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## Many companies still using trucks

By VALERIE GIBBONS

Developer Richard Allen went to great lengths to build two San Joaquin Valley industrial parks next to railway lines, just in case a company wanted to use the line for its distribution.

In 15 years he hasn't had any takers.

It's not that the Allen Group's West Visalia and Shafter parks aren't thriving — they are — it's that the Central Valley's 300 mile-long span between the major urban centers of San Francisco, Sacramento and Los Angeles is too short to be an efficient use for rail.

"Using rail to go 200 miles is like using a semi-truck to go 100 feet; it's just not competitive," Allen said.

The Allen Group's MidState 99 Distribution Center in west Visalia has 2 million square feet of space, all occupied. Current tenants include VF Corporation, International Paper Company, JoAnn Stores, Coast Distribution Systems, Workflow One, Worms Way, Bound Tree Medical, ORS NASCO and DATS Trucking.

All of the companies use trucks to ship their goods.

The scene is much different at the Allen Group's other parks in Dallas and Kansas. There, major retailers are building towering warehouses and distribution hubs stretching millions of square feet simply because of the rail lines.

"They have to be there," he said. "Because if their center is 30 miles from the railway, they need to

load it onto a truck and ship it in — and that's inefficient."

But with the rise in fuel prices that business model may be changing — at least for bulk items such as lumber, steel, coal, sand and agricultural products.

Zoe Richmond, a spokeswoman for Union Pacific Railroad — which runs trains along the east side of Highway 99 — says traffic has been up nationally this year.

"Our commodity shipments have been up," she said. "But our other traditional customers who ship containers or cars have been down."

Union Pacific saw its profits rise 18 percent this year. Burlington Northern Santa Fe's profits from freight were up 16 percent.

It's a mixed blessing for Tulare County. While more companies are moving to rail to ship their goods through the Valley, the trains don't stop in Visalia. That leaves the vast majority of the area's imports and exports moving by truck.

### Truck emissions

Officials with the San Joaquin Valley Unified Air Pollution Control District said emissions from heavy- and medium-duty trucks account for 17 percent of the Valley's air pollution.

By 2020, daily truck traffic will grow from today's average of 18,760 trucks a day to 37,500 trucks a day, the air district said.

That pattern won't change any time soon for some east county businesses. Reliability and accountability issues have left many orange growers shipping their product by refrigerated truck.

"It's a perishable commodity and it's imperative that it get there quickly," said Bob Blakely, the director of grower services for California Citrus Mutual. Although oranges have a longer shelf life than a tomato or a peach, local orange growers switched from using rail to trucks once the modern highway system came of age. Today, growers can truck their products to anywhere within the country in a matter of days.

"It can make it there within the same time period by train but you never know when it's going to be parked on [a side track] somewhere for a week," he said. "The more time it spends in shipping, the higher the rate of decay. If railroads were more reliable that would be a big hurdle. Rail would be a lot more attractive."

One New York-based rail company is hoping to bridge that gap.

This June Railex, LLC, began building a 200,000-square-foot cold storage facility just off of Highway 99 in Delano. The company plans to ship agricultural commodities east on its own 55-car train to the company's warehouse in Rotterdam, N.Y. Railex plans to hire 300 people.

The company's literature says it will guarantee shipments to New York within five days.

Officials with Railex did return calls for comment by press time.

But it may take more than a one company's efforts to make rail a priority for local growers.

The problem: Blakely said even though many growers ship overseas to Asian markets, they still use trucks to get the oranges to the ports.

"The oranges can be in-route for up to 14 days but then again they have a higher tolerance for what's allowable in their products."

But even if more of those goods were to be shipped to California's ports by train, Allen said right now the railroads don't have the capacity to accommodate a whole new class of freight.

"The railroads are making money for the first time in 30 years," Allen said. "They're moving a lot more non-containerized goods."

"The problem is that it's not happening to and from Visalia."



Rail cars, left, await being coupled by an engine, right, on the San Joaquin Valley Railroad lines Thursday along Goshen Avenue on the west side of Visalia.

Truck traffic in the San Joaquin Valley accounts for:

- 87 percent of the goods shipped out of the Valley
- 81 percent of the goods shipped into the Valley
- 50 percent of all commodities shipments
- 24 percent of all of the traffic on Highway 99
- 30 percent of all of the traffic on Interstate 5

Source: San Joaquin Valley Unified Air Pollution Control District

- U.S. railroads originated 1,606,877 carloads of freight in July 2008, up 16,825 carloads (1.1%) from July 2007.

- Number of railroads: 24
- Shipped 7.5 million carloads of freight
- Food products: 9 percent
- Primary metal products: 5 percent
- Glass/stone: 5 percent
- Chemicals: 5 percent
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