

# INTERMODAL *ADAPTS*



**IANA**  
INTERMODAL ASSOCIATION  
OF NORTH AMERICA

# Intermodal Analyzed

September 2nd, 2021, 2:00 PM ET



**IANA**

INTERMODAL ASSOCIATION  
OF NORTH AMERICA

# Housekeeping

- Audience will be muted
- A question & answer session will follow the presentation
- Submit questions by clicking the Q&A icon at the bottom of your screen
- A recording of this webinar, including the slides, will be available in the near future



# Today's Presenter

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Larry Gross

President & Founder

Gross Transportation  
Consulting



# *Hello!*

**Larry Gross:**

President  
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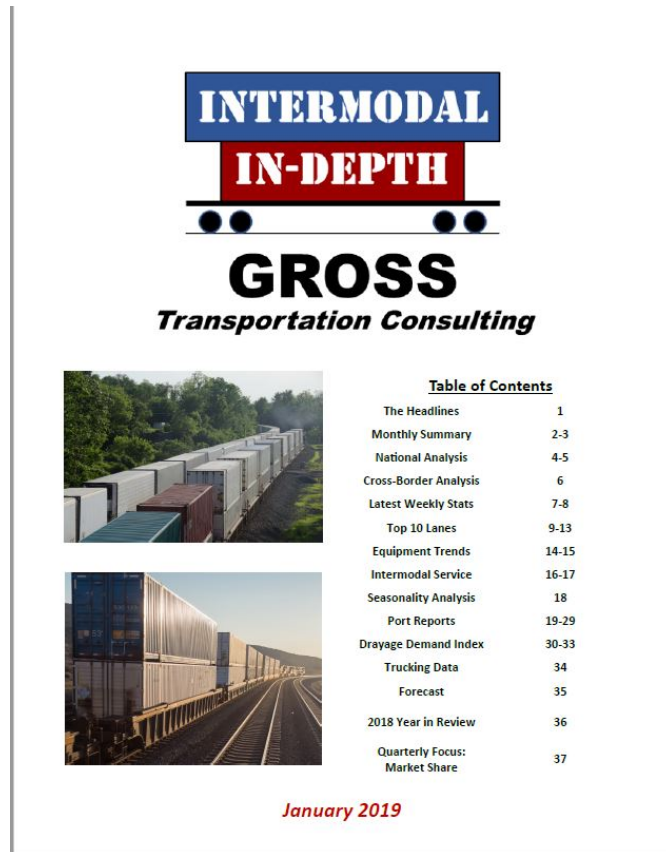
@Intermodalist

***INTERMODAL ANALYZED***

For: Intermodal Association  
of North America

*September 2, 2021*

# GROSS TRANSPORTATION CONSULTING



- *Intermodal market analysis*
- *Intermodal in Depth analytical report*

[www.IntermodalinDepth.com](http://www.IntermodalinDepth.com)

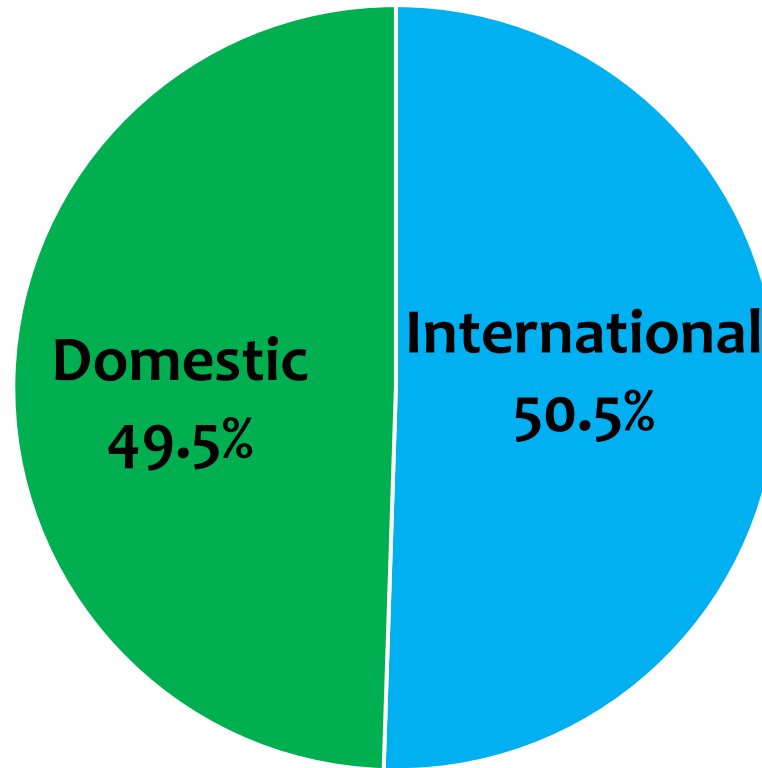
# ***THE TWO WORLDS OF INTERMODAL***

## Includes:

- Domestic Containers (53', a few 48')
- Trailers
- Transload Cargo

## Affected by:

- Competitive economics with truck
- Truck capacity
- Fuel Prices
- Transload trends



***North America Last 12 Months***

## Includes:

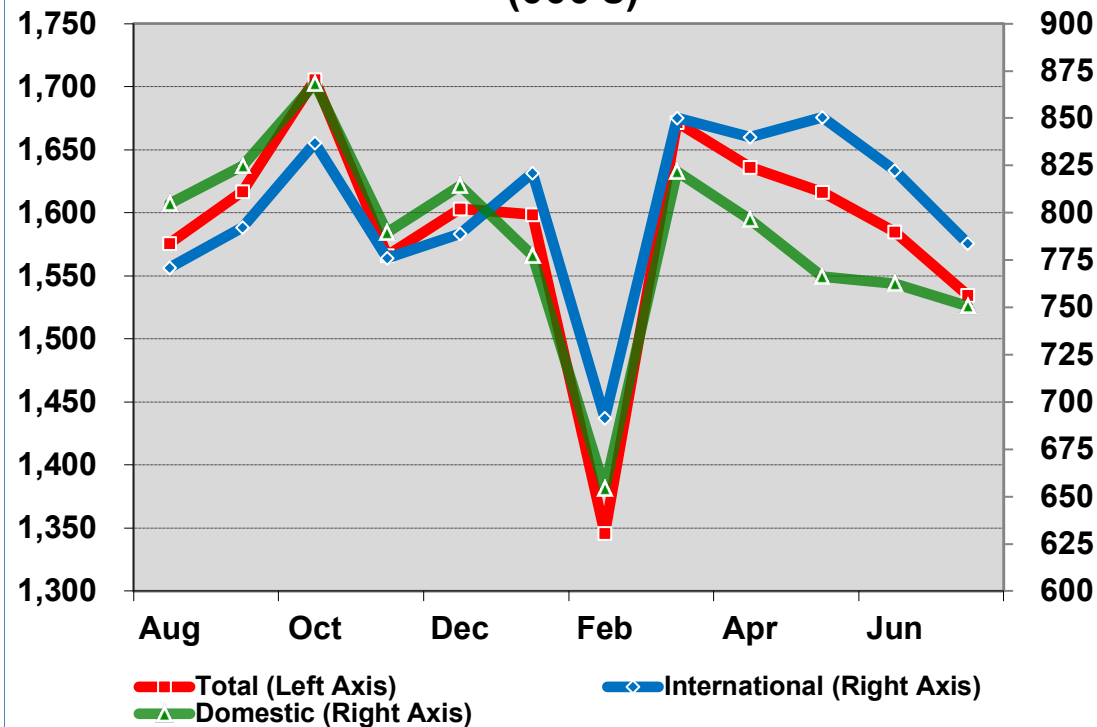
- ISO Containers (20', 40', 45')

## Affected by:

- Trade stats
- Port routings/Import strategies
- Steamship line policies
- Truck competitiveness
- Transload trends

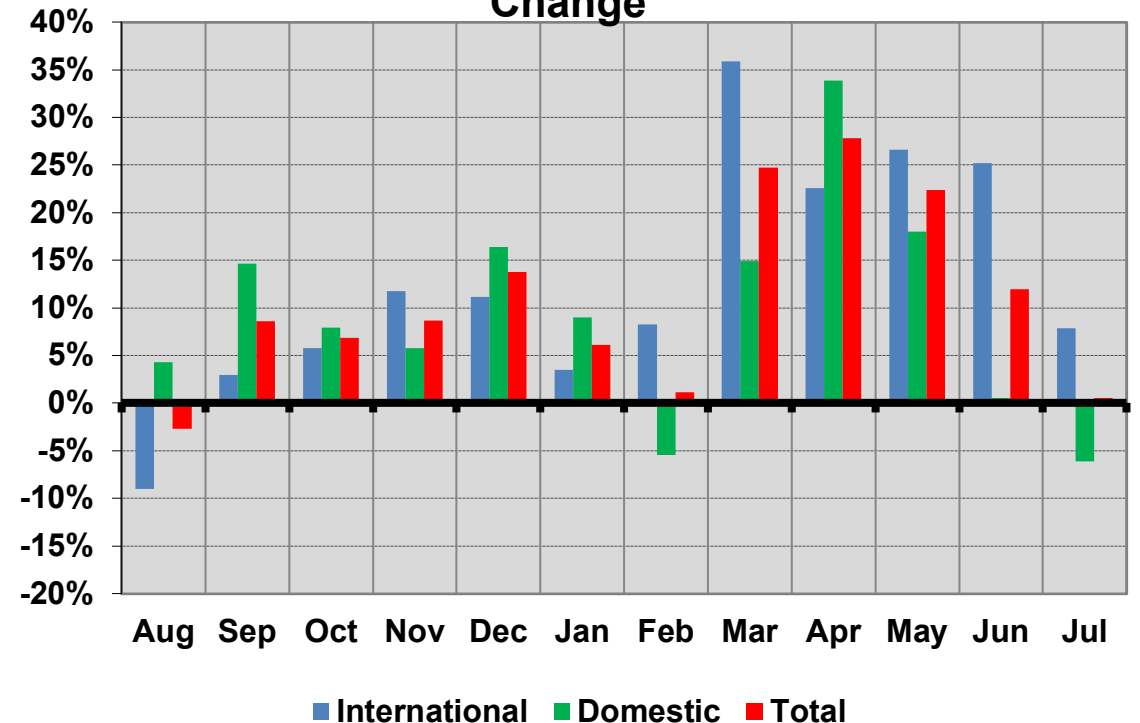
# DESPITE UNRELENTING DEMAND, INDUSTRY VOLUME CONTINUES TO FALL

North America Rev. Moves/Mo - Actual  
(000's)



