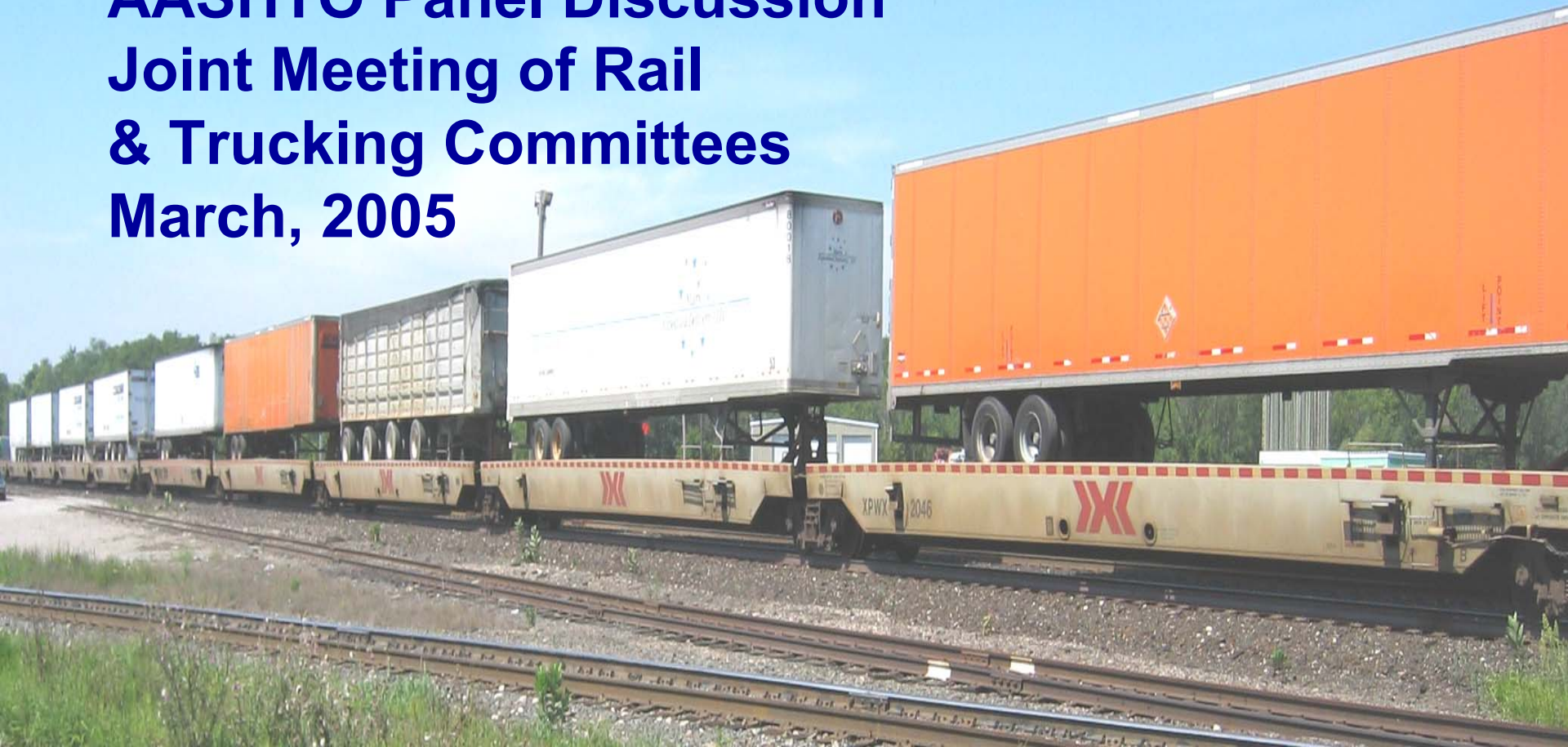


# ISSUES IN HIGHWAY TO RAIL DIVERSION

AASHTO Panel Discussion  
Joint Meeting of Rail  
& Trucking Committees  
March, 2005





