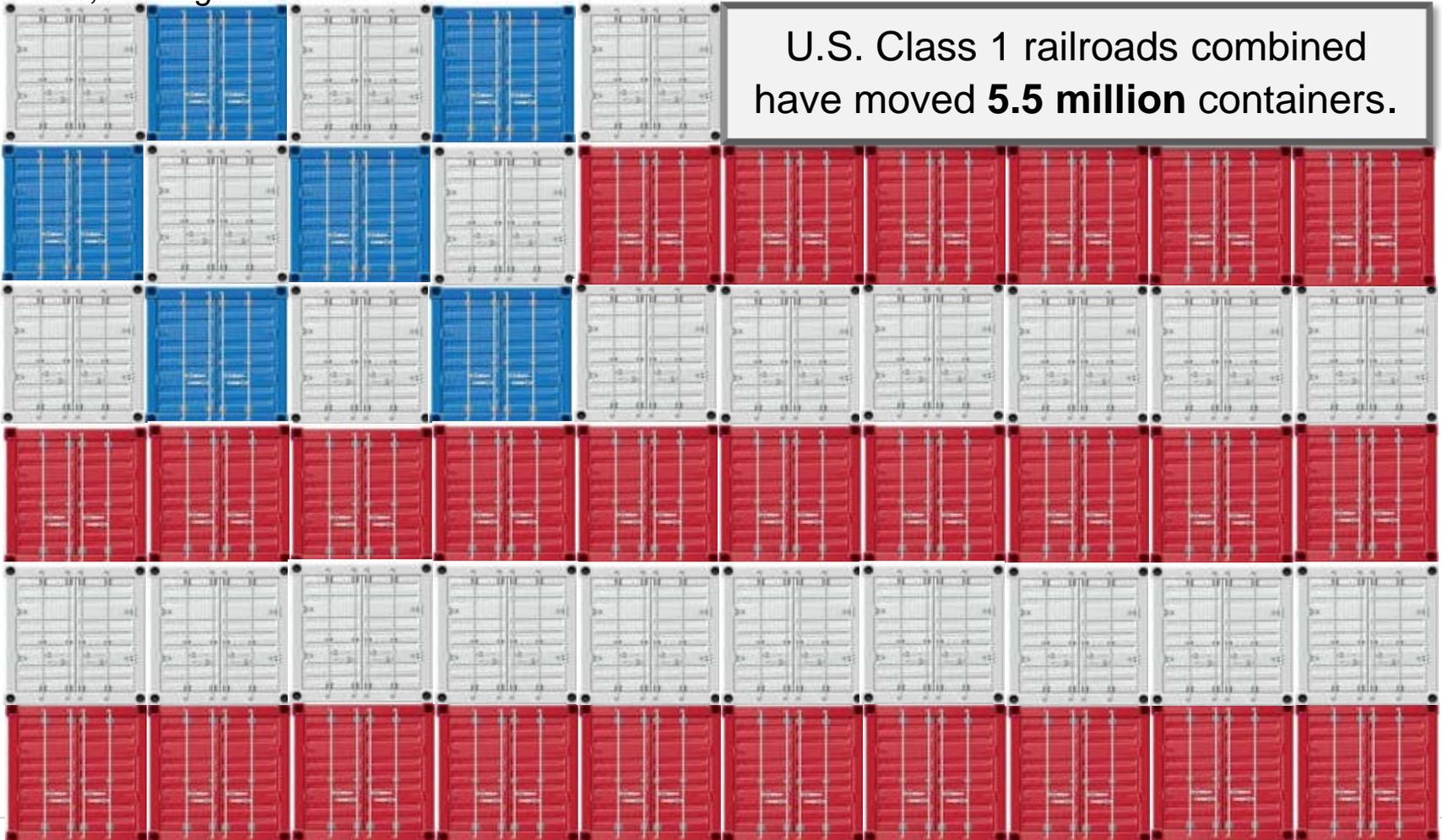
Supply Chain: Transportation Modes



Intermodal Year-to-Date: June 8, 2013

1:100,000 originated containers shown

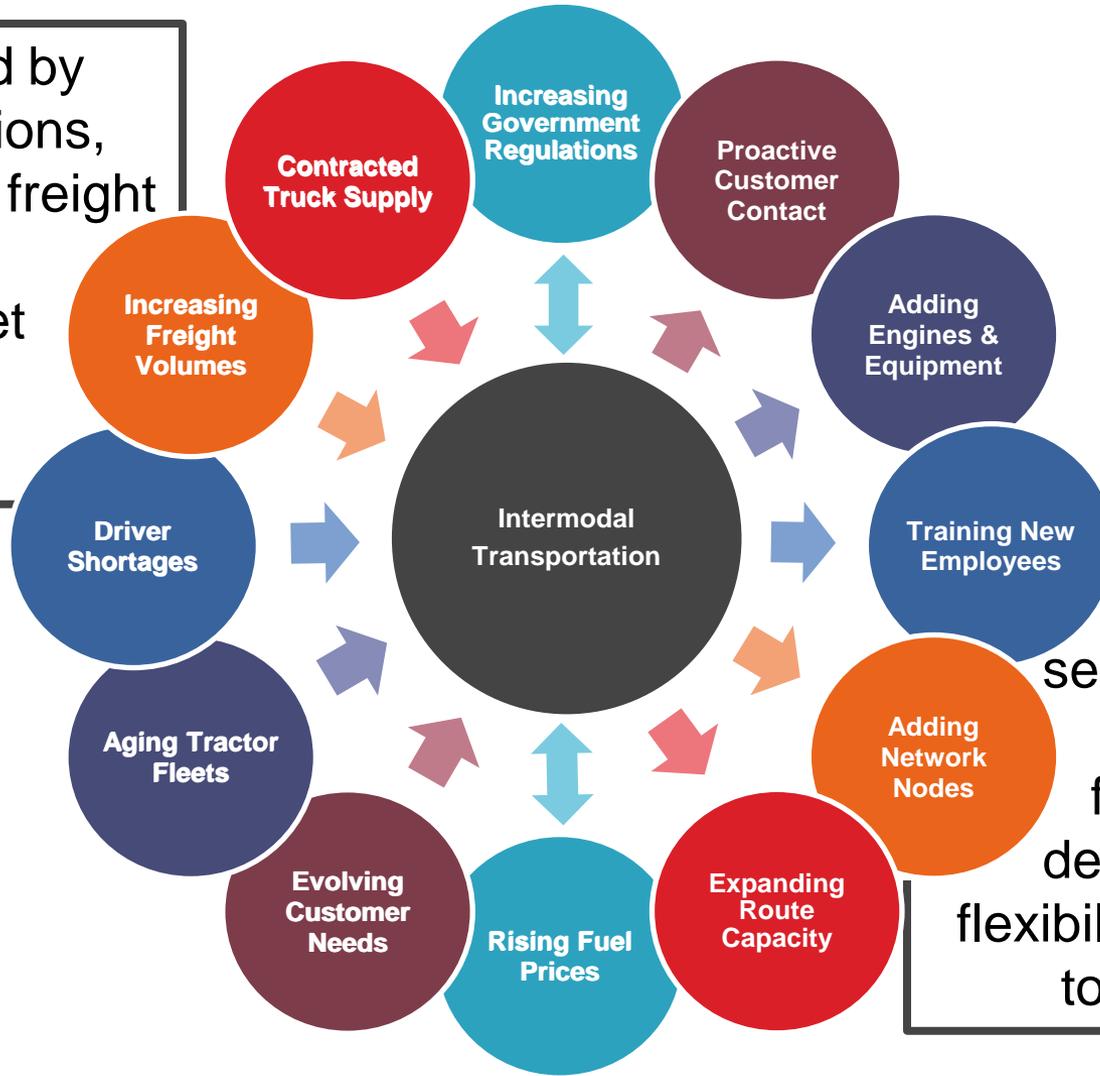
U.S. Class 1 railroads combined
have moved **5.5 million** containers.



Source: American Association of Railroads

Transportation Market Forces

Overburdened by market conditions, over-the-road freight networks are unable to meet customer demands.