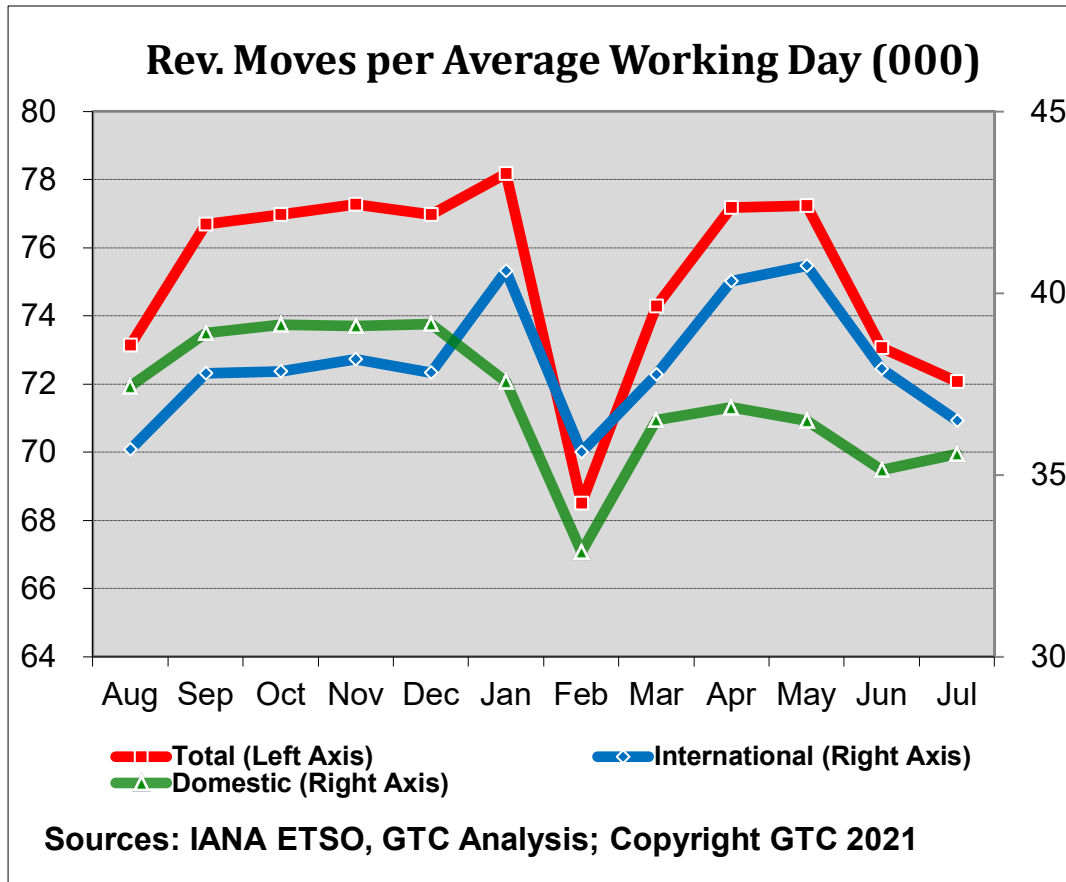
Sources: IANA ETSO, GTC Analysis; Copyright GTC 2021

North Amer. Revenue Moves: Yr/Yr %  
Change



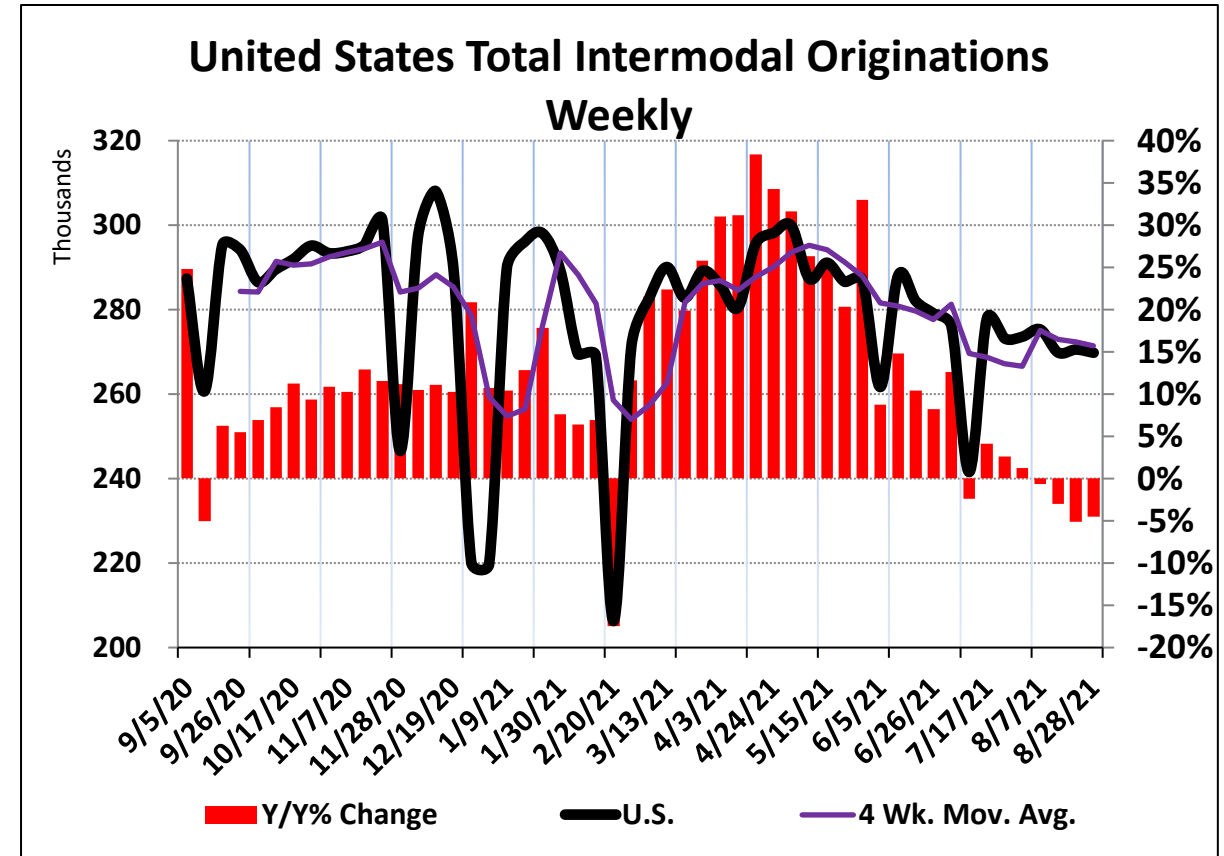
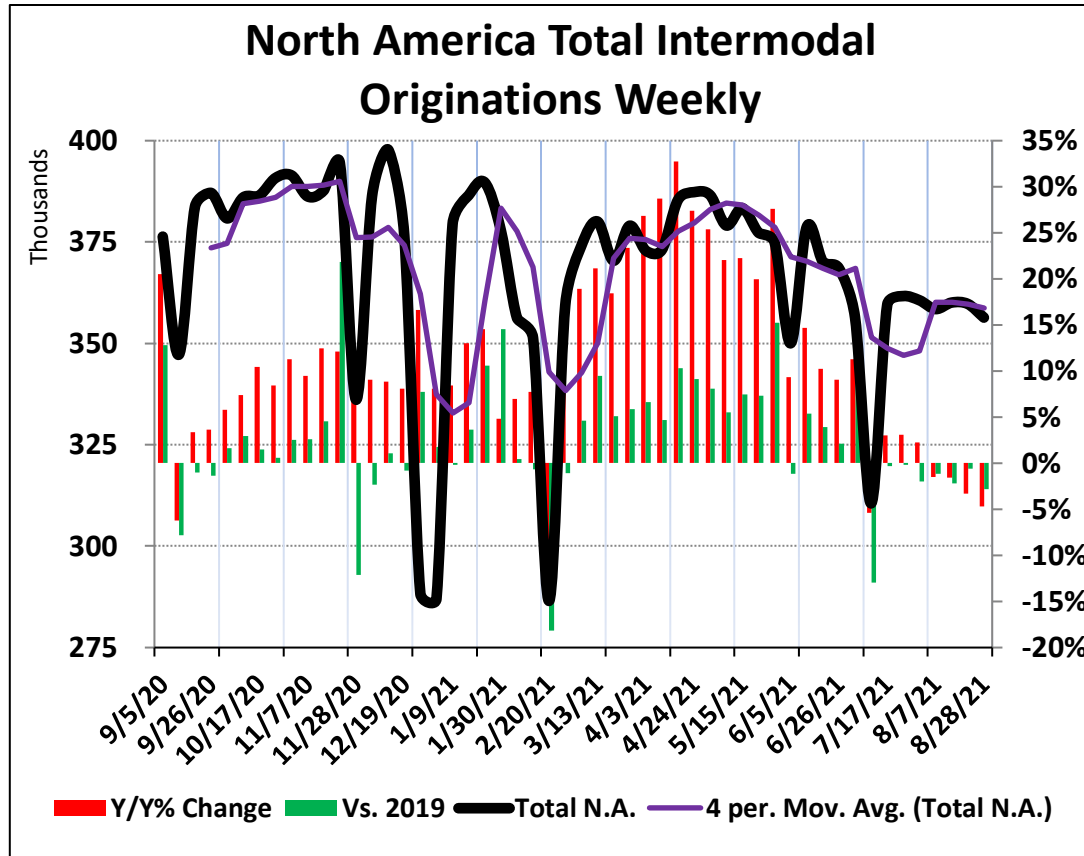
Sources: IANA ETSO, GTC Analysis; Copyright GTC 2021

