



OnTrack
NorthAmerica

and



STRATEGIC RAIL
FINANCE

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The Inefficiencies of Competition: How Railroads and Collaboration Can Transform Supply Chains



The Problem with Competition and The Case for Collaboration

- Competition has become the overarching force in commerce and relations between counties, states, and regions
- Competition leads people to focus on individual gain and narrow parochial interests when we need to be thinking, acting, and investing in systems
- This impacts how people and organizations think, engage, and talk with each other
- This is no way to organize an infrastructure system
- We are suffering from the ongoingly increasing transactional costs of mistrust when trust is known to be a key accelerator of high-functioning economies
- It is time to shift from anti-trust to trust in commerce, governance, and investment

The Current Reality of Transport Planning

- Planners, economic developers, and businesspeople work in silos
- Public agencies adopt consultants' plans that are not actionable
- Ineffective plans fail to attract private-sector investors
- Disparate entities appeal to congressional delegation for funding without a systems approach
- Rail service has evolved to move freight through regions, not serve regions
- Nearly every region is logistically-challenged

What Does This Mean for Most Regions?

- Truck and rail services are not coordinated
- Local, direct, and short-haul rail service is dwindling
- Inland rail service to ports is inadequate
- Many rail lines have been abandoned
- Access to local and distant markets is fragmented
- Logistics shortcomings create barriers to investment
- Supply chains are proving to be fragile during national emergencies
- Neither the marketplace or government alone can advance regional supply chain strategies

How Has This Impacted Nevada?

- 83% of the rail activity is moving thru the state, not serving the state
- Only 4% of all freight is moving by rail to or from a Nevada business
- Only 1 warehouse out of 188 adjacent to a rail line uses rail
- Only .25% of all freight is moving by rail between Nevada businesses



Advancing an Alternative in Nevada: Collaborative Infrastructure Development

- Stakeholders throughout government, business, and the community came together
- Typical lengthy and often ignored planning process transformed into fast-paced action planning

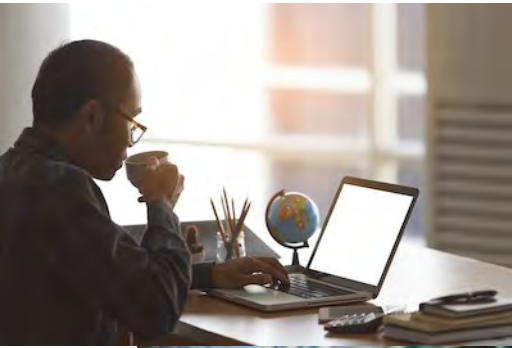


What is Unique About This Approach?

- Proactively interact with all relevant stakeholder groups
- Generates commercially-relevant action plans, not more studies and reports
- Aggregates individual business needs and opportunities into corridor and regional infrastructure plans
- Builds regional strategies for entire supply chains
- Integrates transportation, economic development, and land use, with private-sector investment

What Are the Benefits of This Approach?

- Improves supply chain efficiency and reliability
- Lowers environmental impacts of logistics
- Enables value-added processing, manufacturing, and recycling
- Expands market reach for shippers
- Appeals to private-sector infrastructure investors who favor well-conceived strategies
- Builds infrastructure that serves and is funded by the private sector



Tool for Collaboration:

IntelliConference

- Large-group, multi-stakeholder dialogue
- Online: No travel
- Asynchronous design accommodates participants' individual schedules
- Facilitation team synthesizes input, saving participants' time
- Methodology organizes input to optimize group's intelligence
- Emphasizes idea generation/ De-emphasizes vested interest and political posturing
- Seeking underwriting and development partners for the customized platform

Advancing Collaboration in Our Industry

- Uses IntelliConference methodology to gather industry professionals, government staff, and community members to think together
- Asks the most important questions for supply chain efficiency
- Leads to action-oriented thinking and solutions
- Find out more at Freightforum.org



and



Thank you.

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