No Rail? No Problem.

Case Study

OmniTRAX Develops Transload Solution That Reduces Customer's Transportation Costs and Production Facility Down Time

Location
Gadsden, AL

Key Features
- 5 railcar track
- Easy truck access
- Customized rail operating plan

CUSTOMER

- A manufacturing company that imports a specialized mineral that is processed in order to create a number of products that are used within the plastics, landscaping, agriculture and pet products industries.

CHALLENGE

- The customer set a strategic goal to optimize the logistics of the mineral that is sourced from the Caribbean and transported to its just-in-time production facility in Gadsden, AL.
- The raw material was being routed by rail from Port of Palm Beach, FL to a storage facility in Calera, AL.
- As raw materials were needed at the production facility, trucks were dispatched to make the 200 mile round trip.
- The long truck-haul negatively impacted production schedules, total transportation costs and the wear/tear on the customer's fleet of trucks and equipment.

SOLUTION

- OmniTRAX worked with the customer to establish a rail-to-truck transload facility approximately 5 miles from the customer's production facility.
- Through its short line railroad, Alabama and Tennessee River Railway (ATN), and partnership with CSX, OmniTRAX offered a more efficient rail solution for routing the raw materials from Port of Palm Beach on CSX to the ATN.
- The ATN developed a rail operating plan that would serve the OmniTRAX Transload facility in Gadsden enabling the customer to more effectively manage the just-in-time delivery of raw materials to its facility.

RESULT

- Approximately 160 railcars of product are expected in the first year of operation with volumes expected to grow year over year.
- Truck transit time has been reduced by 5 hours.
- Production down time associated with inventory shortages has been mitigated.
- Transportation costs of the minerals to the production facility have been significantly reduced.