# REVENUE MOVES PER DAY ANALYSIS SHOWS EXTENT OF CAPACITY LIMITATIONS



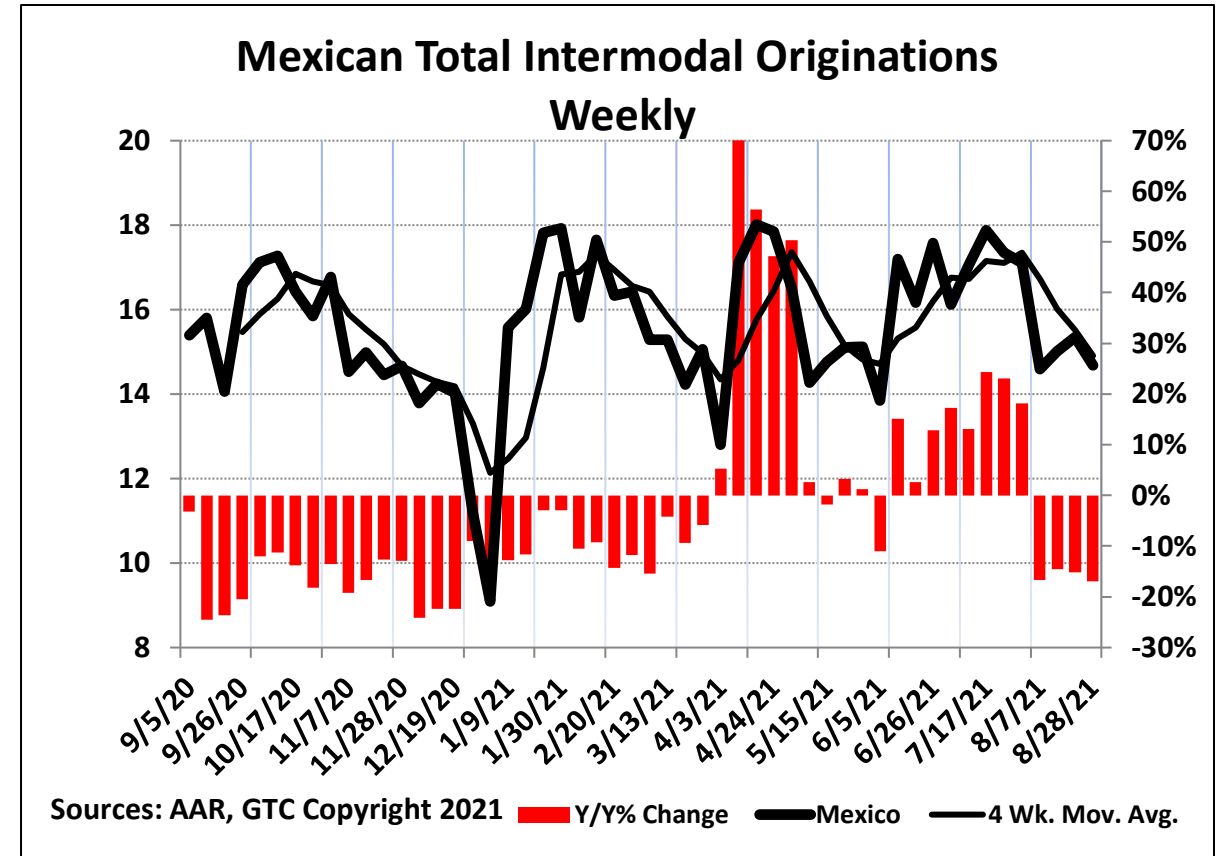
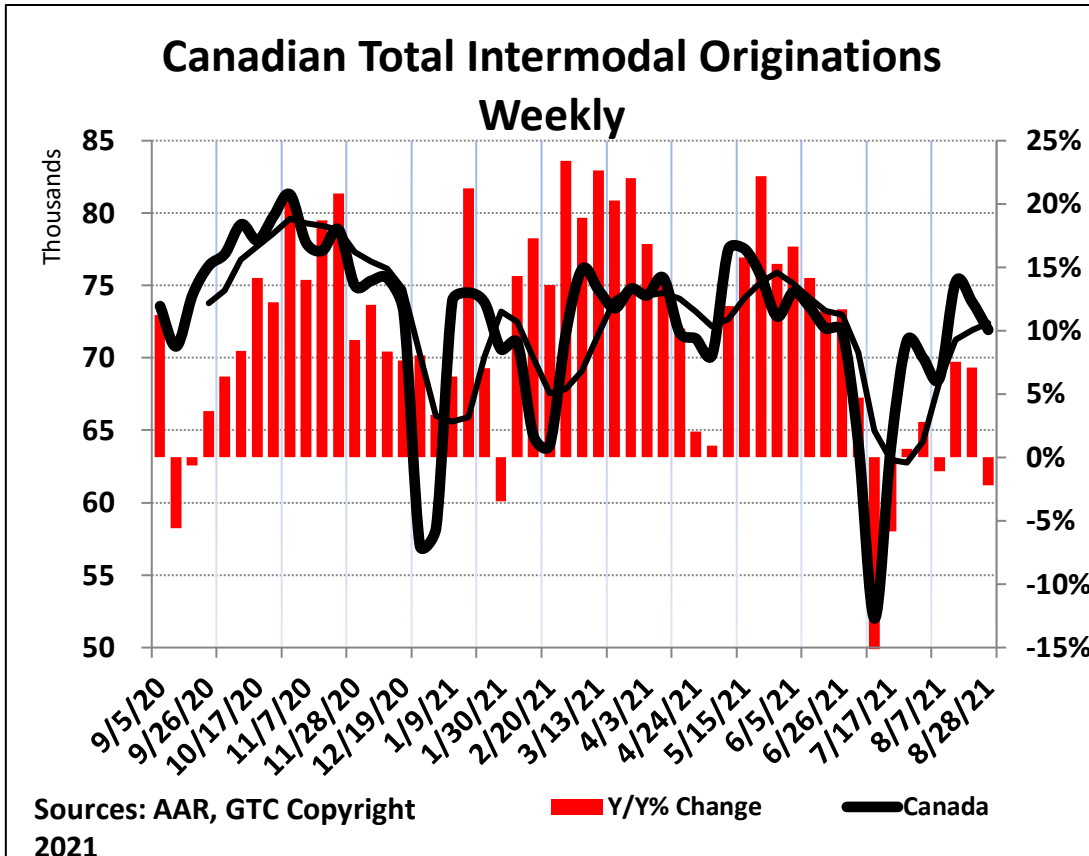
June 2021	M/M	Y/Y	M/M Workday
<b>International</b>	-4.7%	+7.8%	-3.8%
Short Trailer	0.0%	-20.0%	+2.8%
53' Trailer	0.9%	-2.1%	+3.7%
Total Trailer	0.6%	-7.5%	+3.5%
Private Domestic Container	0.1%	-3.7%	+3.0%
Rail Domestic Container	-7.0%	-11.4%	-4.4%
Total Domestic Container	-1.9%	-5.9%	+0.9%
<b>Domestic</b>	-1.6%	-6.1%	+1.2%
<b>Grand Total</b>	-3.2%	+0.5%	-1.4%

