

MEMORANDUM

CONRAIL



DATE ^{12/15} December 18, 1984

TO B. D. Wellmon
601, 1528 Walnut Street

FROM L. M. Kaye *LMK*
Costing
901, 6 PC

SUBJECT Proposed Croxton Container Terminal

PHONE

Per our phone conversation, attached are the projected volumes for the proposed Croxton container terminal. We are developing costs based on October 1985 volumes and we are assuming that the terminal would operate 8 hours daily, seven days per week. If you have any questions, please call me on Extension 4350.

LMK/mk
Attachment

*Policy explained
12/19/84
No terminal duties
lessees be full EDI
No cost for Train Consisting*

*Start a file
660, Croxton Container
Terminal*

SIZING CROXTON TERMINAL HANDLING REQUIREMENTS

Assumptions

- A new container handling facility is needed in North Jersey:
 - Relieve overloading at South Kearny
 - Improve service for double-stack trains
 - accommodate future traffic growth
- The best site for the proposed new terminal would be at Croxton Yard
- Traffic at the new terminal will be all mini-landbridge initially; however, in the future it may handle other double stack traffic, e.g., Import/Export
- Terminal design oriented toward handling double stack equipment

Traffic Base, by Customer

- Sea Land
 - One double-stack train per week of 55 platforms, 110 containers
 - Two to four blocks of 10-15 cars from South Kearny via regular TV trains
 - Inventory of containers on hand will average 250 (loaded and empty)
 - Most of this traffic is currently moving in conventional service
- Port of Seattle
 - Sixty 40' containers per week beginning May 1 (standard cars)
 - 200 - 40' containers per week by Oct. 1 probably on double stack
 - Part of this traffic is currently moving in conventional service
- PreCon
 - 100 - 40' containers per week
 - Start date during 3rd quarter, 1985

-- Part of this traffic is currently moving in conventional service

- Other MLB

-- Estimate of 25 - 40' containers moving on CR double stack or TTX standard cars per day each way, five days a week

-- Part of this traffic is currently moving in conventional service; also possible Maersk traffic diverted from Panama Canal

- APL

-- Present operation (one train/week) will continue at South Kearny

-- Possible expansion of APL operation by an additional train set (possible frequency 3 trains every two weeks) could require handling one train at Croxton

-- Present volume = 200 to 210 containers each direction per week

-- APL might be willing to move its existing South Kearny operation to Croxton, if Conrail could duplicate its existing facilities adjacent to the Conrail's Kearny Terminal (This would require 55-60 acres dedicated for parking, plus construction of a 200' x 2000' transfer building.) Such a relocation would make available most of APL's present property adjacent to South Kearny for Conrail facility expansion

Terminal Capacity Requirements

- The estimated volumes are shown on attached charts 1, 2, and 3. Charts 1 and 2 show inbound and outbound weekly volumes. Outbound volumes are slightly lower because some containers return west from other locations or by ship. By October 1, 1985, we estimate that the weekly lift volume will be slightly over 1000 for an annual volume of about 53,000 units.

- Chart 3 shows Marketing's estimate of inbound/outbound container handlings required (i.e., train or block arrivals/departures) on a weekly basis. This assumes seven-day-a-week operation on a first-cut basis; most likely with schedule adjustments, it will be possible to close the terminal one or two days with attendant cost savings. This translates to a peak requirement of 210 car spots without APL, or 265-55' spots with APL. A single APL train every other week would increase annual volume by 5400 units. This could vary with changes in arrival and departure times.

