

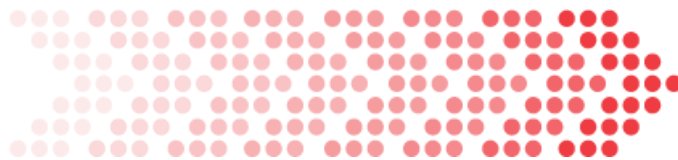
PRACTICAL STEPS FOR

HIGHWAY TO INTERMODAL RAIL ^(H2R) CONVERSION IN YOUR SUPPLY CHAIN



IN CONJUNCTION WITH CSX

6 SIMPLE STEPS TO
SUCCESSFUL INTEGRATION



6

Practical Steps for Highway to Intermodal Rail (H2R) Conversion in Your Supply Chain

The process of H2R conversion has become a major focus for shippers looking to reduce transportation costs, while improving overall supply chain efficiency. Rising fuel prices, decreased truckload capacity, as well as new regulations on drivers (i.e., CSA 2010 and Hours of Service Revisions), have been major drivers of change in the marketplace. Recent economic and regulatory factors, paired with advancements by railroads in intermodal infrastructure, have motivated shippers to review their current modal choices. Proactive modal selection can help reduce your supply chain's exposure to marketplace risk factors.

Historically, intermodal rail was believed to be a best fit for long-haul, transcontinental freight. As a result of the rail industry's focus on improving the efficiency and service performance of intermodal solutions, freight moving shorter distances, down to roughly 500 miles, is now considered to be a viable intermodal rail solution. With the growing number of domestic intermodal rail routes now available across the United States, **shippers benefit from more intermodal options.**

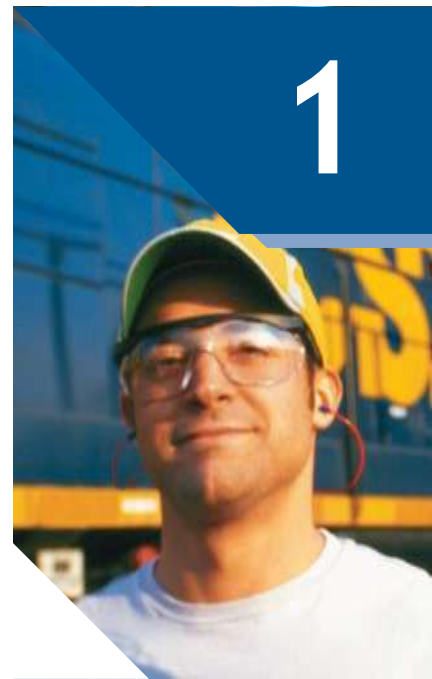
However, the expanded intermodal options may make it difficult for shippers to understand, in a holistic view, which truckload freight lanes in their supply chain are the right candidates for H2R conversion. *Choptank Transport works directly with the shipper to analyze freight networks, which identifies the most beneficial freight for shippers to convert to an intermodal rail solution.* The following should serve as a road map in your journey to identify H2R opportunity within your current modal framework, ultimately leading to a more efficient and sustainable supply chain.

Collaborate with Industry Experts

To get started, it is beneficial to form a collaborative relationship with industry experts to leverage collective knowledge and resources to begin a successful intermodal integration journey.

The Choptank Intermodal Team works directly with shippers to understand the unique challenges and requirements of your business. From there, Choptank will remove much of the burden of timely analysis and research from your internal team, instead deploying its tools and expertise, at no cost, to build towards custom transportation solutions.

COLLABORATE



Identify Your Transportation Needs and Challenges

To set expectations for the integration process: not all freight will be a good fit for an intermodal rail solution. Identifying the unique needs and challenges of transportation in your supply chain will help drive to the desired outcomes.

What are the primary decision drivers when building an intermodal solution to fit your supply chain? Understanding and communicating your decision drivers to your collaborative partners will help to target the proper freight for a successful modal conversion.

