

Is Intermodal Right For You?

By Stephen Hamilton



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Capacity and driver shortages plague the over-the-road (OTR) trucking sector, prompting shippers to consider the merits of other transportation modes.

Intermodal freight shipping combines the resources of different transportation modes, such as trucking and rail, to move products from manufacturing site to final destination. Offering economic and environmental benefits, intermodal freight shipping provides an attractive transportation alternative to OTR trucking for shipments moving more than 750 miles.

Intermodal helps lower transportation costs by allowing each mode to be used for the portion of the trip to which it is best suited. An intermodal container makes it possible to change shipment methods—whether to truck, rail, or ship—without individual freight handling. Freight can be efficiently shipped door to door.

Intermodal freight shipping also helps reduce traffic congestion, accidents, and the burden on overstressed transportation infrastructure. One intermodal train replaces 280 trucks and saves 20 percent on shipping costs.

In addition, intermodal shipping can help companies support green initiatives and comply with environmental standards. Three times more fuel efficient than trucks, intermodal shipping reduces energy consumption, contributing to improved air quality and environmental conditions.

Shifting 10 percent of long-haul freight from truck to rail would save nearly one billion gallons of fuel annually, according to a study by the Federal Railroad Administration (FRA). And replacing OTR with intermodal transportation for shipments of more than 1,000 miles reduces greenhouse gas emissions by 65 percent, according to the Environmental Protection Agency (EPA).

Railroads also are the safest way to transport hazardous materials. While railroads and trucks carry roughly equal hazmat ton-mileage, trucks have nearly 16 times more hazmat releases than railroads, according to the FRA.

Benefits Abound

If your company ships product more than 750 miles, it might benefit from using intermodal shipping. The longer the haul, the greater the fuel and cost savings provided by rail shipping, compared to the handling costs of transporting and transferring trailers and containers between trains and trucks, according to EPA reports.

While intermodal may be restrictive for some shippers due to longer lead times in crossing the country (which takes eight to 10 days, versus five to six days by truck), storing safety stock in bulk containers near customer sites can offer a cost-effective solution.

By keeping surplus goods within 50 miles of a final destination, freight that originally had to ship cross-country can be quickly available for just-in-time delivery. Bulk container storage costs are substantially lower than keeping products on trucks for stand-by delivery.

Typically, shipping liquid bulk products via intermodal can save shippers more than 40 percent compared to OTR tank trucks, even based on one load. And while intermodal accepts loads of every size and frequency, getting a carrier to deliver just one or two shipments cross-country each year may prove too expensive or impossible to take the freight at all.

Now is the time to work with your business unit leaders and collaborate with your logistics group or third-party consultants to evaluate whether intermodal transportation can benefit your supply chain.