

# KEEP BUSINESS MOVING WITH BULK INTERMODAL

This is a dynamic era for chemical manufacturers and the transportation providers that they rely on to move product. Thanks to inexpensive shale gas, companies from around the world had announced plans to construct 294 new production units for chemicals in the U.S., according to the American Chemistry Council (ACC). Those projects represent \$179 billion in new capital investment.

As production grows, so does logistics activity related to chemicals. Chemical shipments are projected to increase by 34 percent, reaching \$1 trillion, by 2020 the ACC estimates.

It's not surprising that shippers are having a harder time finding carriers to move bulk loads or are paying a premium to get loads moved.

Accepting the industry status quo happily doesn't have to be the case. Making a supply chain more flexible (i.e., configuring it in a way that allows for different solutions to be applied depending on the situation) not only provides opportunities for savings, but, more importantly, keeps product moving.

For chemical shippers, an underutilized transportation option is bulk intermodal 40-foot container service. Even for traditional just-in-time (JIT) supply chains, chemical shippers incorporating bulk intermodal container service can complement current over-the-road (OTR) service. Bulk intermodal container service can free up a carrier's OTR capacity to service a shipper's other moves.

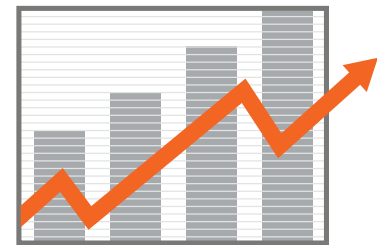
Here's how integrating bulk intermodal services into your supply chain can make a difference for your business:

## FORWARD STAGING

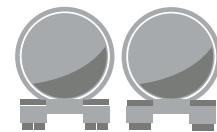
Instead of moving product directly to a customer on a moment's notice, forward staging can be employed to move product in advance. Using special bulk intermodal containers, Schneider delivers the product to a Schneider-owned facility near the final destination, "staging" the product. At this point, the product is ready for pickup whenever a customer needs it, allowing local drivers to quickly fulfill the orders and deliver them to the customer.

Shipping in advance of customer need allows shippers to take advantage of equipment surpluses and driver availability, along with optimal pricing opportunities for moving loads when most ideal. By planning to move loads and staging them in advance, there's opportunity to move a greater volume of product.

Forward staging by way of intermodal can also improve on-time delivery. Railroads are less susceptible to the unpredictable variables that impact OTR, such as delays at a previous customer, traffic and hours of service.



**34% INCREASE**



**CONTAINERS STAGED ON-SITE**



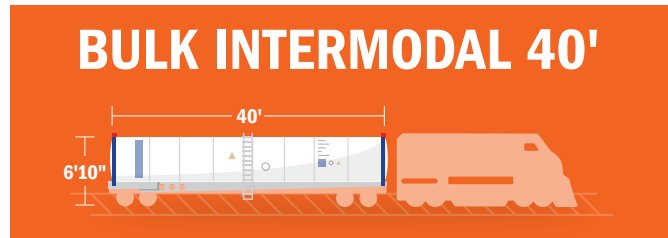
**LOCAL DRAYAGE DRIVERS**



**CAPACITY GAINS**

## EQUIPMENT

ISO tanks are seen as the standard piece of equipment when moving bulk via intermodal. However, Schneider uses special intermodal bulk containers for its rail moves. These containers are 40 feet with up to 45,000-pound payload (almost the exact size and shape of a standard OTR bulk container). This is an important differentiator: Schneider containers fit under standard load/unload racks, whereas 20-foot ISO tanks are typically too high. No adjustments need to be made to accommodate the intermodal bulk container.



Schneider's equipment allows for seamless integration across shipping methods, adding another opportunity to incorporate flexibility – and intermodal services – into a supply chain.

## COST SAVINGS AND CAPACITY GAINS

From a straight cost-savings perspective, incorporating bulk intermodal can positively impact the bottom line. Shippers of all kinds experience transportation savings, no matter if the intermodal use is only seasonal or a consistent presence in the supply chain. This is because most intermodal lanes are priced more competitively than OTR lanes, and the fuel surcharge isn't as high. Since intermodal uses less fuel than truckload, shippers get a better rate per mile, lower per-pound transportation costs and a smaller carbon footprint. For shippers who consistently have a longer length of haul (600 miles or more), intermodal can drastically cut costs because of those components alone.

When it comes to capacity, incorporating intermodal reduces the need for long-haul drivers – and the premiums that can come from booking them. Driver shortages and regulations, such as the electronic logging device mandate, are making it more difficult to secure safe, reliable OTR capacity. There's greater availability of drivers in local delivery markets to service intermodal deliveries. These professionals can finish the job after the railways complete the majority of the move, yielding another cost-savings opportunity.

**BULK INTERMODAL** =  **COST SAVINGS** +  **CAPACITY GAINS**

## FINDING THE FLEXIBILITY TO KEEP MOVING

Schneider's large intermodal network and dedicated bulk intermodal team are well equipped to keep product moving, be it on road or rail. Regardless of a shipper's current processes for bulk shipping, Schneider has the resources and expertise to assess the business and provide a recommendation for incorporating intermodal services into a bulk move. With a more flexible supply chain, more product can get to its end destination – a win-win for both customers and the bottom line.