Often, converting truckload freight to an intermodal rail solution addresses some of the most challenging issues facing transportation professionals today, by providing:

- Sustainable savings on transportation costs
- Access to scalable capacity
- Predictable service
- Reduced carbon emissions

Recent experience has shown the potential for intermodal solutions to meet the immediate needs of the shipper, while producing additional long-term benefits. *Choptank works with shippers to identify “best fit” freight that can be converted from over-the-road to an intermodal rail solution.*

IDENTIFY NEED

2



Complete a Complimentary Freight Analysis

For many shippers, the most daunting part of the conversion process is completing the analysis and research required to understand what freight has an accessible intermodal solution. While it may seem cumbersome, a network optimization tool can do most of the heavy lifting for you. *For instance, the Choptank Intermodal Team uses a proprietary tool that analyzes all of the freight within your distribution network, quickly identifying the most attractive freight for an intermodal solution.*

Utilizing origin and destination data provided by the shipper, in zip code or city, state format, along with annual volumes, an analysis is completed within a few business days. The output provides shippers a focused view of the freight in their network for which to explore an intermodal alternative.

Aggregate truckload information provided by shippers has shown that, on average, **14% of a shipper's freight is sub-optimized**, meaning an intermodal rail solution exists that better meets the needs of the shipper than the current use of truck transportation. How much of the freight moving in your distribution network is currently sub-optimized?

ANALYZE

3



Identify an Intermodal Provider

With clearer line of sight to the H2R conversion opportunity in your supply chain, it will be necessary to select an intermodal provider, or channel partner like Choptank Transport. *You will need a provider to work with the rail providers to coordinate the door-to-door movement of your freight as well as provide customer service and support.*

The marketplace is full of intermodal providers whose niche service offerings vary to meet the unique needs of shippers. Common, as well as more specialized, intermodal equipment options that providers may offer are:

- Dry Containers and Trailers
- Temperature-Controlled Containers and Trailers
- ISO Tanks
- Rail Decks / Flat Beds

Shippers who work with Choptank during the H2R conversion process gain access to the industry's leading intermodal service provider, and benefit from the depth and history of our relationships. Choptank also offers a full suite of multi-modal services and can optimize your freight against all shipping options and services.



Obtain Pricing, Transit and Service Expectations

After selecting your intermodal provider(s), they will be able to provide you with pricing for the selected intermodal lanes, as well as transit and service expectations. This information, paired with your custom needs identified in step 2, will verify whether you've identified the freight that will deliver the results you are looking to achieve and/or whether you should consider additional or alternate lanes to convert to intermodal.

Our analysis contains all the necessary information for you to act quickly. The output provides all the origin, destination and volume information of your freight, along with the recommended intermodal rail solution on the network.



Integrate

At this point in the process, you should have all of the information necessary to complete the process of conversion to an intermodal rail solution. Having gone through the prior steps, you can have confidence that you are focused on the freight that will keep your supply chain running efficiently and cost effectively. Intermodal rail operates very similarly to truck, so few adjustments need to be made on your end to begin utilizing this transportation mode. *As you integrate, you will want to partner with your provider on how your products are to be loaded, blocked and braced when moving by an intermodal solution. Shippers working with Choptank gain access to load design at no cost, providing them with specific loading designs and instructions, ensuring the safe and secure movement of goods.*

As you complete your initial H2R conversion process, it is important to remember that the H2R journey has only just begun. New intermodal routes are being introduced on a regular basis and your distribution and supply network will evolve over time. To ensure you are continuing to maximize your use of intermodal rail, it is recommended that you maintain communication between all parties. Changes to your supply chain or introduction of new intermodal routes may lead to opportunities for you to pursue further conversions.

VISIT US AT [CHOPTANK INTERMODAL](#) FOR MORE INFO OR TO [REQUEST A NO OBLIGATION QUOTE TODAY!](#)



THE H2R PROCESS | 07 |

INTEGRATE

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