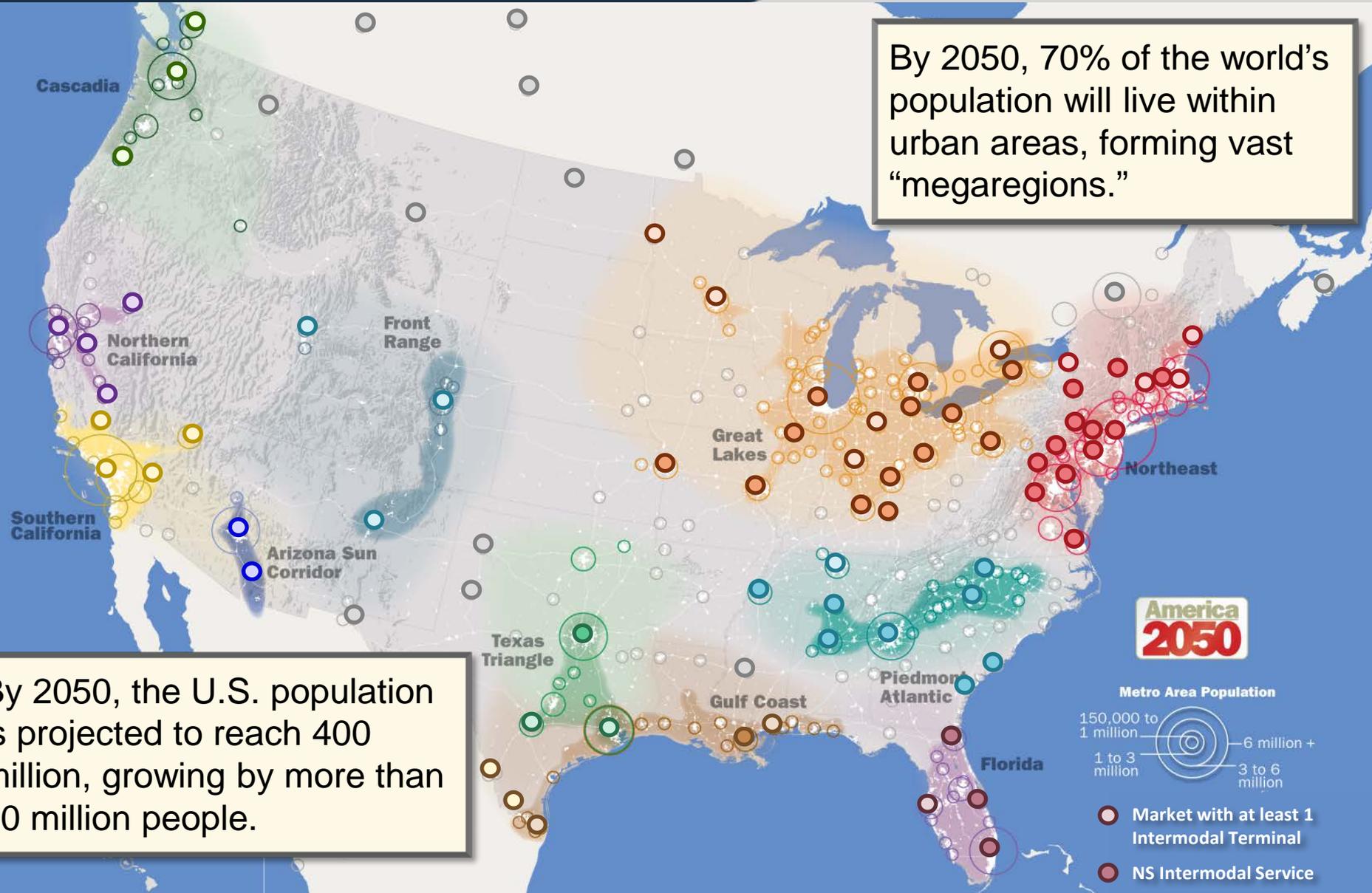


Intermodal rail services increase supply to the freight network, delivering greater flexibility and stability to cargo owners.

