Exploring the challenges to intermodal progress

The development of the Alameda Corridor — which is on time and on budget — was cited as an excellent example of a public-private partnership.

Lt. Gen. Daniel Brown, deputy commander in chief of the U.S. Transportation Command, discussed the military's need for intermodal transportation. He told of the mobilization for the Spanish-American War and World War I, both of which caused railroad congestion that backed up cars for hundreds of miles. We also heard about Desert Storm's successful deployment, but flawed information.

The final keynote speaker was Ron Krebs, chairman and CEO of Burlington Northern Santa Fe and chairman of the National Commission on Intermodal Transportation. Krebs chronicled the many success stories following the recommendations of the commission.

He also outlined his vision for the rail intermodal industry, and why the proposed merger between BNSF and Canadian National was consistent with it. Simply put, the industry must provide a reliable, cost-effective product, and offer it in a more appealing fashion.

The issue of substituting information for infrastructure was frequently raised at the conference. Several representatives of the Federal Highway Administration, starting with Administrator Kenneth Wykle, stressed it.

Most of the discussion conveyed the idea that freight intermodal is an increasingly viable part of the nation's transportation system.

However, the panel discussions — held literally in view of the largest port complex in North America, Los Angeles-Long Beach — gave rise to great concern about the likelihood of gridlock in Southern California as the result of an intermodal system failure.

The predominant problem is in harbor trucking, the hauling of containers to and from marine terminals. Highway congestion continues to plague the area. International traffic is growing much faster than highway-network capacity. Drivers are increasingly hard to find and timely transit through marine terminals continues to be a problem.

Several trucking companies predicted that two- to three-day delays in picking up cargo will become common this peak season. Others predicted much more catastrophic outcomes.

Michael Belzer of the University of Michigan maintained that this harbor drayage was no less than "sweatshops on wheels." His point was based on the presence of low wages, a piecework system and unsafe conditions. Although current law prevents harbor drayage operators from collective bargaining, these laws could be changed.

Perhaps the most dynamic exchange of the conference occurred between Eugene Pentimonti, longtime shipping industry executive, and James Spinoso, international vice president of the International Longshore and Warehouse Union. It clearly demonstrated how the industry can find itself out-negotiated during contract talks.

Pentimonti maintained that the industry was lagging technology; he claimed, could improve marine-terminal gate interfaces and intermodal productivity. But he said the industry had not adopted any meaningful improvements, due to an uncooperative (albeit well-paid and job-protected) labor force.

Spinoso replied that everything was subject to collective bargaining. He pointed out that unless management — the Pacific Maritime Association — brought its issues to the negotiating table, the union would be unable to respond.

Answering questions, Spinoso did not dispute that certain operational aspects could stand improvement. But he stressed that the industry itself was unable to articulate pressing matters.

Ed Emmett, president of the National Industrial Transportation League, framed the clearest example of the intermodal challenge.

Trying to strike a balance between productivity and modal protection, Emmett reiterated his proposal for allowing heavier trucks to be used for intermodal shipments. Unfortunately, this proposal has not yet been answered by the railroad industry.

Both of these examples show how far the industry still needs to travel to resolve the complicated issues standing in the way of intermodal progress.

The forum for these discussions also should be rethought. Lack of industry participation in the dialogue is a significant challenge to Transportation Research Board — otherwise it risks becoming irrelevant to the freight transportation industry. (The last board event of this type, on intermodal terminal design, was well-attended by industry personnel.)

The Long Beach conference was a good start. We'll hope it leads to specific suggestions and solutions.

Theodore Prince is senior vice president of sales and marketing at KleinSchmidt Inc., an e-commerce provider. He can be reached at Ted_Prince@kleinschmidt.com