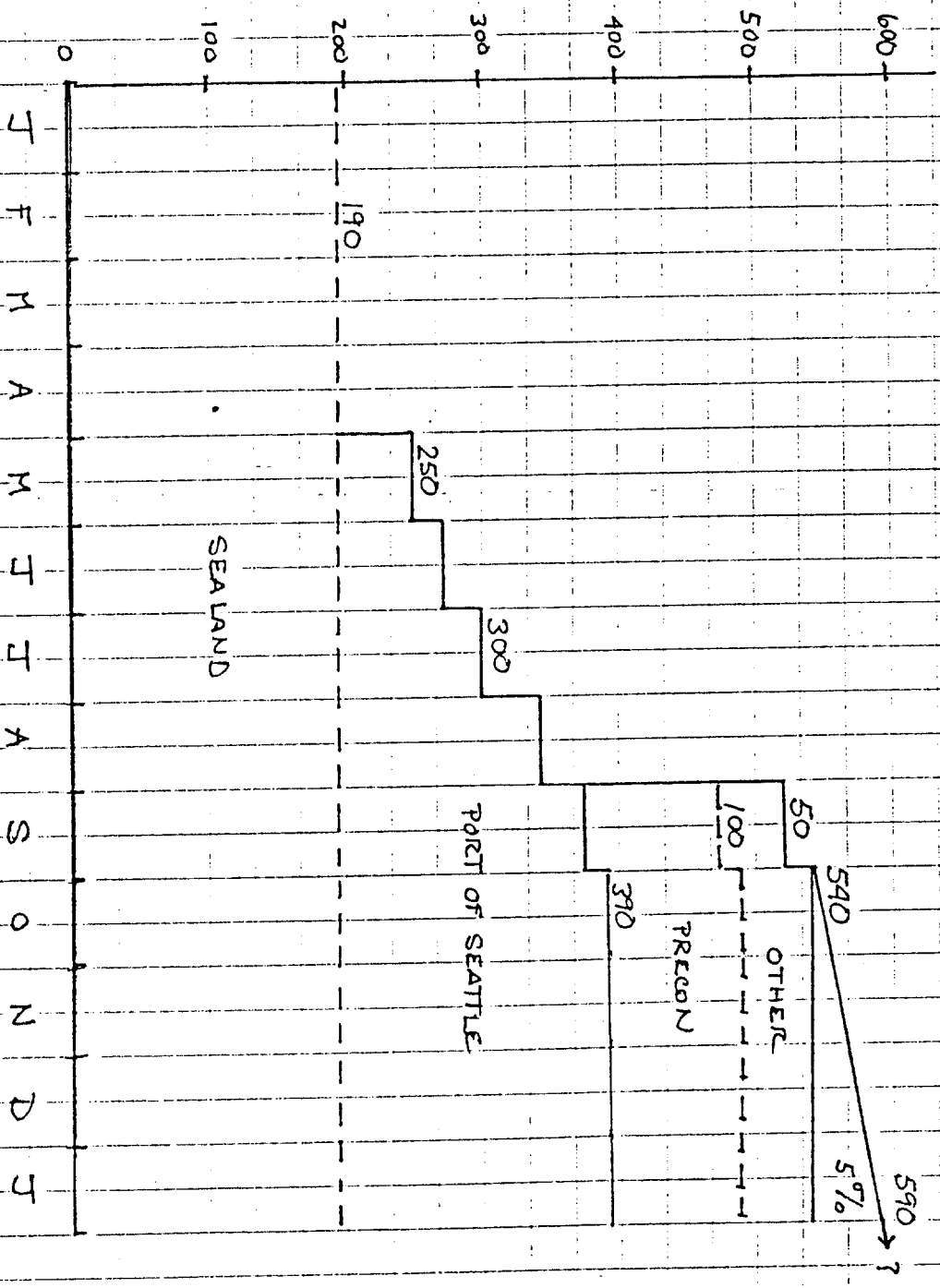
- The initial traffic levels through October 1, 1985 are estimated to be primarily diversion from traffic presently being handled at other terminals. After October, we estimate a 5% overall increase in volume attributable to new business. We have not attributed this growth to any specific shipper.
- Peak parking requirements based on these assumptions are estimated to be slightly over 560 container spaces (Chart 4). This does not include any space for chassis parking (estimated at four acres). The parking forecast assumes a continuation of current patterns with Sea Land, where the on hand inventory remains relatively constant at ±250 units regardless of inbound/outbound movement.
- We assume that the other inbound traffic will continue to move quickly out of the terminal after arrival, and that the majority of the outbound traffic will not arrive until relatively close to cut-off time, as at present.

Basis for Future Traffic Growth Estimate

- MLB traffic to Conrail's North Jersey terminals has grown rapidly during the past several years with the rapid expansion of imports from Asia. In recent months, there has been increasing concern in the U.S. about the trade imbalance problem and the impacts of a strong dollar. Increasing trade barriers and/or a weaker dollar would constrain future growth in imports. However, most forecasts do not anticipate a net decline in imports from Asia.
- Mini-Landbridge service is a relatively recent phenomenon, and much New York-bound traffic still moves by sea via the Panama Canal.
- Conversion of MLB service to double-stack equipment will reduce costs and improve service resulting in further diversion of traffic from the all-water route.
- The estimated 5 percent growth rate for MLB traffic to New York anticipates further diversions from Panama but no net growth in U.S. demand for merchandise from Asia.