# LATEST AAR DATA SHOWS VOLUME CONTINUING TO SLIDE



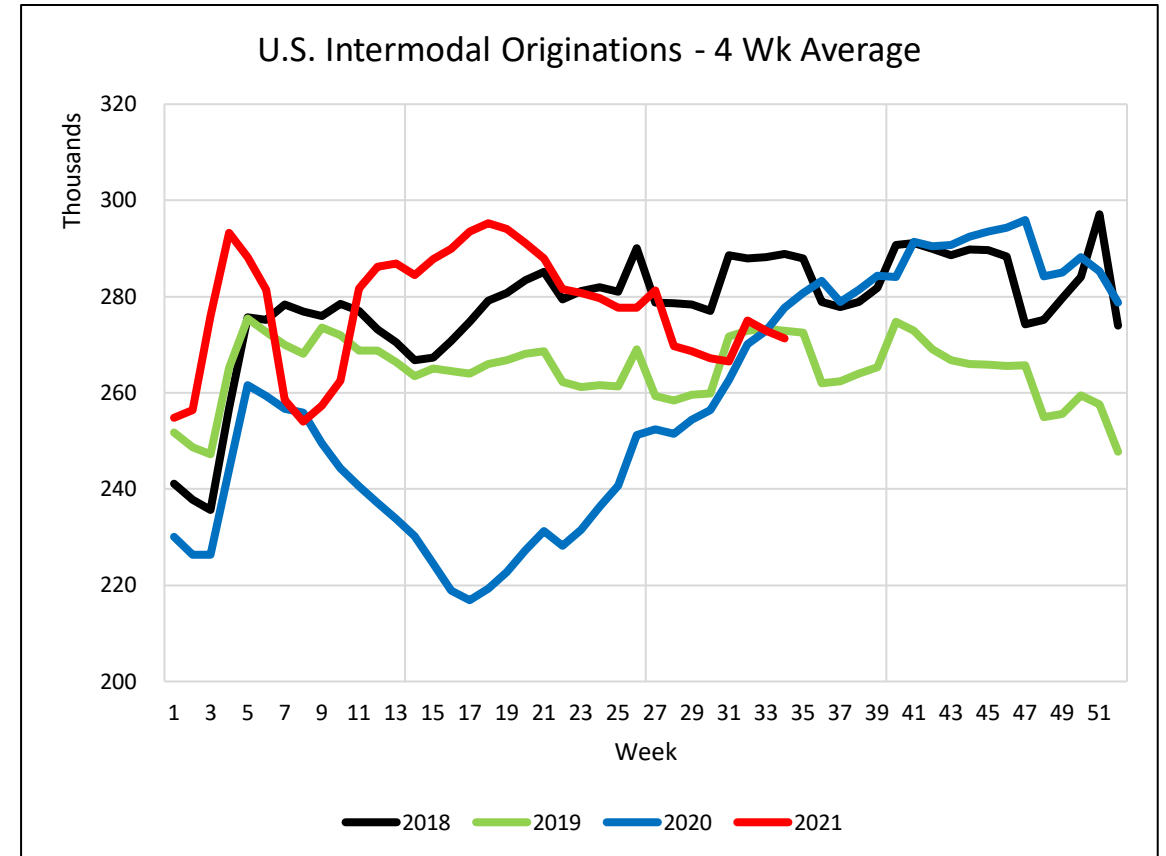
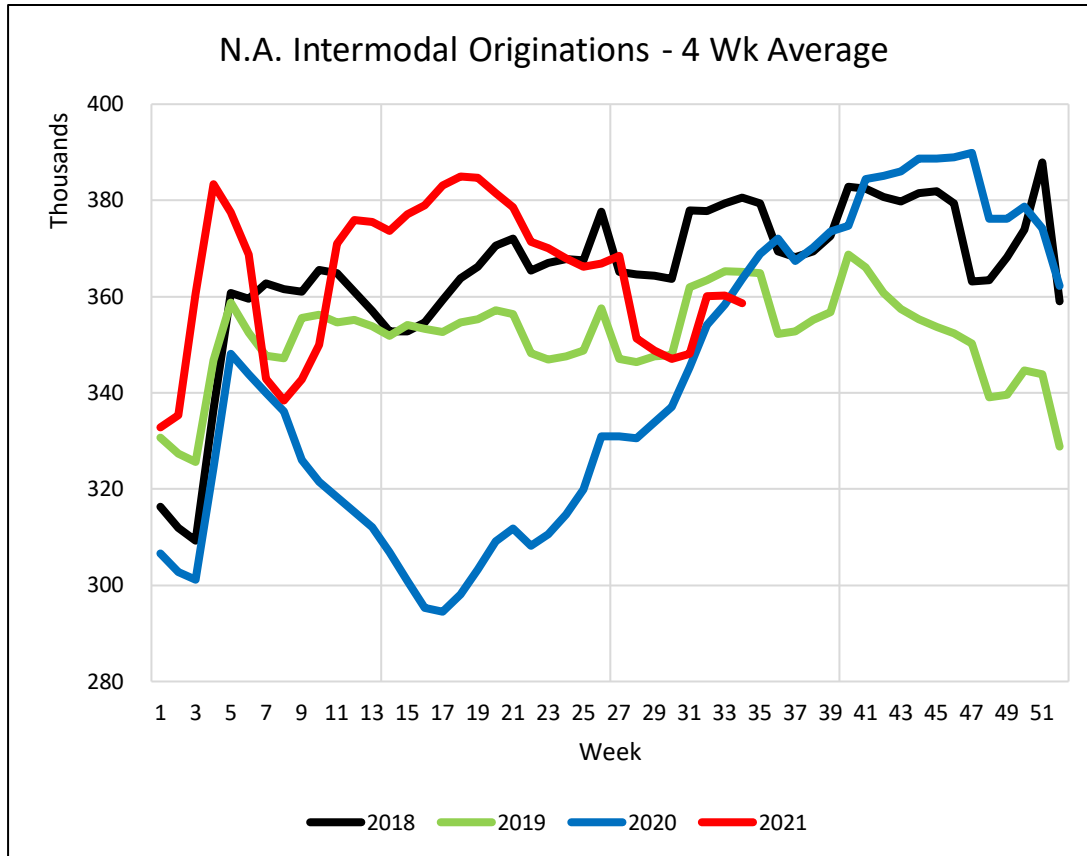
Source: AAR, GTC Analysis

# LATEST AAR DATA FOR CANADA AND MEXICO



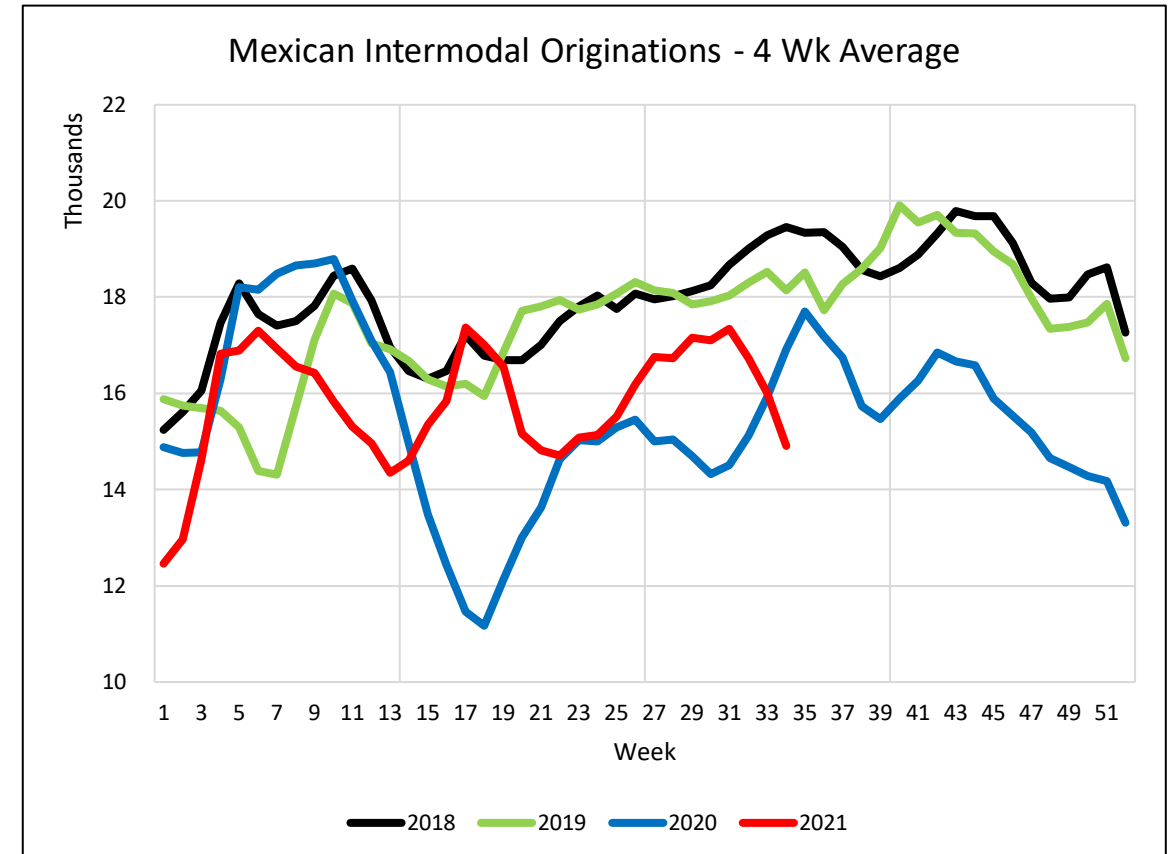
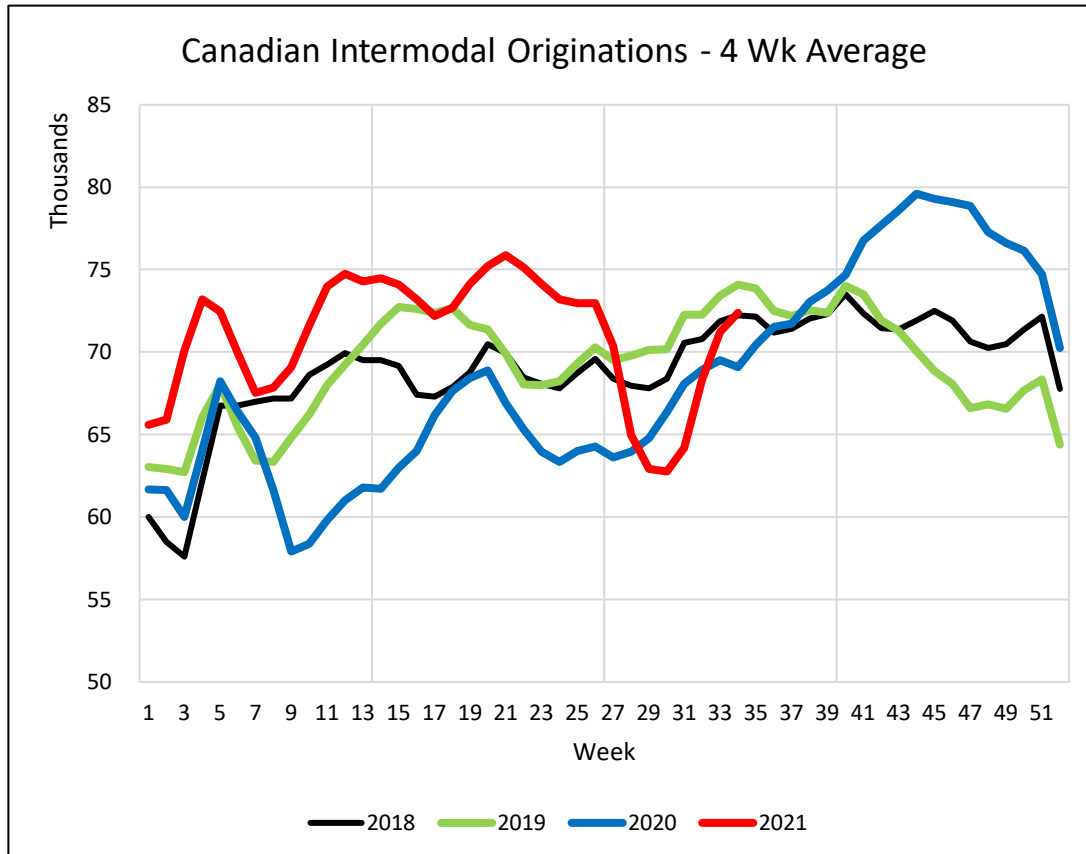
Source: AAR, GTC Analysis