# DIVERSION BARRIERS

## ■ Market Viability

- **Equivalence**
- **Access Limitation**
- **Interoperability**
- **Density**

## ■ Institutional Readiness

- **Capacity**
- **Capital**
- **Institutional Structure**
- **Institutional Commitment**
- **Sustained Performance**

## ■ Public Obstacles – examples:

- **Acceptance**
- **Competitive Account**





# CORE QUESTIONS

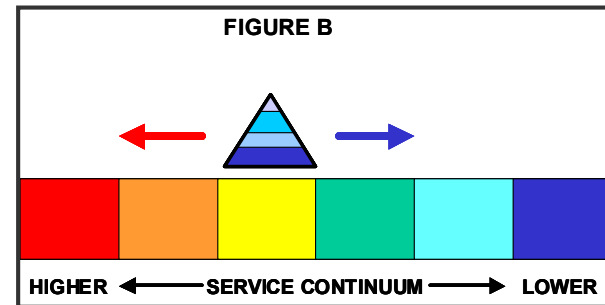
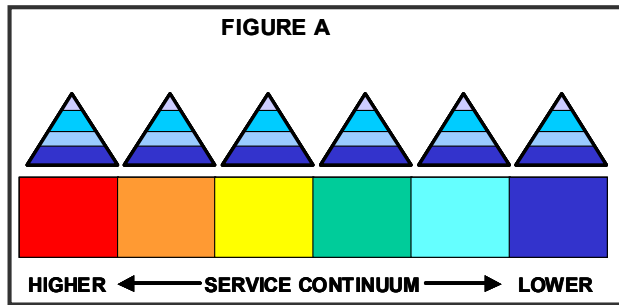
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- Equivalence
  - How much traffic can we really divert?
  
- Capacity
  - How much traffic can we manage and finance?



# CATEGORICAL CHANGE

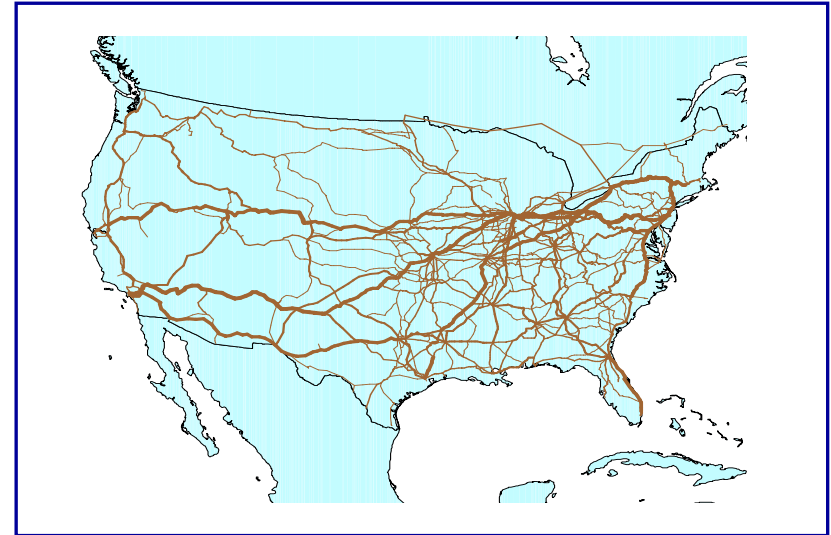
➔ Equivalent performance is a categorical change in the railroad product proposition





# CONVERSION OPPORTUNITY

- **Dry Van & Reefer highway business over 500 miles:  
67 million units annually  
\$120 billion market**
- **Truckload portion in dense lanes accessible to IMX network:  
30-35 million units  
\$40-50 billion market**
- ➔ **Long Haul truck traffic is a major part of truck VMT**



## LENGTH OF HAUL DISTRIBUTION: TRUCK VMT (Loads & Empties)

Source: TRANSEARCH

Distance	All Truck VMT
200 Miles & Under	25%
500 Miles & Under	53%
Over 500 Miles	47%