



August 2020

Officers, Board of Directors announced

Congratulations to those elected via May's unanimous membership vote to the TDANA 2020-2021 officers and Board of Directors roles!

The officers will serve membership through the next annual meeting April 21-23 in Denver, after which the next slate of member-elected officials will preside. Directors assist in representing members in each North American region.

Those elected include:

Officers

- President: Dan Price, Savage Services
- 1st Vice President: Frank Prentiss, Superior Bulk Logistics
- 2nd Vice President: Randy Clifford, Ventura Transfer
- Treasurer: Keith Kirk, MetroWest Transload
- Secretary: David Clifford, Ventura Transfer

Directors

Directors

Region 1

David Clifford, Ventura Transfer Co.

States: CA, NV, ID, UT, OR, WA

Region 3

Keith Kirk, MetroWest Transload

States: TX, OK, NM, AZ, AR, LA

Region 5

Frank Prentiss, Superior Bulk Logistics

States: GA, NC, SC, MS, FL, TN, AL

Region 7

Jason Hodge, Precision Terminal Logistics

States: NY, NJ, RI, NH, VT, ME, CT

Region 10

Xavier Zermeño, Suministros Industriales

Potosinos

All Mexico states

Region 2

Walt Sanders, RMT Companies

States: CO, WY, MT, ND, SD, KS, NE

Region 4

Dan Price, Savage Services

States: IL, IA, MN, WI, MO, IN, MI

Region 6

Ryan Krull, Watco Companies

States: OH, KY, PA, WV, DE, MD

Regions 8 and 9

Randy Zulinick, Arrow Reload

All Canada provinces

At Large Directors

- Rob Robinson, JH Rose Logistics
- Bill Elmore, Arrow Reload

The Board also includes an Advisory Board of representatives of all of the Class 1 railroads and a number of short line railroads. Learn more about the Advisory Board by visiting the website.



New member optimistic, grateful for connection

Operating within the great railroad hub of the “Gateway to the West,” the Terminal Railroad Association of St. Louis (TRRA) boasts 120 years of safe, efficient switching service that continues to expand



Evolving energy poised for gradual rebound

Weighing the COVID-19 pandemic’s negative financial impacts on the energy industry, experts predict a slow recovery unfolding through third or fourth quarter of 2021

continues to expand.

The classification yard handles Class 1 carrier traffic headed in every direction. Hump operations separate the freight from one rail carrier, block it off and send it out on another railroad. Additionally, the company provides service to approximately 80 local industries, shuttle trains and transloaders, as well as various Mississippi River barges.

"We're more of a switching company than a transloading company," said Matt Whitney, director of business and industrial development. "We service any industry and allow transloaders to use our tracks."

He said commodities range from agriculture products to steel and plastics, and its most prominent customers include ADM, U.S. Steel and Cargill. TRRA delivers raw material to local industries and retrieves it once refined.

"Our location and connectivity to the Class 1 railroads benefit current and future customers," Whitney said. "We also have recently expanded our storage business."

The 21-year employee notes the company increased its storage capacity during 2019's fourth quarter to 15,000 feet. The in-demand new service sold even prior to its completion in early 2020 and is slated to continue expanding.

Whitney added that while the COVID-19 pandemic has posed some setbacks, TRRA has taken advantage of the lulled rail traffic to address projects enhancing safety and efficiency. Crews quickly replaced 9,400 ties on the main line and accelerated other back-end maintenance projects. They also have invested \$200 million to replace the Merchants Bridge so trains eventually will pass one another while traversing the Mississippi River.

"Sometimes these projects are challenging

2021.

"The market has been hit extremely hard," said David Raden, a senior consultant with [PLG Consulting](#). "The rebound to the new normal has slowly begun around the globe. It will be a lumpy restart though as COVID-19 cases are on the rise and people become more mobile when the economy starts to rebound."

Raden delivered some sobering statistics. Worldwide crude oil demand has decreased 15% since the fourth quarter in 2019, and OPEC production cuts of 9.7 MM bpd stand at unprecedented levels. The market will require time to restore inventory accumulated across the globe. And while U.S. natural gas prices remain stable, coal demand continues to decline.

