Lake States Shippers Association
A Classic Co-op Shippers Association

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Great Lakes Forests Region – Forest Products and Freight Rail
Why Consider a Classic Co-op Shippers Association?

What Is a Classic Co-op Shippers Association?

A "classic co-op shippers association" is, generically, a shipper cooperative. It purpose is to consolidate or coordinate freight on behalf of its members to attain transportation efficiencies and enhanced competitiveness not otherwise available in the marketplace.

Founded in 1934, Wisconsin Paper Group ("WPG") is such a shippers association, principally serving Wisconsin and Upper Michigan. Today, WPG consolidates LTL (less truckload) shipments into truckloads and pool truck distributions services for paper, paper products and a wide range of other products. In its earlier days, WPG consolidated its members LCL (less carload) shipments into carloads.

Picture below is WPG at work, March 2, 1953, having arranged transportation of 32 carloads of its members' freight, across lake Michigan, on the maiden voyage of the S.S. Badger. That is what a shippers association does.

What Can a Classic Co-op Shippers Association Do?

For lack of a better name, let's call it Great Lakes Freight Rail, Inc. ("GLFRail"), a not-for-profit membership entity, operating under appropriate antitrust compliance guidelines.

What are the kinds of thing GLFRail can do – either directly or by contracting through other parties – to promote achieving the benefits and goal of sustainable volumes and competitive rates and service for CN/WC lighter density lines and improved competitiveness of GLFRegion forest products industries, generally?

1. Provide an antitrust safe habor for GLFRail activities. No business review letter required.

2. On a confidential basis, provide a platform for aggregating member freight in real time and, as actionable data, for negotiating rail and truck rates and services, that share productivity gains and share of savings with GLFRail members and/or directly shipment-by-shipment.

3. Provide for negotiation of operating agreements and management of public-private and/or publicly funded and owned (*e.g.*, Northwoods Rail Transit Commission) log cars and other rolling stock and ancillary rail facilities.

4. Provide aggregated data and other support to GLFRail members for benchmarking purposes and for public education and policy maker decision making for transportation infrastructure investments.

5. Provide logistics support, incuding rate and service incentives, advance planning and real-time, to promote sycronized log harvesting in proximity to select rail landings and log car utilization from yards for logs not subject to time sensitivities (*e.g.*, dispersed storage of logs for purpose of aging) to optimize log car utilization and, as feasible, cope with seasonality.

6. Engage with Class I connections, CN and CSX, to identify rate and service perameters for intermodal containers (*e.g.*, through CSX's Northwest Ohio hub) and establishing foundational Local Intermodal Network Connections.

7. Open associate membership status to non-shipper stakeholders, *e.g.*, including transportation providers and other vendors.

This list is not exhasutive and, for the most part, consists of options for consideration. GLFRail would require seed money for recruiting and developing consensus among founding members (*i.e.*, incorporators) and significant start-up working capital with the venture to go forward. A shipper association is for generating and sustaining long, not short, term solutions.