CHART # 1

CROXTON
INBOUND CONTAINERS
AVERAGE PER WEEK



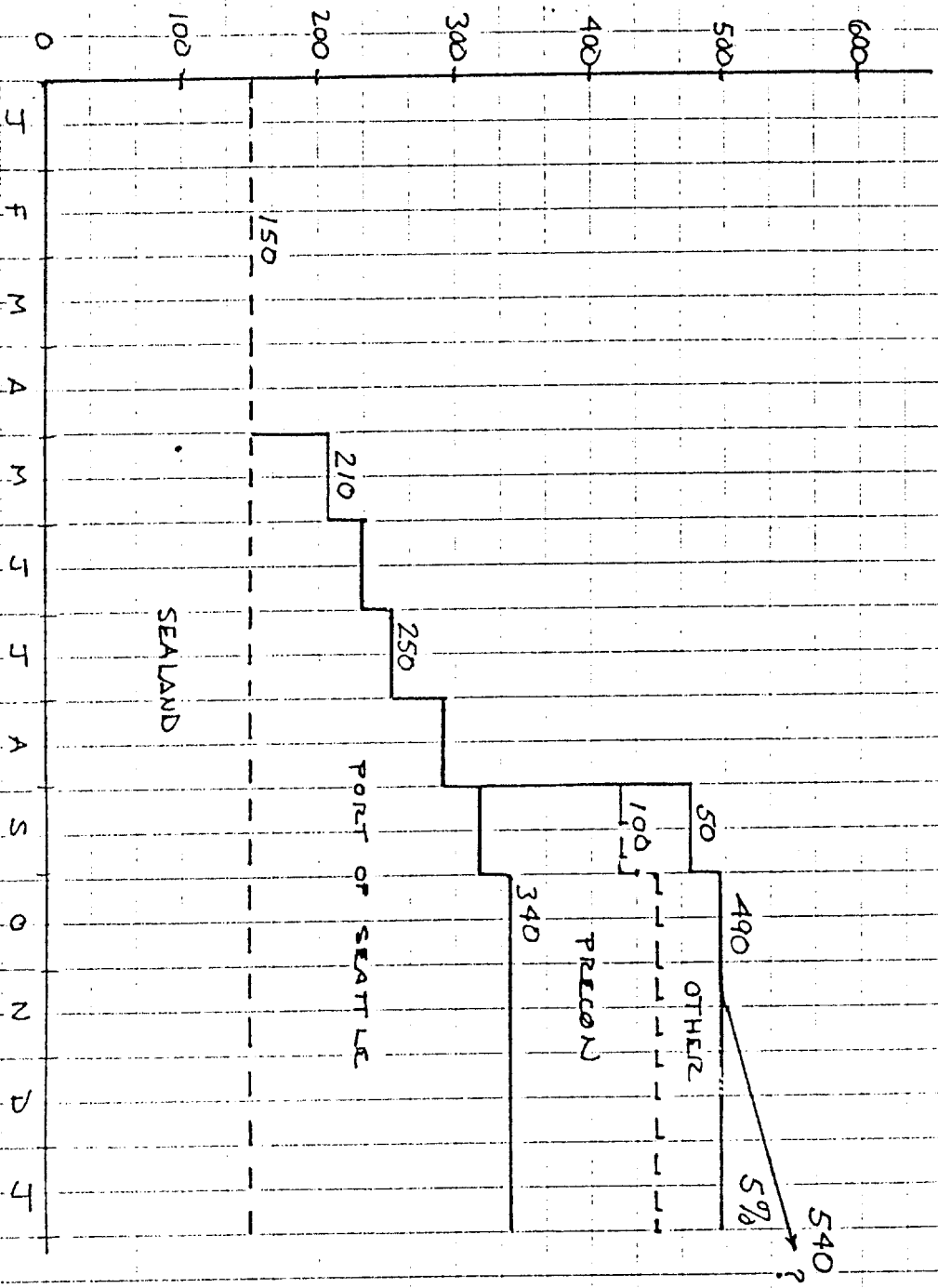
- MLB
- NO APL

HKTG
JED
29 Nov 84

CHART # 2

CROXTON
OUTBOUND CONTAINERS
AVERAGE PER WEEK

