

ASLRRA 2015 Marketing Awards Competition
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The Heart of Georgia and Cordele Intermodal Services

Railroad History:

The Heart of Georgia (HOG), a 219-mile Class III railroad stretching from Preston, GA to Vidalia GA, has proven, yet again, to be the railroad “that could”. The rail line was constructed between 1884 and 1897 with operations commencing in 1888. The East-West railroad connected Savannah, GA; Americus, GA; and Montgomery, AL, giving it its name, SAM Railway (SAMRY). The railroad changed hands from the Georgia & Alabama Railroad, to the Seaboard Airline, then to CSX. Eventually, the railroad was sold off in bits and pieces while other parts were simply left and forgotten. Grass and trees began to cover the once employed tracks that carried passengers and commodities across the great state of Georgia.

New Opportunities:

By the late nineteen nineties, Brad Lafevers and Duane Broxterman saw great potential in the only true East-West railroad that terminated in Savannah, Georgia. The Georgia Department of Transportation (GDOT) was presented with the opportunities the rail line possessed for economic growth and job creation, and they agreed the line should be preserved and rehabilitated. GDOT purchased the railroad and funds were secured to make necessary repairs for the line to be operable. Lafevers and Broxterman created the Heart of Georgia Railroad to operate the 219-mile central section of the original SAM, between Preston and Vidalia, GA.

Over the past 15 years, each customer the Heart of Georgia acquired has been a success story in itself. Many of the companies that were located on the original track had long since left, switched to all truck moves, or drastically reduced in size. Each customer has come with its own set of challenges that the Heart of Georgia has met and overcome through the years. The Heart of Georgia has grown its revenue carloads by over 250 percent between its startup in 2000 to 2014.

Marketing Award Project:

HOG has participated in many great projects and partnerships in its 15 year history, but the one that has the biggest economic impact potential is the creation of a rail served inland port that connects Southwest Georgia to the Port of Savannah.

It took several years to demonstrate to the Georgia Ports Authority that the project truly had merit, but with final buy in of GPA, the project was ready to move forward.

There were additional hurdles that had to be cleared for the project to commence. The Georgia Central Railroad (GC), a Genesee & Wyoming property that operates the eastern end of the line between Vidalia and Savannah, would need to participate in the intermodal move. This meant that GC would need to make schedule changes and add additional assets. HOG and the GC worked to develop joint schedules that created an interchange in Vidalia allowing the two railroads to exchange trains from Savannah and Cordele. After extensive negotiations, CSX agreed to make the final pull of CIS traffic from and to the port dock. With the Georgia Ports Authority and all three railroads on board, the project was ready to launch.

The concept for a rail-served inland port connecting the Georgia Ports Authority to Southwest Georgia is more than 10 years old, and one that has taken diligence, tenacity, constant marketing, and a little luck. Lafevers and Broxterman knew that there was a limited amount of business that existed on the tracks connecting the smallest of the South Georgia dots. However, the amount of freight passing through the GPA gates that originates or terminates in southwest Georgia is substantial. When one considers the increased traffic expected to accompany the imminent deepening of the port, CIS becomes a beneficial outlet to move more traffic to and from the port by rail. With input and cooperation from the Georgia Ports Authority, the Georgia Central Railroad, CSX, Georgia Department of Transportation, community leaders, and everyone in between, this idea just may work-and work it has!

Lafevers incorporated a separate company, Cordele Intermodal Services, in 2010 to operate the rail ramp and trucking company that feeds it, as well as nurture the relationships with the port, steamship lines, shippers, and railroads. The company has experienced tremendous growth since inception. CIS railed 18 containers in 2011; 1,400 containers in 2012; 3,500 containers in 2013; and close to 5,000 containers in 2014. The exponential growth the railroad and Cordele Intermodal Services has experienced is only expected to increase in the years to come.

Lafevers chose Cordele, GA as the location for the inland port for several reasons. Cordele is served by HOG, CSX, and NS, creating many future opportunities for intermodal operations. The town is also located at the intersection of I-75 - a major North-South corridor - and two major state Highways. Cordele is located in the very epicenter of agricultural production in the southeast. It is one of the largest export regions in Georgia, with most of those exports moving through Savannah. The

export market already exists, and the effort to gain efficiency and create the greatest economic impact for the region will be to create an import market to balance the moves against existing exports.

Locating close to the CIS terminal will provide businesses that need reliable port access, such as manufacturing and distribution centers, many advantages over locating in congested metropolitan areas. Land is readily available, a workforce exists to be trained into many of these jobs, and access by road and rail is abundant and not constrained. Also, because Cordele is also located in a financially disparaged region, the state offers major tax incentives to encourage industry to locate and create new jobs. All of these reasons made Cordele, GA the perfect location to set his ideas into motion.

The potential for future growth to the railroad, CIS, Cordele, and South Georgia is tremendous, and has been recognized on a state, national, and international level. Tens of thousands of export containers originate in the CIS target market. As mentioned, the challenge is to find import containers to match the great number of available exports.

The first two import customers were secured in 2014, beginning the balance of freight. CIS is going through final due diligence with a significant importer that could potentially double the container count for 2015. Both the Heart of Georgia and Georgia Central railroads have ramped up their crews and locomotive power to handle the forthcoming freight volumes. Increased traffic on the line has already improved service from a two times weekly, 48-hour service to a three times weekly 24-hour service. With a modest increase in volume, the company will require daily service from the railroads. Cordele Intermodal Services estimates that the need for daily service will be required within one to two years.

In addition to all of the potential for import and export freight over the Heart of Georgia, CIS is constructing a 6500-foot double track rail spur that will connect the Heart of Georgia with the CSX mainline in Cordele. This connectivity not only increases the length of the current interchange track, but also introduces the potential for Cordele to once again serve as a domestic intermodal ramp. Market studies indicate that several large shippers have located in the area since the old Cordele ramp discontinued its service. If domestic intermodal becomes a reality out of Cordele, the economic impact that the Heart of Georgia and Cordele Intermodal Services create will have tremendous economic impact on the region.

By creating a rail served inland port in rural South Georgia, the Heart of Georgia has already spawned a successful company that has added careers, economic stimulus to the city and county, and increased volume over the Heart of Georgia and Georgia Central railroad. Logisticians around the country and around the world are monitoring the progress of the newly created inland port, and it is expected to be emulated in the years to come.