# 2021 VS. PRIOR YEARS – 4-WEEK MOVING AVG. NORTH AMERICA AND U.S.



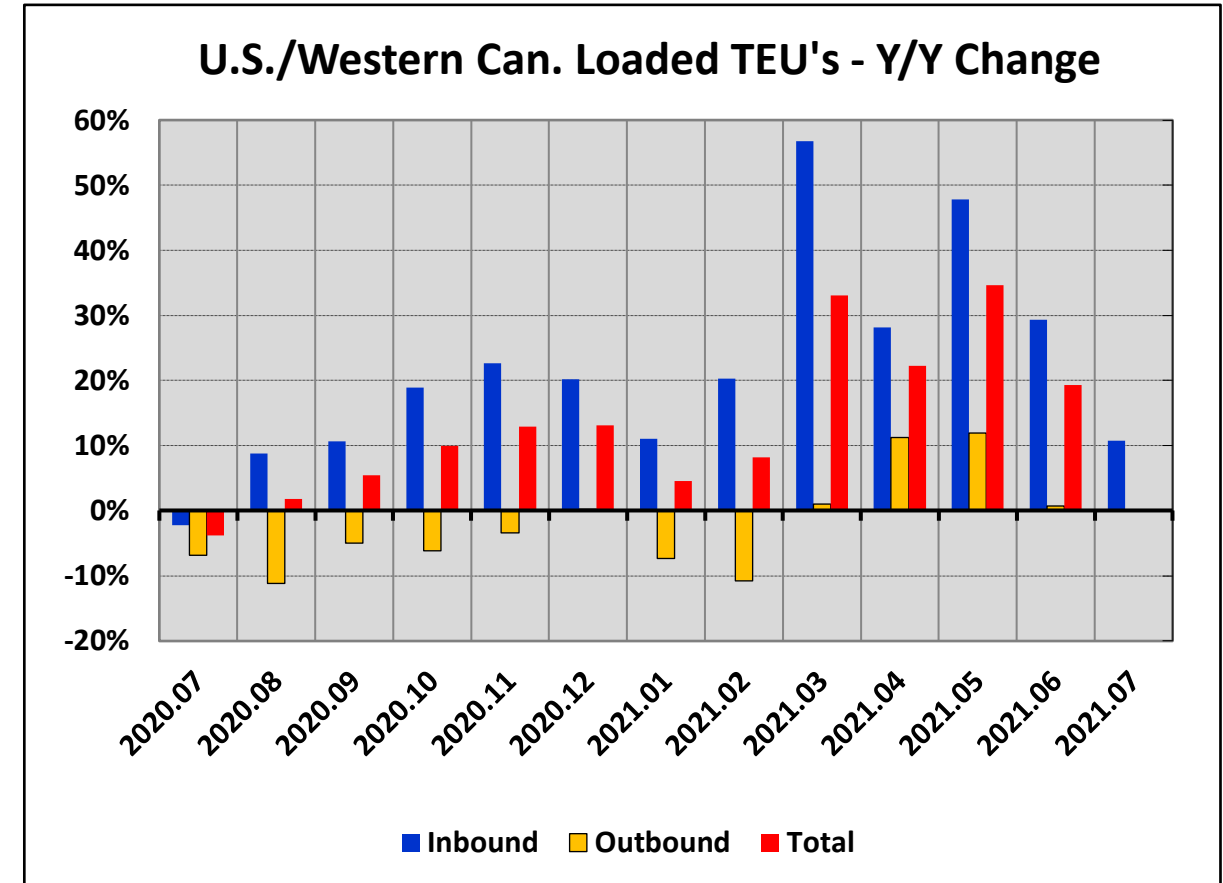
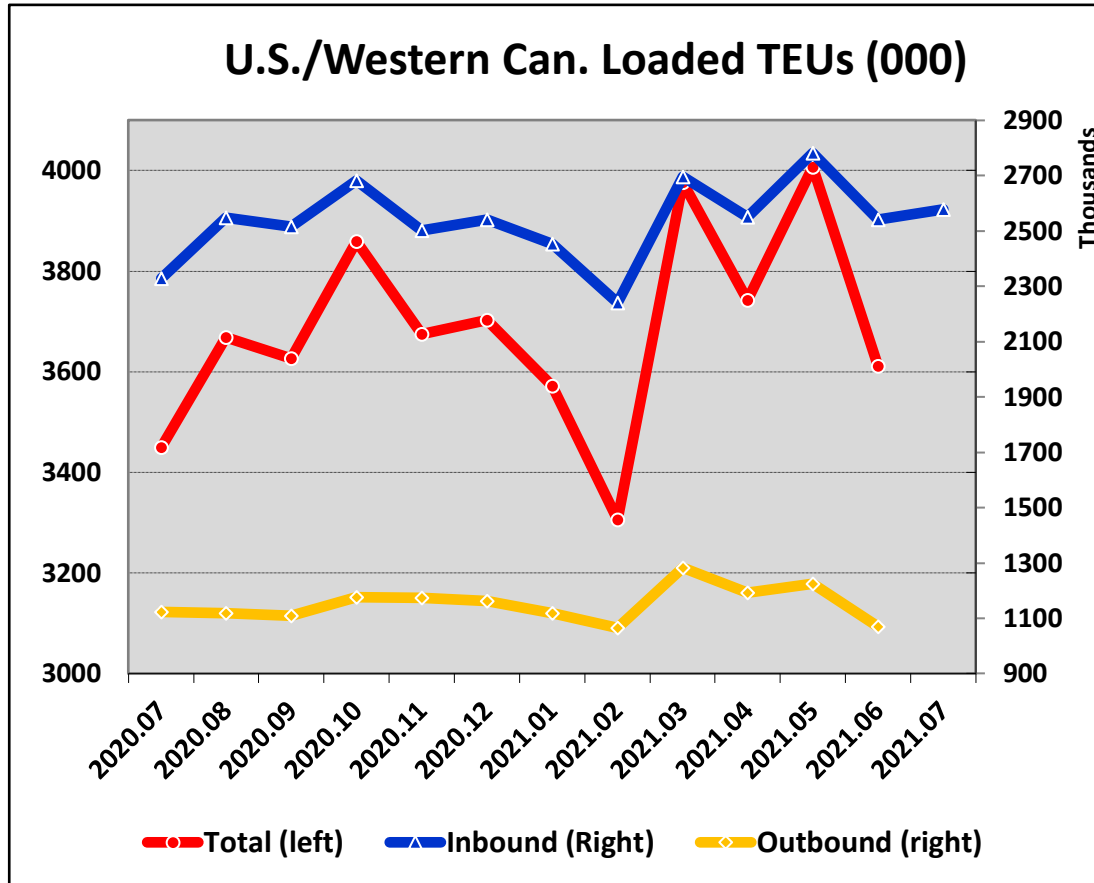
Source: AAR, GTC Analysis

