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MATERIALS AND LOGISTICS DEPARTMENT

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File: A-Titanium Dioxide

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B-10266

TITANIUM DIOXIDE BAGS
DE LISLE, MS TO HOUSTON, TX

Freight analysis for palletized TiO2 bag shipments from DeLisle, MS to Cron Chemical, Houston, TX, is as follows:

Mode	Equivalent Present Rates	Proposed Rate
Rail (ICG-ATSF)	$2.48 cwt/40M	$1.99 - $2.21 cwt/80M
Truck (Builders Transp)	1.34 cwt/40M	1.34 cwt/40M ($1.05 cwt continuous move)
	1.07 cwt/50M	1.07 cwt/50M ($.84 cwt continuous move)

The rail projection is based on lowest regional rates for similar rail movements. Of course, any rail rate negotiations would attempt to meet these competitive truck rates.

The truck rate levels were based on existing RTC one-way and continuous movement data. If continuous moves would be constructed for all DeLisle-Houston shipments, transportation cost could be as low as $.84 cwt - 50M#. However, since the RTC overall continuous move success percentage is 50%, it is estimated that average RTC truck costs would be $.95 cwt - 50M or slightly less.

ITOFCA rate schedules were examined as an alternative, but were higher than the existing truck rate levels and would afford no price advantage.

Please advise me when to pursue rail rate negotiations.

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CFJ/mjh