

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. EP 704

REVIEW OF COMMODITY, BOXCAR, AND
TOFC/COFC EXEMPTIONS

TESTIMONY OF JOANNE F. CASEY
PRESIDENT & CEO OF THE
INTERMODAL ASSOCIATION OF NORTH
AMERICA, INC.
IN SUPPORT OF THE TOFC/COFC EXEMPTION

My name is Joanne F. Casey and for the past 13 years I have served as the President and Chief Executive Officer of The Intermodal Association of North America, Inc.

As pertinent regarding rail transportation policy, Congress directed that to the maximum extent possible, competition and the demand for services are to establish reasonable rail ~~50~~ competition

Intermodal transportation has evolved into an integral component of the global supply chain infrastructure that maximizes the benefits of all modes of freight transportation. Steamship lines, Intermodal Marketing Companies, truckload and less than truckload motor carriers, parcel and small package service providers, and the United States Postal Service have embraced rail TOFC/COFC transportation as an integrated service offering within their specific lines of business and are dependent upon this dynamic transportation option to support their respective service portfolios.

Over the last thirty years, import and export traffic utilizing rail intermodal services continues to grow. In 2009, over 28 million twenty foot equivalent units (TEUs) were handled by U. S. ports, with a solid 43 percent of that volume routed over the North American rail intermodal network. Intermodal service, as currently exempted, plays a crucial and critical role in support of the movement of goods within the global supply chain.

The intermodal marketplace has evolved from handling industrial commodities, raw materials and scrap products to a robust and vibrant mix of production materials, agricultural products, finished goods and high end consumer products. Despite the steady growth of intermodal services, there is no evidence that the domestic rail portion of these movements is at the expense of other transportation options. In fact the following table, developed by the US Department of Transportation, shows the service alternatives open to shippers, for multiple products over a variety of lanes.

Potential Modal Comparative Advantage by Market

Source: U. S. Department of Transportation Federal Railroad Administration, National Rail Plan Progress Report – September 2010

Figure 2

Under the regulatory exemptions in place, rail TOFC/COFC transportation has proven to be environmentally sound, sustainable and more energy efficient than competitive modes. From the perspective of public benefit, existing rail intermodal services dramatically reduce greenhouse gases and emissions associated with fuel consumption.

Further, intermodal transportation provides relief from wear and tear on the nation's highways and bridges and the associated costs of infrastructure maintenance and repair. This is evidenced by the universally accepted industry metric of a single doublestack train carrying the equivalent of 280 individual trucks on a privately maintained, privately funded and fully integrated infrastructure system. Lastly, a vibrant intermodal system supports economic growth through sustained employment, capital investment and advancement in technology.

Rail intermodal services are a necessary component to freight transportation in order to enable a measured and strategic response to support the nations expected population growth challenges of an estimated 70 million more people by 2035. By the U.S. DOT and Federal Railroad Administration's own estimates, it is anticipated that this population growth will create the need to move an additional 2.8 billion tons of freight to sustain the related demand.

It is submitted that, as Congress recognized in enacting the exemption provisions in the Staggers Rail Act, the elimination of needless regulatory restrictions has enabled the railroads and the related services provided by the motor carriers to better meet the transportation needs of the domestic and global intermodal markets.

In my some 25 years in the transportation and intermodal industry, I am unaware of any allegations or complaints that the exemption of rail TOFC/COFC services has led to any violations of the rail transportation policy in Section 10101li5s1/1Tf0.0016Tc0.230Td(to)Tj3Tc0.2240Td(in)Tj/C2_09u0Td(of)Tj/C2_01Tf0T