# 2021 VS. PRIOR YEARS – 4 WEEK MOVING AVG. CANADA AND MEXICO



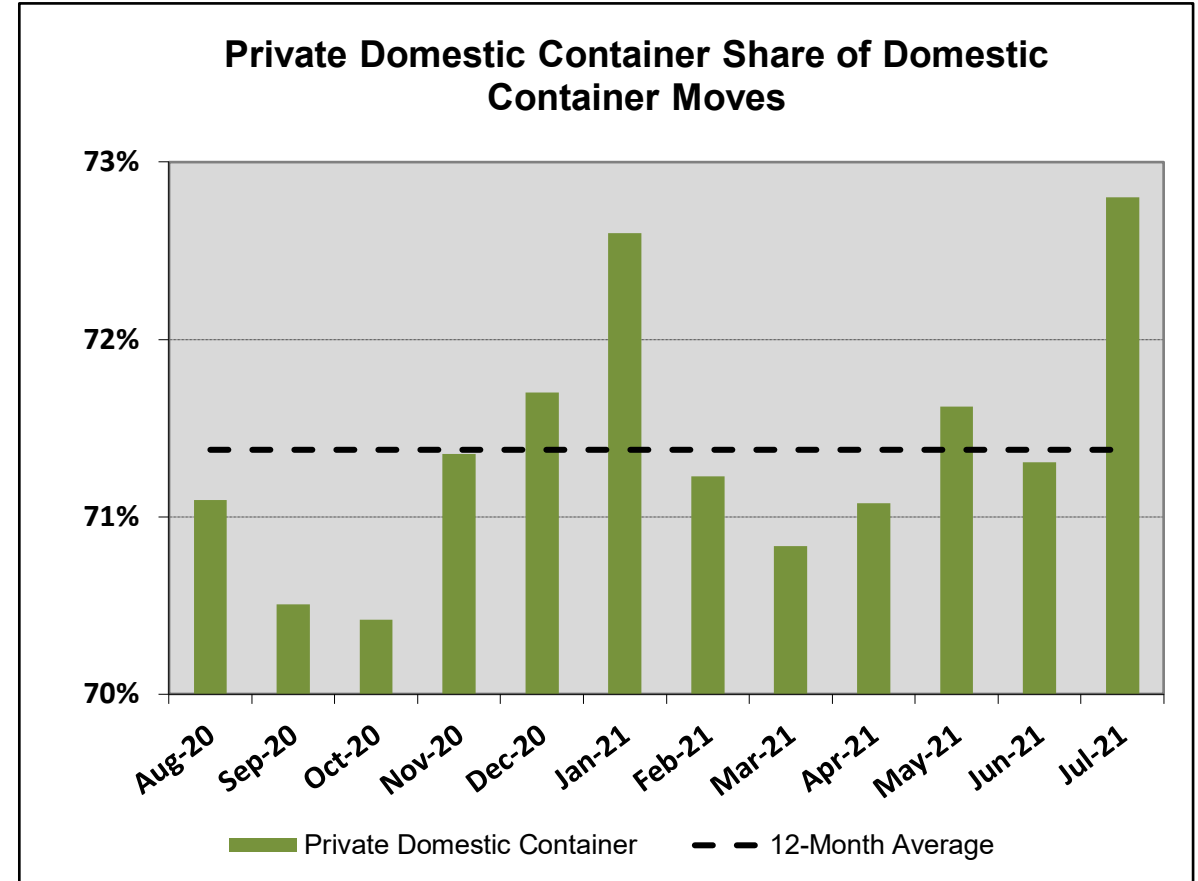
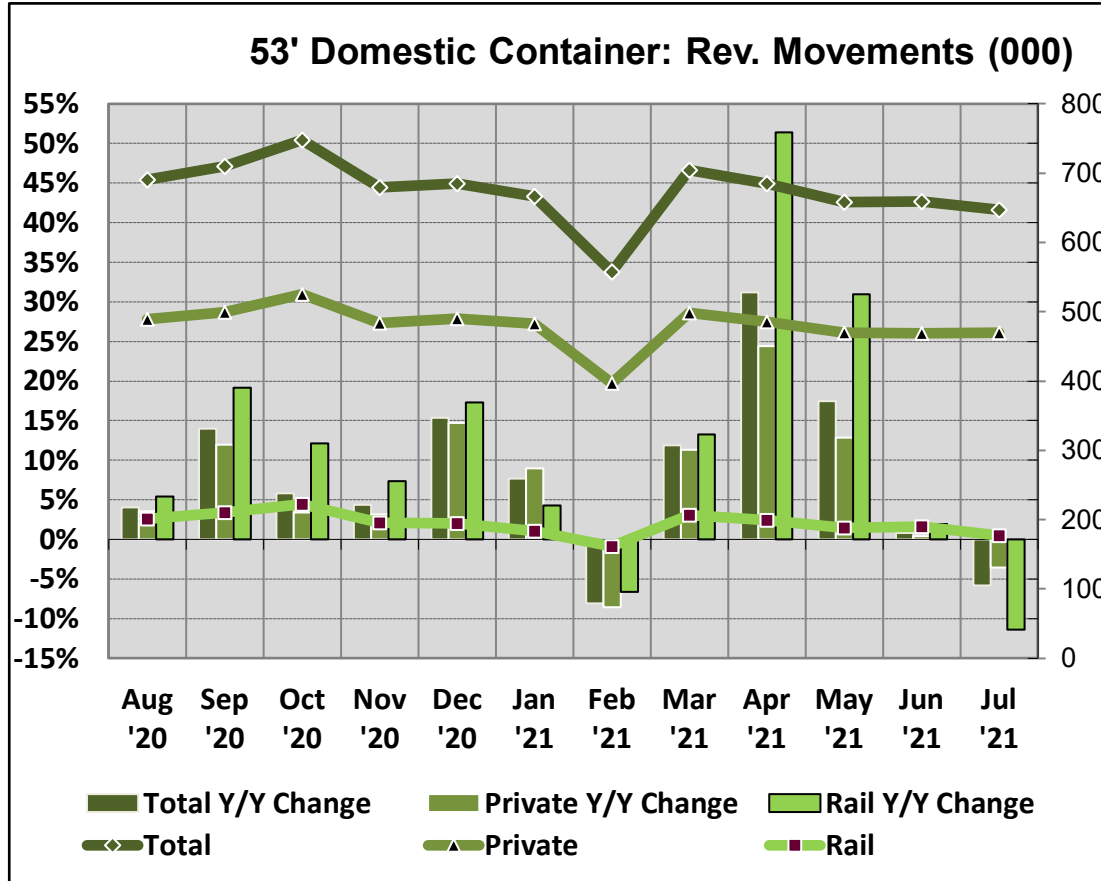
Source: AAR, GTC Analysis

# PORT PRODUCTIVITY HAS PLATEAUED BUT VESSEL BACKLOGS CONTINUE TO GROW



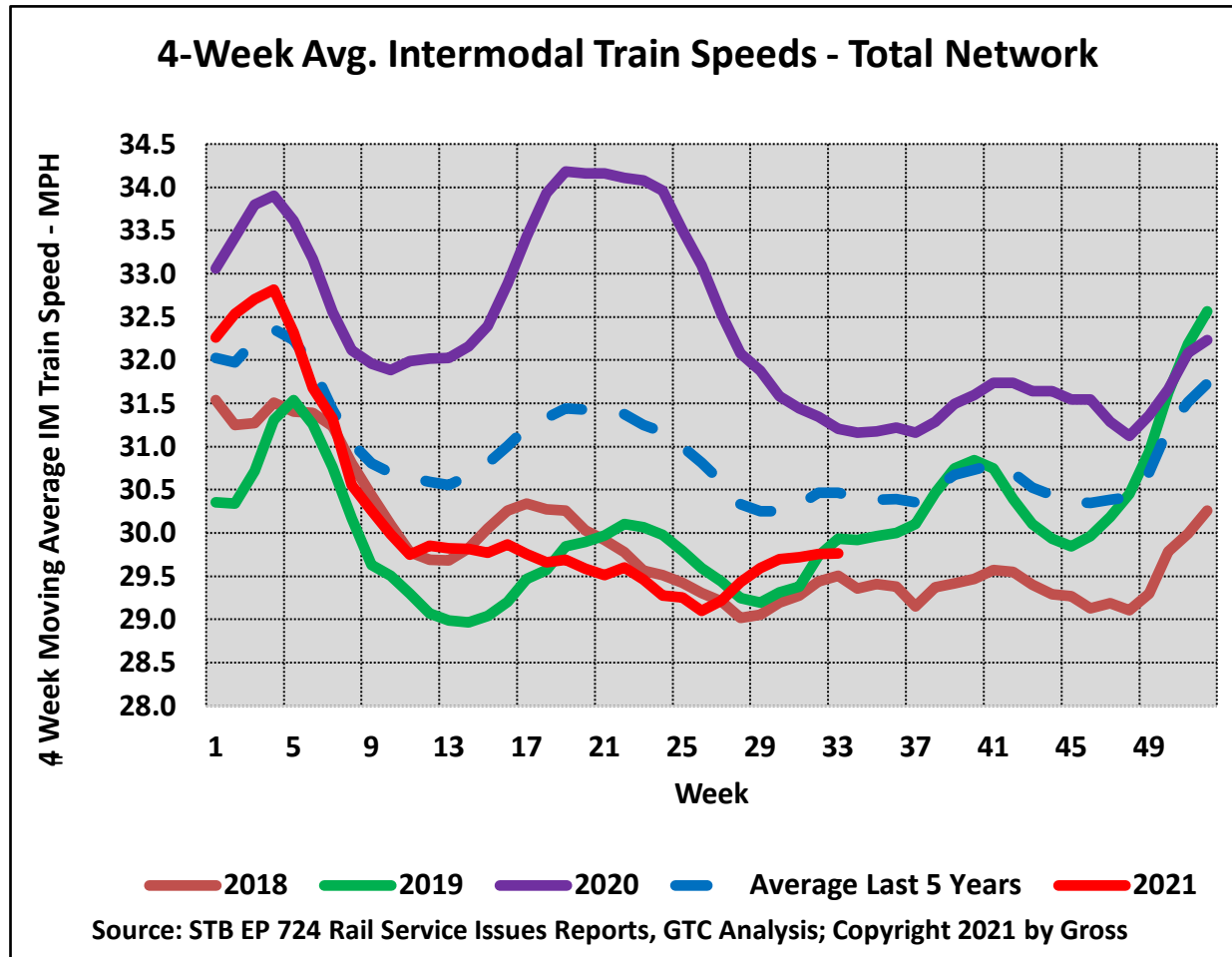
Source: Port Reports, IHS PIERS, GTC Analysis