Raden says gasoline and diesel fuel — signs of personal transportation and business activity resuming, respectively — will increase ahead of jet fuel, which is forecast to lag several years. Global GDP ended 2019 at 2.3 and is forecast at -4.0 for 2020 with a rebound in 2021 of 4.9. U.S. GDP mirrors and tracks the global GDP rebound.

"The entire energy complex, globally and in the U.S., has been affected by COVID-19 and the resulting recession," he said. "Crude oil, natural gas, coal, gasoline, diesel, jet fuel and to a lesser extent, electricity, have all seen decreases in supply and demand."

The consultant named several drivers for the current industry climate. These include a drop in global economic activity, oversupply and price decrease, and a fall in demand. Additionally, the pandemic only accelerated the steady decline of coal, which is being replaced by renewables and cheaper energy sources. LNG volumes have experienced decreases due to the recession and delayed or canceled projects.

While this unprecedented reality presents an unpredictable future, Raden offers some

Sometimes these projects are challenging during peak periods, so this is a silver lining,” he said. “We also have great resources and lean on Class I railroads in times like this. We feel optimistic and already have seen some markets ramp back up.”

Aside from its convenient location and accessibility to the river, TRRA largely credits its small size for its one-of-a-kind customer service. Whitney mentioned managers have transitioned through the ranks after switching and operating locomotives themselves. The 200-employee workforce excels in communicating with shippers, notifying them of any delays.

“Customers can call us anytime, and we take pride in always answering our phones,” he said. “We stay on a first-name basis with everyone and resolve problems quickly.”

Whitney acknowledges President Dan Price for assisting the company in the TDANA membership process. While collaborating on a transload project, he brought it to their attention. The association saw it as a way to market themselves more, diversify its clientele and sustain long-term business goals.

“Dan has been a great contact, and two of our customers are members,” he said. “We look forward to networking, attending annual meetings and also promoting our shippers.”

Whitney and his colleagues plan to increase their involvement through interacting with the online membership directory and possibly serving on the Board in the future.

For more information about Terminal Railroad Association of St. Louis' website or:



unpredictable future, Raden offers some possible scenarios for products most involved in the rail and trucking business. He expects a slow, short-term return for crude oil until basin pipelines are completed. Gasoline has begun to recover as locations emerge from lockdowns and will continue the upward trend assuming no second coronavirus spike. Diesel will follow suit at a slower pace. Unfortunately, no relief lies ahead for the declining coal market.

Raden also contemplates the challenges and possibilities these scenarios may present.

“Freight and trucking will gradually increase as the economy improves,” the industry expert said. “Most consultants forecast a recovery through the end of 2021 back to pre-recession levels.”

These events will largely depend on the recovery in China and the corresponding tariff negotiations. Another wild card is the effects of the upcoming U.S. presidential election on these tariffs and other economic sanctions.

Transloading and trucking businesses can expect chances to increase beginning in the fourth quarter of 2020 through the end of 2021. Raden urges them to prepare for risks associated with the following variables, such as no additional tariffs, whether or not more shutdowns occur, or the growing government debt creating a drag in public spending.

“While trends of the industry continue to evolve, the basis of safety, cost and customer service still prevails,” he said.



*PLG Consulting Senior Consultant
David Raden*



SIPSA joined TDANA in 2015 to learn best practices, network with other companies in the same business, and to belong to an organization representing similar terminals with authorities and stakeholders.

Longtime member SIPSA represents Mexico

As a service company operating multimodal terminals in Mexico's most dynamic region, SIPSA views its customers as the lifeblood of the organization.

"If we do not take care of them, someone else will," Managing Director Xavier Zermeño said of this guiding philosophy, which has helped usher the company to great success since it was formed in 1993.

Originally a trucking business, SIPSA took note when the United States, Canada and Mexico signed the 1994 NAFTA agreement. They knew this represented an incredible avenue to be part of the largest, most competitive market in the world.

When the Mexican railroad system was privatized two years later, SIPSA decided to participate in order to serve a customer that handled large volumes of plastic pellets, thus starting the service of transloading material from hopper car to hopper truck, super sacks or gaylords.

"We found a new, growing market for goods that were more efficiently transported by rail, while combining them with the advantages and flexibility of last- or first-mile deliveries," Zermeño said.