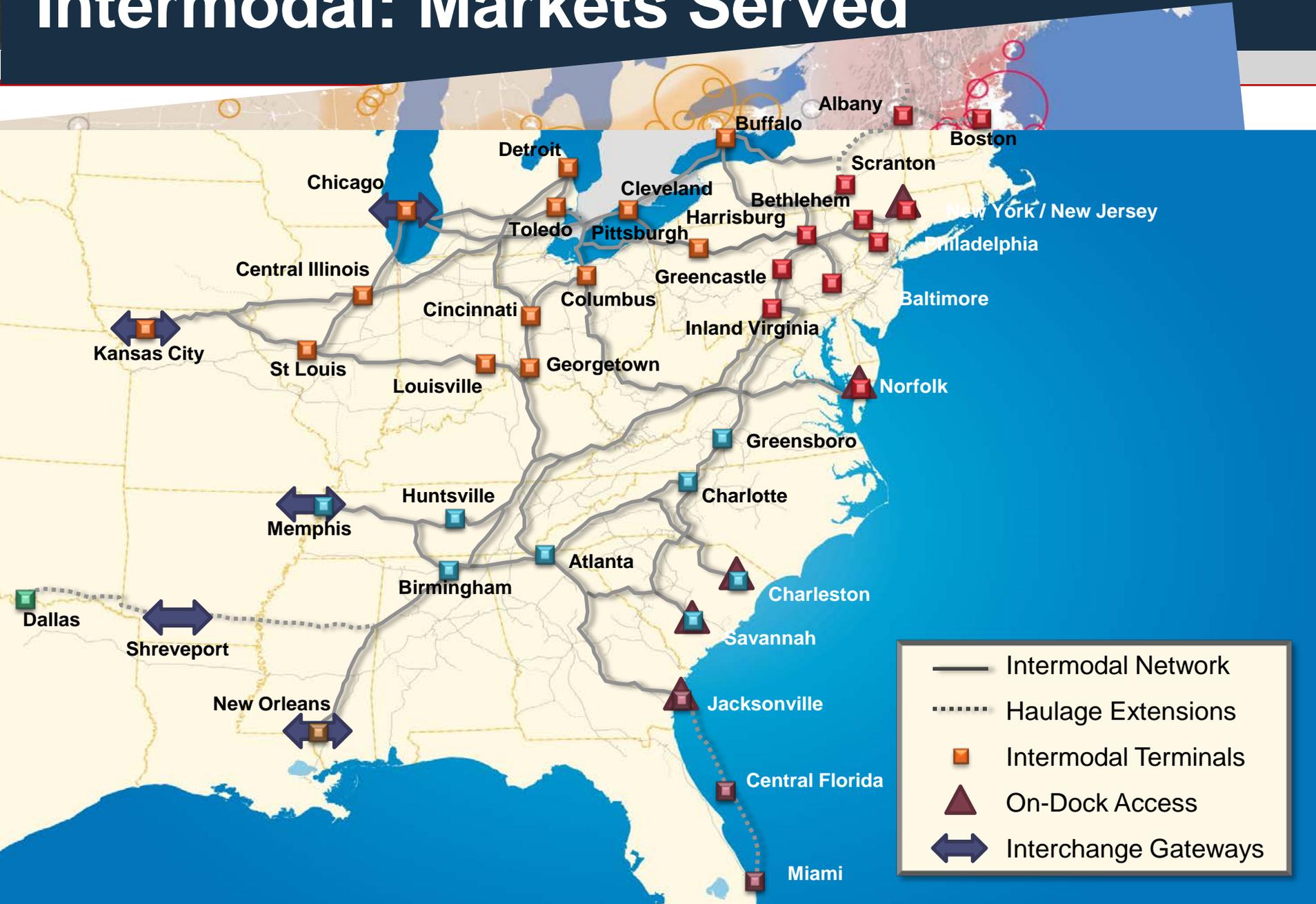
Emerging Megaregions

By 2050, 70% of the world's population will live within urban areas, forming vast "megaregions."

By 2050, the U.S. population is projected to reach 400 million, growing by more than 80 million people.



Intermodal: Markets Served



Partnering for Door-to-Door Service

- Norfolk Southern wholesales its intermodal service to channel partners, who provide freight service from any origin address to any destination by combining the advantages of multiple modes of transportation – ships, trains, and trucks.



Door to Ramp

Tuscaloosa, AL 35401
to McCalla, AL 35111
45 miles



Ramp to Ramp

Birmingham Market: McCalla Intermodal Terminal
to Eastern PA Market: Greencastle Intermodal Terminal
752 miles