# LOWER EQUIPMENT VELOCITY IS CHEWING UP DOMESTIC CONTAINER CAPACITY



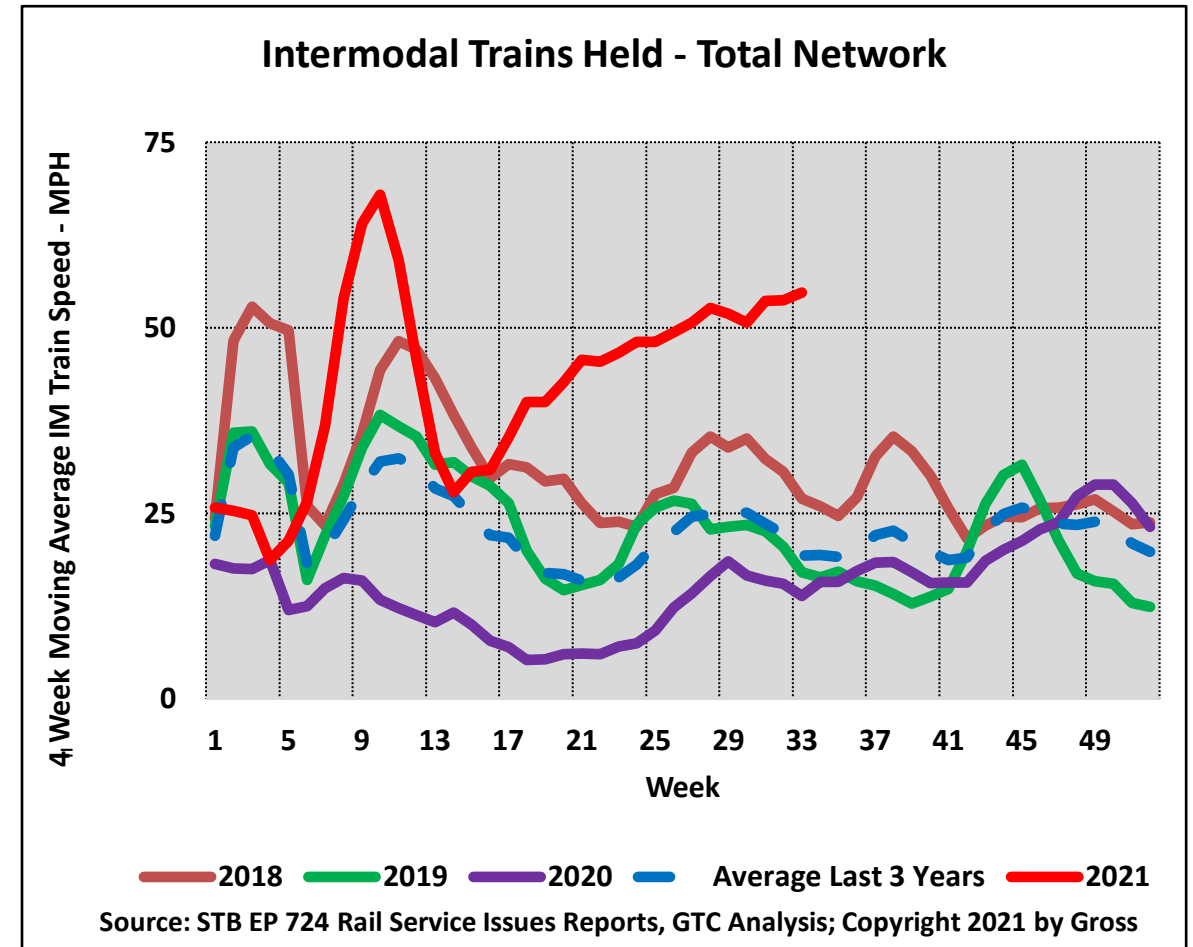
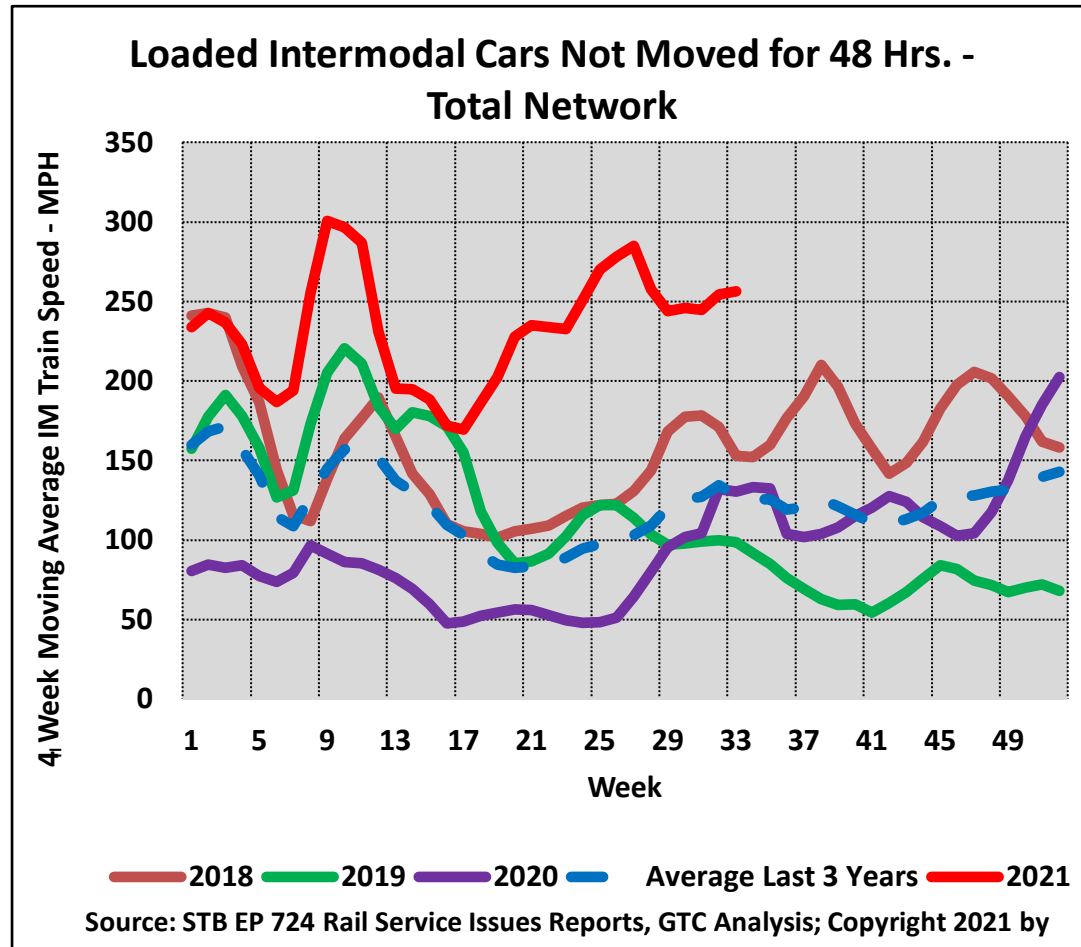
Source: IANA ETSO, GTC Analysis

# AVERAGE INTERMODAL TRAIN SPEEDS HAVE SEEN SOME IMPROVEMENT OF LATE

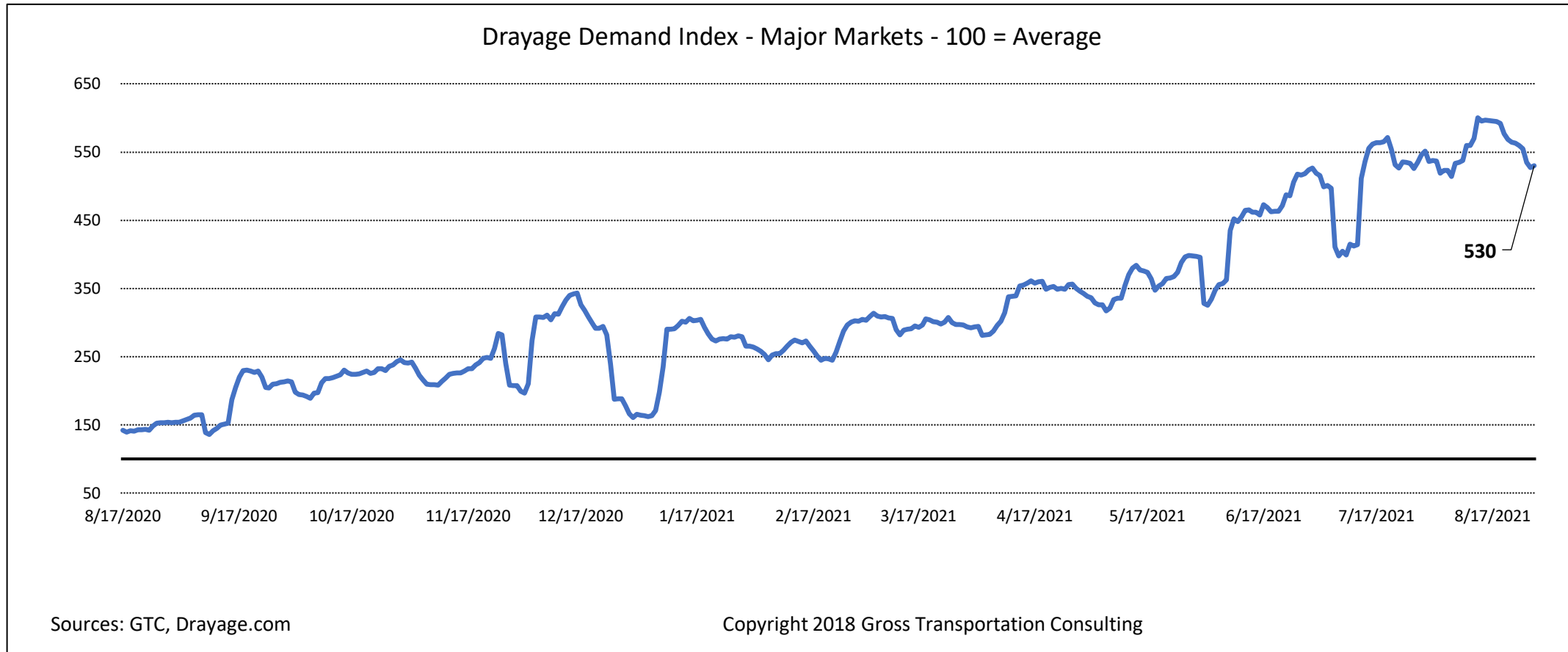


- Average speed mid-August: 29.8 mph
- 2.3%/0.7 mph slower than 5-year average
- 4.6%/1.4 mph worse than prior year
- Significant performance differences between railroads

