Moving right along

No show at the expo

BY THEODORE PRINCE

In this, my first column for The Journal of Commerce, I address issues involving ocean and inland transportation. As a starting point, it seems appropriate to review the recent Intermodal Expo.

The 15th expo was the first outside the cozy confines of Atlanta's Georgia World Congress Center. Ironically, it seems the organizers found the only city in the United States — Dallas — more like Atlanta than Atlanta itself. While many people may criticize the show, I would say it did an exceptional job of reflecting the industry's current condition, problems and all.

Where is the business? That's what the intermodal industry is wondering. Hopes for continued robust growth seem to be fading. Excuses are many. The "Asian Flu" and the resulting equipment imbalance is a common one. However, this rationalization ignores reality.

Yes, import volume is soaring while export volume is plummeting. However, with a strong domestic economy, the empty import containers should be reloaded with domestic cargo back to the West Coast. The domestic repositioning market is also weak.

Attendance at the expo was down. Many past exhibitors downsized or didn't exhibit. Floor traffic was down. Session attendance was abysmal. This wasn't an issue of Dallas vs. Atlanta. There just isn't the deep well of intermodal interest that there once was. Intermodal growth can no longer be assumed. It must be earned.

Since the Intermodal Association of North America started tracking intermodal marketing company volumes, one statistic has stood out — customers are no longer tolerating the deterioration in railroad intermodal service. Even with a driver shortage and higher truck rates, the motor carrier option seems to be as attractive as ever.

Customer interest in the expo was also down. The expo used to sell itself as attracting all the bees because the honey — shippers — was there.

In one session there was a show of hands, and out of 80 people in a room with 300 seats, only one was a shipper. With the rise of supply chain management and corporate downsizing, the intermodal business needs to regain customer interest by developing a better product and producing it at a high level of reliability.

Industry consolidation has reduced the number of principal participants. The remaining players need to have their management clearly visible to articulate their companies' — and their industry's — vision. If a certain component of the service chain is falling, the entire chain is useless.

In the past, leading industry executives would have been visible. This year it wasn't the case. One of the largest intermodal customers publicly lamented the lack of railroad executives. Meetings (on and off the golf course) seemed to consume everyone's time. Floor time was minimal. Many people looked tired before the show even started. Industry problems are weighing on everyone. Unfortunately, there is no letup in sight.

Intermodal once was a hotbed of new ideas. While many were pie-in-the-sky, many turned out to be great enhancements to the industry. Some took many twists and turns before morphing into their final states.

The expo was noteworthy for its lack of new ideas. The hardware could be described as variations on old themes. There were some new software twists, but nothing breathtaking. Discussion was minimal, and attendance was so low that whatever ideas might have been espoused couldn't get too far.

Do we still need the expo? It began as a forum for real discussion on issues. Many major pro-
nouncements came from its sessions. It also served as a display booth for new technology. People could "kick the tires."

In the early 1990s, the expo became the coming-out event for companies in the industry. Steamship lines and lessors spent heavily to entertain the industry as part of their effort to validate their new-found "world-class" status.

Lately, it has become a place to meet and network. More can be accomplished in three days huddled in meetings than in three weeks of travel.

It might be time to revise the expo. The Intermodal Association of North America started out by combining three industry organizations: the Intermodal Marketing Association, the Intermodal Transportation Association and the National Railroad Intermodal Association.

The catalyst was the railroads' threat not to support all three organizations' twice-a-year shows. We are in a similar situation. Besides the expo, there are the National Industrial Transportation League and Council for Logistics Management meetings, plus a host of competing local and segment-specific shows.

Georgia Freight Bureau wants to start an intermodal conference in Asia. Their partner, IIR, already runs one in Europe. South America has a show. There are too many shows and there is not enough customer focus.

As a start, a joint show by the Intermodal Association of North America, the Georgia Freight Bureau and NTI League would be a huge step forward. This would bring customers and carriers together.

This expo was a wake-up call for the industry. Let's hope it's heard and acted on.

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