Ramp to Door

Greencastle, PA 17225
to York PA 17408
57 miles





CRESCENT
CORRIDOR

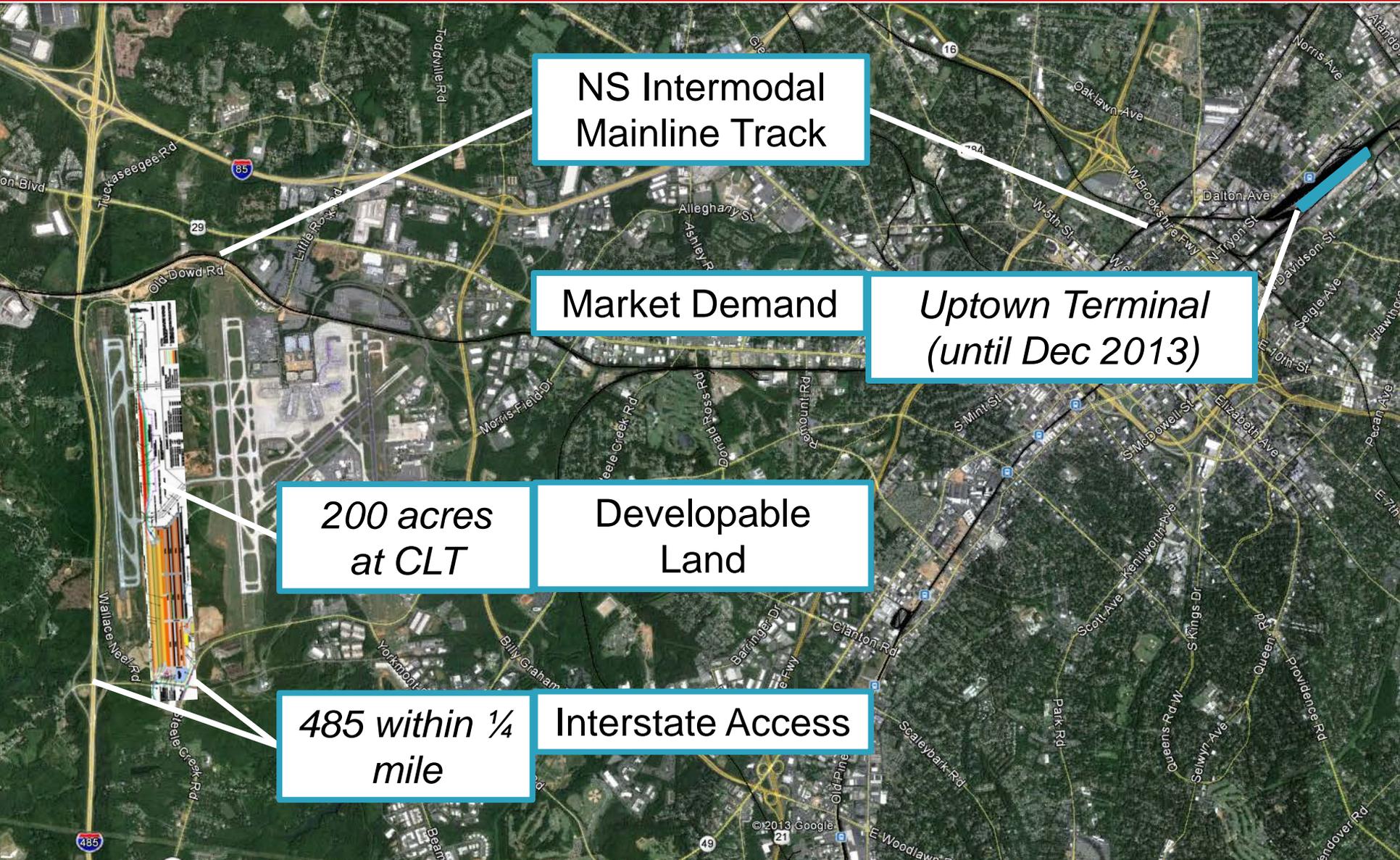


STIFEL NICOLAUS

2013 Trend #1:
“Nearshoring to Mexico
gains momentum.”

- Crescent Corridor
- KCS & KCSM
- Other NS Lines

Case Study: Charlotte, NC



NS Intermodal
Mainline Track

Market Demand

*Uptown Terminal
(until Dec 2013)*

200 acres
at CLT

Developable
Land

485 within 1/4
mile

Interstate Access

The Crescent Corridor in NC

Annually in North Carolina:

- 392,000 fewer long-haul trucks on highways
- \$21 million less in congestion costs for motorists
- \$81 million in logistics savings for businesses
- \$4.2 million less in highway maintenance costs
- 69,000 fewer tons of CO2 released

By 2030 in North Carolina:

- 7,000 jobs created
- \$10.5 billion in investment

Projected 2020 Interstate Highway Congestion
(Source US Department of Transportation)*



*The DOT estimates that congestion will increase significantly by 2035.
Not all interstate highways and rail lines shown.

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