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COMmerce

RailRunner launches local base

Exports to Caribbean faster, less expensive

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Foskett

Northeast Indiana manufacturers looking to ship products to the Caribbean could soon have another option.

RailRunner N.A. Inc., an East Point, Ga.-based transportation company, plans to launch service between Fort Wayne and Jacksonville, Fla., on Thursday.

The RailReach service, which uses the patented RailRunner system, will give area manufacturers direct access to a port and could make container shipping faster and less expensive than existing options, said Charles Foskett, RailRunner's chief executive officer.

The secret is the RailRunner, a bogie-and-container-chassis system that allows a shipper to shift a container from road to rail and back without expensive cranes to lift the container from one carrier to another.

RailReach will use Fort Wayne-based Triple Crown Service Co.'s terminals locally and in Jacksonville to assemble and disassemble the RailRunners. The containers are transported on Norfolk Southern Corp.'s rail lines. Triple Crown and other freight handlers will handle pickup and delivery of containers at the Fort Wayne terminal.

Triple Crown, 2720 Dupont Commerce Court, a subsidiary of Norfolk Southern, employs about 250 companywide, including more than 200 in Fort Wayne. The company, which operates in the Midwest, the eastern and southern United States, and parts of Canada, reported 2003 annual revenues of nearly \$225 million.

Triple Crown said in January it will invest more than \$21 million as it doubles its Fort Wayne terminal and maintenance center and begins service in the Minneapolis area. The expansion, which is in the final stages, will create about 25 jobs, including 15 in Fort Wayne.

The RailReach business is expected to be less than 1 percent of Triple Crown's annual sales, said Dan Federspiel, Triple Crown's human resources director.

Financial terms of the arrangement between RailRunner and Triple Crown were not disclosed.

"For us it represents a test of new technologies and new markets," Federspiel said.

The RailReach service "helps us better utilize our terminals and employees" and helps lower overall fixed costs, he said.

Formed in 1998, privately held RailRunner employs six and has spent the past six years developing and testing the RailRunner system, which it plans to sell for about \$55,000 and \$60,000.

The basic components of the RailRunner system are a tractor-trailer chassis designed to hold a standardized container and a set of intermodal rail vehicles or bogies, which are sets of railroad wheels that fit under the chassis, front and back, transforming it into a rail vehicle.

Typically, a container is loaded onto the chassis from a ship or at a manufacturing center.

After the container is on the chassis, it can be hauled over the road like a traditional tractor-trailer rig or it can be fitted with bogies to move by rail.

RailRunner picked the Fort Wayne area for its inaugural service because it is a manufacturing hub and a source of exports.

And, in addition to Triple Crown having a Fort Wayne terminal, the market is underserved.

"Fort Wayne is not well-served by container intermodal services," Foskett said.

"If you are going to ship a container to Fort Wayne from any port, you have to ship it either by truck or you have to ship it by rail to Cincinnati or Chicago and then truck it from there."

The RailReach service is typically a day faster than shipping it to Cincinnati or Chicago by rail and then trucking it to Fort Wayne, according to Foskett.

It is less expensive, too.

The service is generally about 10 percent less expensive than trucking it from a port or using the Chicago or Cincinnati rail route, Foskett said.

The RailReach service can make sense for container shippers as far away as northern Michigan that are moving goods to the Florida or Caribbean markets and for manufacturers in the Southeast that want to reach the Indiana-Ohio-Michigan-Illinois container market cost-effectively, Foskett said in a statement.

RailReach also plans to ship horticultural and paper-goods products from the southeast United States to the Fort Wayne area, where they will be distributed to customers.

The company's first container shipping customer, Jacksonville-based Trailer Bridge Inc., transports containers on barges from Jacksonville to the Caribbean.

Trailer Bridge has customers across the United States, many in the Midwest, Foskett said.

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