# OTHER STB STATISTICS HINT AT THE TERMINAL OPERATIONS CRISIS



# *DRAYAGE IS STILL IN MELTDOWN TERRITORY BUT RECENT EASING PROVIDES RAY OF SUNSHINE*

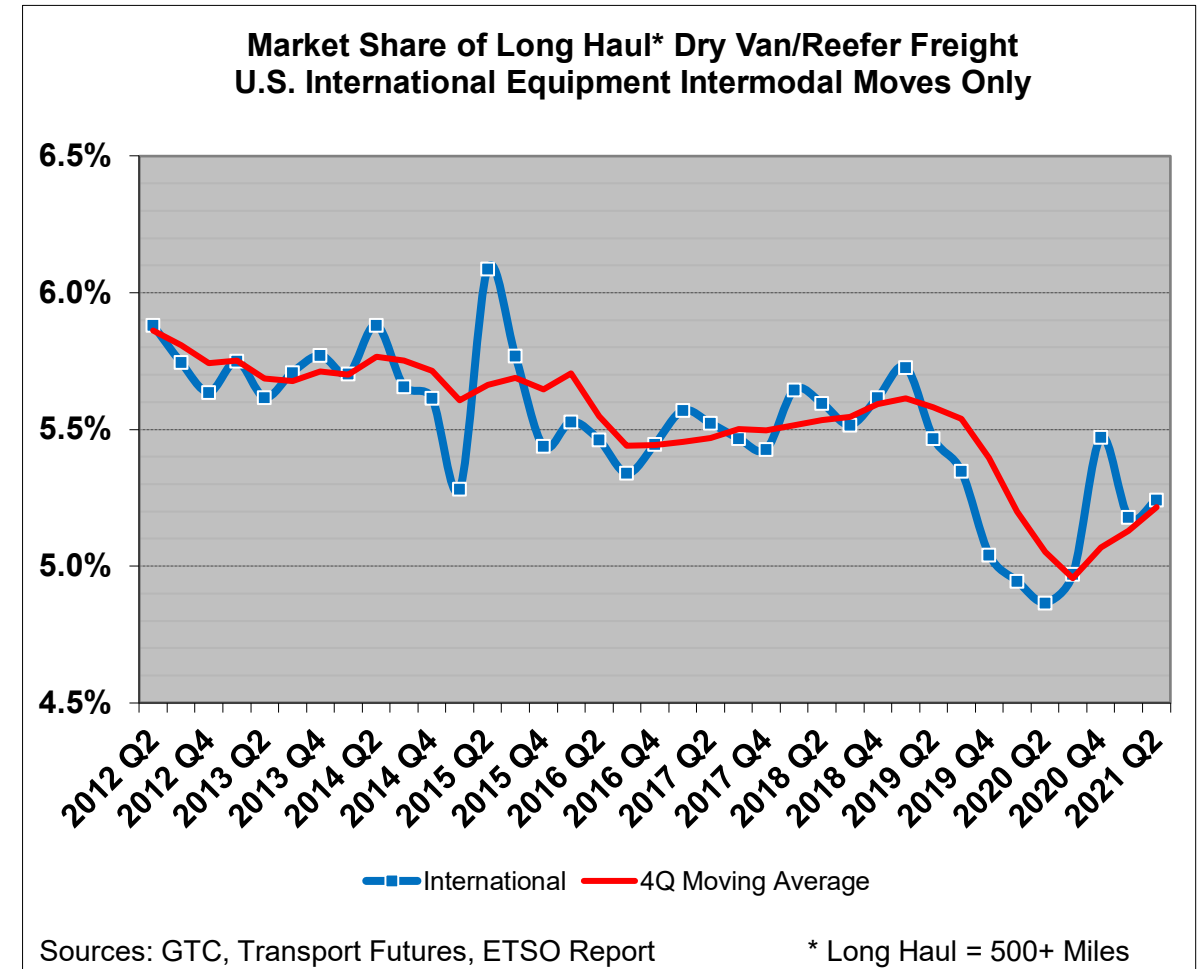
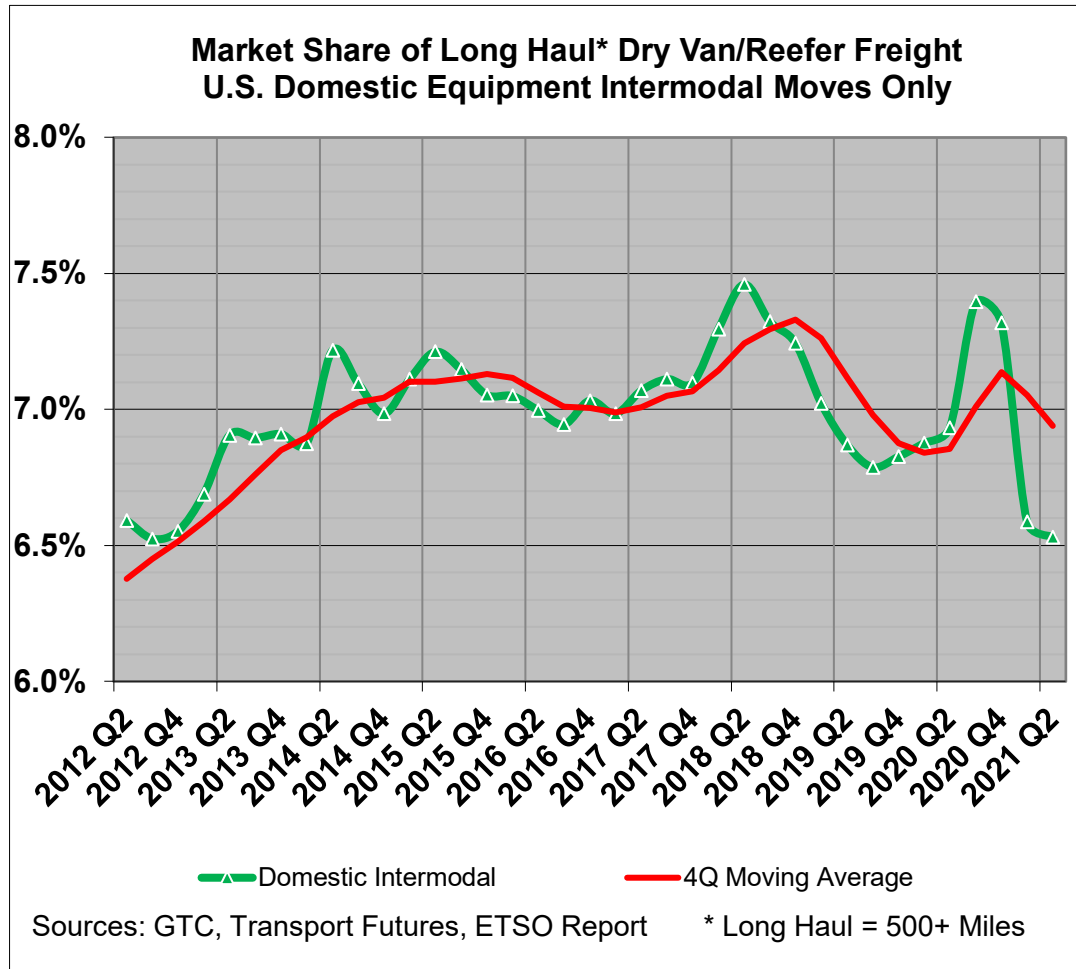


Source: Drayage.com, GTC Analysis

# *WHY IS ALL THIS HAPPENING?*

- When the pandemic hit, the intermodal sector battened down the hatches. The short recession and 2020 post-shutdown surge took all parties by surprise.
- Operations quickly fell behind. The resulting congestion began to sap capacity.
- This has happened many times before and generally the system doesn't recover until it gets a volume break. But there was no break this time.
- The result – continued spiral downward.

# WE HAVE REVISED OUR VIEW OF Q1 DOMESTIC SHARE DOWNWARD



# ***LOOKING FORWARD NEAR TERM***

- Without substantial improvement in throughput (unlikely) volume will fall substantially behind prior year as the peak season progresses.
- We will have a 2021 plateau rather than a peak.
- Recovery not likely until volume begins to subside in Q1 2022.
- Rate environment will continue to be very strong.

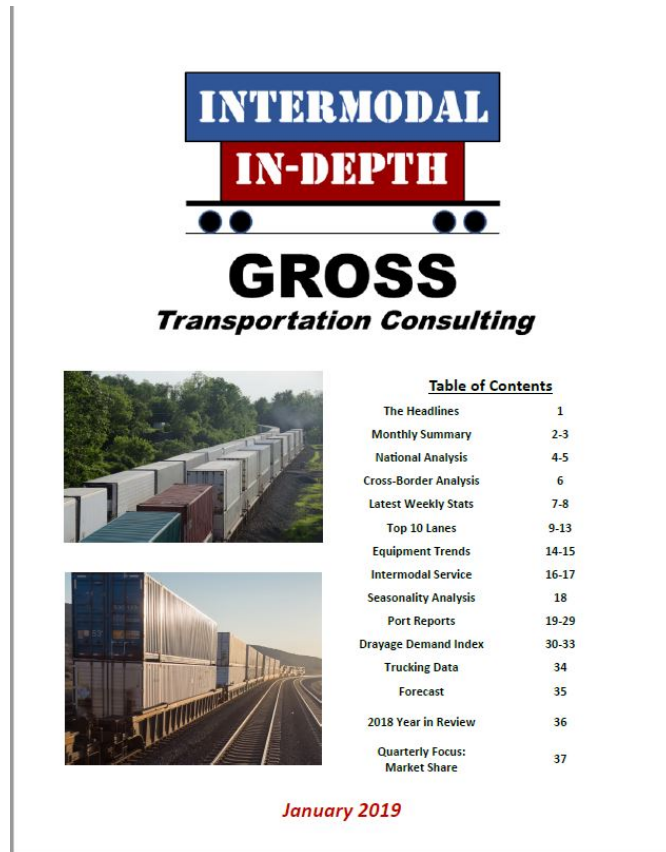
# ***LOOKING FORWARD NEXT YEAR***

- The current seemingly endless surge will end.
- Once network fluidity is restored, substantial capacity will be released, plus substantial additional private domestic capacity will come on stream.
- Trucking capacity utilization will loosen.
- Normal competitive conditions will resurface.
- Things will feel very, very different than they do now – perhaps closer to 2019 than 2021.

# ***LONG-TERM CONSIDERATIONS***

- Supply chain participants, including (especially?) intermodal are stretched with little/no surge capacity.
- Drive for efficiency and “right-sizing” has reduced resiliency and increased the fragility of the system
- “Just in time” is morphing into “just in case”
- Soft costs of out-sourcing are coming into sharper focus
- The days of import growth exceeding that of the goods portion of GDP are over
- Freight flows are becoming more dispersed and service requirements are accelerating
- All supply chain links, including intermodal, will need to change to meet the changing environment

# INTERMODAL IN DEPTH



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# *Thanks! Questions?*

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***INTERMODAL ANALYZED***



# Q&A

Enter your questions using  
the Q&A button



For more information about **IANA** data, including the  
*Volume Analyzer & ETSO Database*

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or e-mail us at: [info@intermodal.org](mailto:info@intermodal.org)

For more information about IANA or the  
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A decorative graphic at the bottom of the slide consisting of several concentric, curved lines in a light gray color, set against a dark gray background. The lines are curved and follow the bottom edge of the slide, creating a sense of depth and movement.



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