- MLR
- PRIMARILY EMPTY
- NO APL



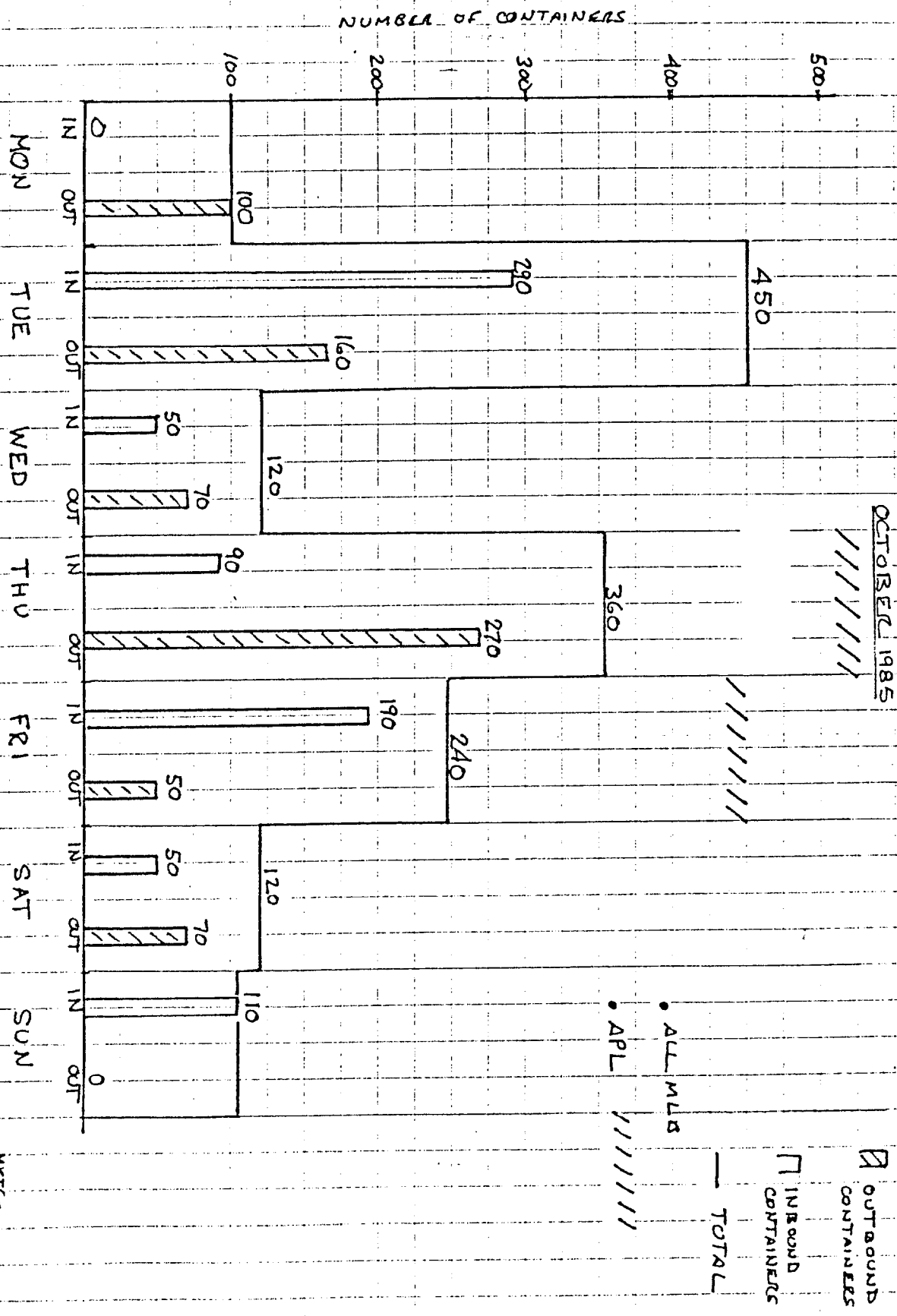
MTC-
JTD
29 NOV 84

CHART # 3

CROXTON
INBOUND/OUTBOUND CONTAINER HANDLINGS REQUIRED (LIFTON/OFF)