The six-year employee claimed diversifying its commodities and markets have significantly contributed to SIPSA's growth. The company splits its customer base between cross-docking operations, bulk liquid and solid transloads, as well as accessorial services such as tank car washing and cleaning, bagging and light manufacturing.

"We are proud to serve some of the most important players in their fields," Zermeño said. "These include large 'triple A' companies like GM, Toyota and Chemours as well as medium- to small-size companies that have been with us since we started to operate."

He noted how the company's hands-on approach to each load and the great group working to exceed customers' expectations make a big difference in a very competitive market. Investing in those members has resulted in one of the company's best decisions yet.

"Quality assurance policies and procedures that turn into certifications customers consistently request as well as safety remaining a core value are central to our long-term success and sustainability," Zermeño said. "Also, having state-of-the-art infrastructure and technology systems, as well as not hesitating to take risks when capital deployment is needed (after a thorough analysis of each project) have resulted in the great company we are today."

SIPSA joined TDANA in 2015 to learn best practices, network with other companies in the same business, and to belong to an organization representing similar terminals with authorities and stakeholders.

"We find value in networking with other members, and we have been able to actually do business with some of our North American counterparts," Zermeño said. "The interactive map is a great marketing tool, and the annual convention is a great place to meet professionals who could potentially help our business in the future."

During this challenging era spurred by the COVID-19 market downturn, SIPSA appreciates collaborating with other members on creative processes required for bringing volumes back to pre-pandemic levels. Zermeño acknowledged such collaboration involves customers and railroads, as well as with peer terminals in different geographical areas.

"We will need to share resources, implement new and different ways of doing things and learn to cope with uncertainty in this trying time," he said.

Zermeño has served on the TDANA Board representing the Mexico region for the past few years, an experience for which he expresses gratitude and one that has resulted in forming great friendships.

"We also have interacted with other TDANA members and have helped them to 'cross the border' to conduct business in our beautiful country," he said.

To learn more about SIPSA, see the following:

- SIPSA Website
- Email: xavier.zermeño@terminalsip.com



ATI helps revolutionize transloading industry

When Frank Marafino started a small Los Angeles-area business in 1995, he had no idea what the future held. The Advanced Technology Innovations (ATI) CEO now proudly touts the most established business of its kind.

The self-identified IT geek noted that he majored in computer science and acquired a Macintosh programming background. He created ATI as a custom software company, his third-ever occupational venture. The business welcomed custom applications for projects and took on systems others had discontinued. When a transloading company approached ATI needing technology assistance for its containers, the business expanded in unexpected and wonderful ways, Marafino said.

“Once that happened, we took on more transloading projects and realized we could provide something the industry really needs,” he said. “A lot of homegrown systems exist out there, but we specialize in creating software from the ground up to fit a customer’s specific situation. This helped us fit perfectly into our current niche.”

ATI provides transloading and trucking automation through consulting and application development, database management, systems integration, as well as network and hardware administration. The software can assist with processes such as revenue streaming, storage charges, inventory management and much more.

“We decided to make a generic package upon which we could expand and resell,” Marafino said. “That happened 10 years ago, and it's what we’ve done ever since.”

In 2011, he met a transloading professional who introduced him to TDANA, inviting him to promote ATI as a meeting vendor.

“He was interested in picking my brain about what we do, realizing he was used to less-than-ideal software that was a square peg in a round hole,” Marafino said. “That’s when he suggested we attend the conference.”

What began as curiosity transformed into a fulfilling decadelong membership experience. Through ATI’s involvement with TDANA, the company established a reputation for offering one-of-a-kind, unparalleled services. Clients extol the effectiveness of its Railcar Inventory Management System (R.I.M.S.) and exceptional customer service.

So what does Marafino attribute to the success?

“We can take any requirement from any business and translate it to automation,” he said.

“Whether transloading, break-bulk, cleaning, heating, inspection, merging or other operations,

we specialize in being intimately acquainted with every aspect of the industry, even more than some transloaders themselves. I also credit our diverse skill set and areas of expertise.”

ATI’s services assure accurate data and invoices, reduce time and effort, and help transloaders grow their businesses. Moreover, Marafino’s group excels in customer relations.

“When people call us, they will find a person nearly always answers the phone,” he said. “All of our accounts are important to us; and as a smaller company, it’s easy to demonstrate that. We treat everyone as if they are our only client.”

