

Improving Container Availability and Intermodal Activity in the Heartland

AUTHOR: Jason Bittner, National Center for Freight & Infrastructure Research and Education (CFIRE), Madison, WI, USA

SECONDARY AUTHOR: Tim Baird, Wisconsin Transportation Center, WI, USA

In the Midwest, containerized agricultural and other exporters face severe container equipment challenges, discouraging efficient use of the transportation system by reducing the feasibility of intermodal uses. The global recession of 2009 caused carriers to take vessels out of service, container manufacturers to shut down production, and container equipment to be stored. It is estimated that over 350,000 containers are currently out of service (Journal of Commerce, October 26, 2010). In 2010, exporters have faced container equipment shortages at inland locations and even at some ocean port locations. A serious look at the public policy levers for improving container availability in the Heartland is critical to meeting their needs, as well as the goals of the Obama Administration's National Export Initiative. This presentation describes the current state of affairs, identifies critical commodities and markets benefiting from increased container availability, and provides policy recommendations to improve the container availability in the Midwest. Some potential solutions to container shortages include a subsidized common-use container pool, storage depots, improved information exchanges, and establishment of public-private working groups on containers. The presentation will explore the benefits, costs, and barriers to these policy options. The presentation will look at the expansion of the Panama Canal as one potential disruption to the availability and positioning of containers in the Midwest, as well as examining existing barriers to the adoption of intermodal routes by new and growing exporters.