BY DAY OF WEEK

OCTOBER 1985



MKTG-
 JED
 28 NOV 84

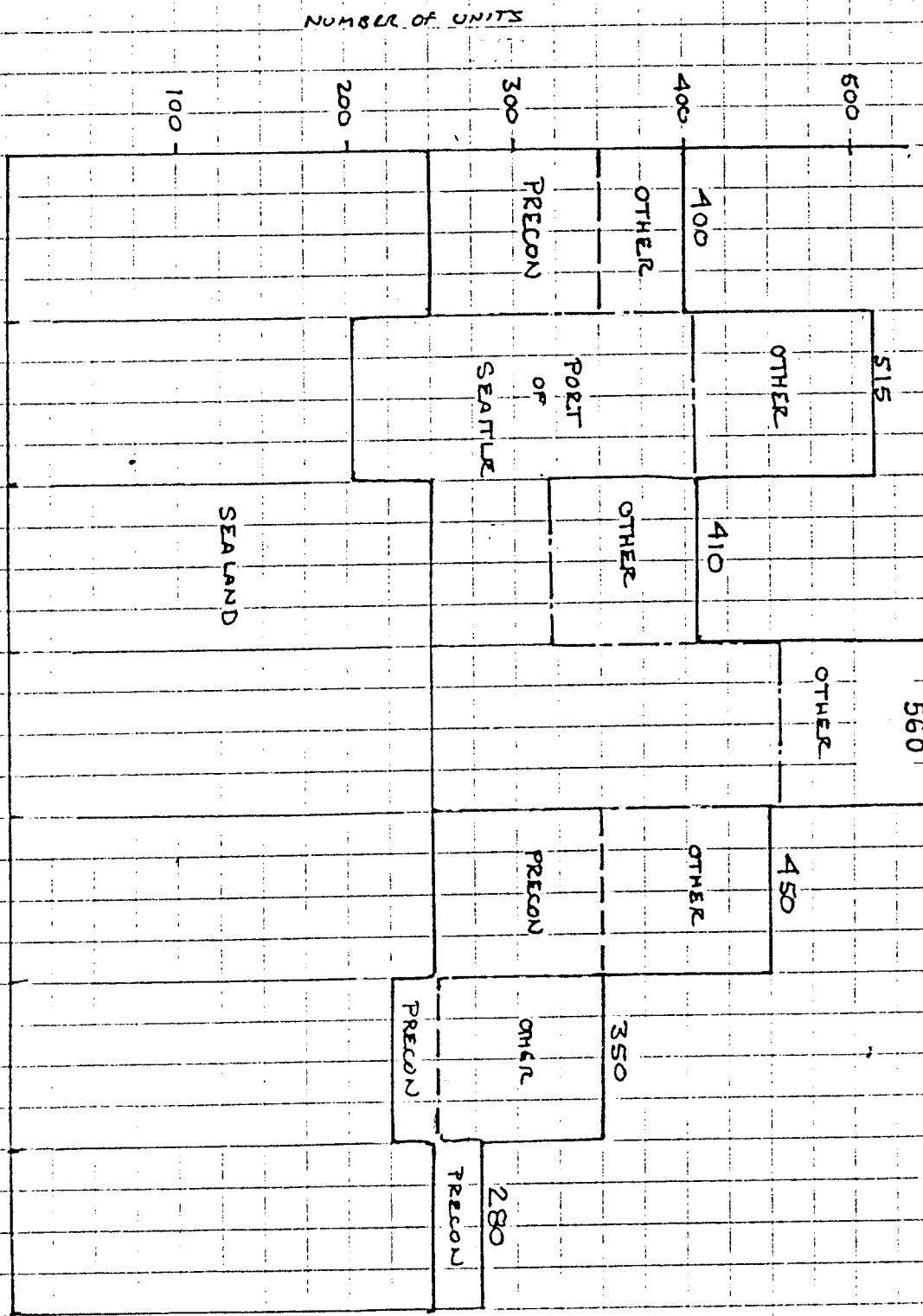
CHART # 4

GROXTON
CONTAINER PARKING- REQUIREMENTS
ON HAND BY DAY OF WEEK

BY TRAIN / SHIPPER

OCTOBER 1985

• ALL MLB



MKTG-
STD
LH 11/24