Discussing what he describes as “madness in the business,” Marafino noted that the industry poses seemingly endless requirements and measuring methods differing from shipper to shipper. Nonetheless, ATI customizes its software to each. No commodity has proven incompatible to its system.

“For us, the exception is the norm; and we manage all exceptions,” he said. “It makes for a robust solution that keeps us on our toes; but we’ve managed to pull it off.”

Marafino expresses gratitude for the customers who have exposed him to various needs, as well as recommended their services to help diversify their clientele and expand into various sub-niches within the industry. ATI continues to remain without debt and solvent as the company seeks ways to achieve above and beyond its present successes. He continues to learn more about the railroads and the dynamics they have with railroaders.

“We desire to positively impact their day-to-day work day with automation,” he said, noting that he hopes the incoming generation of professionals continue to embrace technology in the industry, especially in areas where it appears to lag behind. “I predict a technology renaissance for transloading in the coming years. We have to keep things moving forward and seek more connectivity between operations.”

For little to no cost, ATI offers distance e-training and a look at its system to assess its potential. Marafino invites companies to reach out and request a demonstration by completing the website’s questionnaire at www.transloadingsoftware.com. He looks forward to conducting business with everyone on a personal level, as well as continuing involvement with TDANA.

“Membership has been good for us,” he said. “I appreciate the experiences and meeting all those involved.”





TRANSLOADING TOP 10

Oregon Approves permit adding renewable diesel to Columbia River transloading facility

Major train cargo facility planned on former Skeena Cellulose mill site in Terrace

Transloading facility's footprint expands into park area planned for Market District

Ridgewood Infrastructure and Savage Joint Venture acquire Carolina Marine Terminal

SafeRack, Newson Gale joining forces to highlight grounding safety

ABQ promotes its trade zone advantages

Company looks to build transloading facility near Org

Petro customers recognize CSX TRANSFLO terminals for excellence

Port of Chehalis grain project clears milestone: First load of grain transferred into railcars at new transload facility

STG Logistics rebrands, organizes service offerings for extended outsource clients



North American freight-rail traffic highlights

From the AAR Aug. 7, 2020 Rail Time Indicators report

July's U.S. rail traffic overall, excluding coal, indicated a slow recovery from April's low point. Originated carloads totaled an average of 208,403 per week, down 17.6 percent from July 2019. This number marks the highest total since March, but by far the lowest July since prior to 1988.

Unfortunately, most commodity categories reported sobering decreases. On the bright side, intermodal traffic experienced its smallest decline since February 2019, averaging 259,192 cars per week at a 1.4-percent decrease. The total also measures reasonably close to pre-pandemic levels and far exceeds April's 3,290 weekly carload average.

Commodity groups posting decreases as compared to July 2019 include:

Agricultural and food products

-10,916 carloads

5.6%

Forest products

-2,866 carloads

5.9%

Nonmetallic minerals

-34,358 carloads

18.8%

Chemicals and petroleum

-19,971 carloads

9%

Metallic ores and metals

-39,083 carloads

34.2%

Other

-4,649 carloads

9.4%

Coal

-110,225 carloads

28.7%

Motor vehicles and parts

-269 carloads

0.4%

Commodities posting increases include:

Farm products
(exc. grain)

295 carloads

Food
carloads

475 carloads

Lumber and wood
products

258 carloads

8.3%

1.7%

1.6%

YTD through July 2020 compared with 2019:

U.S. total carloads were

Canadian carloads were

Mexican rail carloads were

1,266,725
carloads

or

16.2%

257,370
carloads

or

10.1%

63,783
carloads

or

9.9%

Intermodal carloads were

Intermodal carloads were

Intermodal carloads were

9.1%

or

751,100

carload decrease

6.7%

or

142,188

carload decrease

10.1%

or

53,348

carload decrease

Transload Distribution Association of North America

PO Box 198, LaFox, IL 60147

331-643-3369 | ed@tdana.com



Click if you wish to unsubscribe

Sent by Transload Distribution Association of North America | PO Box 198 LaFox, IL 60147

Sent to: "ed@tdana.com" | You are subscribed to "TDANA"

[Change your preferences / opt out](#)