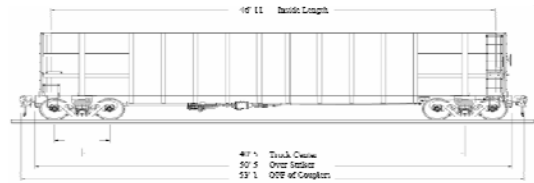
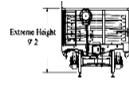
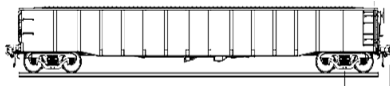


Better Equipment

Many shippers obtain their rail equipment from the railroad that serves them. During the time the cars are in the shippers possession they are charged a fee for demerge which fluctuates based on the time the cars is at the shippers facility. Many times the railroad does not have the correct railcar for the product the shipper is moving or the railroad is providing older equipment with lower tonnage capabilities. This can lead to a situation in which the customer is being under served and overcharged.

In the analysis below you will notice that though the cost of the car rental rate is higher than the average demerge rate, the overall costs per month is much lower due to a decreased number of trips and cars required.

Cost Analysis



Current Costs Analysis

Tons of product Moved	6000
Car Capacity (Cu Ft)	2525
Tons Per Car	70
Turns Per month	4
Average Demerge Per Car	\$ 213
Cost Per Trip	\$ 2,500
Total # of Shipments Required	86
Cars Needed	22

Projected Costs Analysis

Tons of product Moved	6000
Car Capacity (Cu Ft)	4000
Tons Per Car	95
Turns Per month	4
Rental Rate w/ Delivery	\$ 425
Cost Per Trip	\$ 2,500
Total # of Shipments Required	64
Cars Needed	16

Rail Movement Costs	\$ 215,000
Total Car Rental Cost	\$ 4,686
Total Cost Per Month	\$ 219,686

Rail Movement Costs	\$ 160,000
Total Car Rental Cost	\$ 6,800
Total Cost Per Month	\$ 166,800

Current Costs	\$ 219,686
Projected Costs	\$ 166,800
Projected Savings Per Month	\$ 52,886