



Tealinc Touchbase Clips May 2020

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Thank you for your business!
We really appreciate the opportunity

General Rumblings

Social distancing may become the new normal. Here in southeastern Montana, we've been complying with social distancing for decades. When it's 100-mile round trip to a McDonalds and your nearest neighbor is a mile away, that qualifies as social distancing!

We're also seeing social distancing in getting railcars inspected. Many storage yards and customer sites don't want outside visitors at this time, for good reason. It certainly makes it more challenging to do service railcar lease inspections and out of service returns; we've been somewhat successful utilizing our detailed inspection process with local railroad or industry site inspectors, getting all the information we need to make an informed decision. If you're experiencing the same, let us know. I'm

New Website

Tealinc has a new, more informative website. We invite you to tour www.tealinc.com and let us know what you think. In fact, to encourage visitor interaction, we are throwing a raffle and will be awarding 18 prizes to include \$25 to \$250 Visa gift cards and a Tealinc Swag Bag! Anyone who signs up through our new [Contact Us](#) page will be entered into a raffle and 18 winners will be selected at random on May 15, 2020.



Our new website makes it easier for our current and future customers to find railcars and market surplus railcars they may have for sale or lease. Our website is not inclusive of all the railcars we have available, but it does have a good representation of current supply. Please ask if you don't see what you're looking for. Given the downturn in rail traffic, many private railcar owners are finding themselves to be surplus assets. If you're looking to divest railcars, it's free to advertise them with an exclusive marketing agreement with Tealinc. We don't get paid unless we place your railcars, so it's pretty risk free. We have a database of around 40,000 contacts that we have a dedicated person keeping current and our industry reach is healthy.

curious to see what others are doing. –Darell Luther, CEO



DTN Washington Insider

DTN published an interesting newsletter on April 16th. It leads with the projected loss of \$13.6 billion by the cattle industry due to the COVID-19 situation. Expect the cost of red meat to increase as supply builds and packing plants reduce workforce. There's also a piece on USDA assistance to the sugar industry, which was devastated by weather late last year. USDA is incenting importation of Mexican sugar to fill the supply gap. The newsletter ends with an article on the New Fed Monetary Efforts by the Federal Reserve board and its proposed actions to counter the impacts of COVID-19. The measures of action are in the trillions of dollars and counting. It certainly is a commitment to try and balance the economic health of our country.

April Oil Futures Trading Below \$0.00/barrel

The continued tiff between OPEC and Russia has really made an impact on the futures price of oil. Recently, oil traded south of -\$30/barrel on the futures market. Now that's not the cash market, but it is reflective of the downturn in the cash market. The real issue is that there's not enough storage to capture all the excess crude due to the oversupply by Russia and OPEC, so the market is telling the suppliers "We don't want your supply." If you haven't settled your April contracts yet, you're getting into delivery stage, and no one has any more storage for the near term. An interesting blog is provided by [RBN Energy](#).



Association of American Railroads Traffic Levels. As business drops off, railcar loadings continue to slide. The week of April 15th, carload and intermodal business was down some 21.9% compared to the same week last year. The trend is reflective of business shutdowns and output reductions. For a complete review, visit the [AAR site](#).

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Surface Transportation Board

Buried in the STB's website is a great tool that determines revenue to variable costs of moving rail traffic from various origins to various destinations. This information is useful in determining the reasonableness of rail transportation shippers rail rates when compared to the revenue to variable cost of the move. It's called the Uniform Rail Costing Systems ([URCS](#)). It was developed in 1938 by the Interstate Commerce Commission (a predecessor to the STB) to provide a means to cost rail transportation. It has since been upgraded and refined to better reflect cost changes in the industry. URCS guides the STB in maximum rate reasonableness cases and shipper relief; determining costs in abandonment procedures; providing a universal standardized cost system across the railroad and shipping community; and giving interested parties basic rail cost information. Consider it another important tool in your transportation bucket!



[Railcars for Sale or Lease.](#)

Visit our new website for a snapshot of our inventory!

Managing the Onboarding Process

Our business manages the process of bringing private railcars into service — otherwise called onboarding. It can be a daunting task if you've never done it before. When you lease or purchase railcars, there are a series of steps required to onboard those assets. These steps assure compliance with Association of American Railroads (AAR), Federal Railway Administration (FRA) and, if in Canada, Transport Canada (TC) rules and regulations. To help guide you through the process, I'll describe a simplified version of the steps: register a new railcar mark; apply for OT-57; register your railcars in UMLER; manage the retag and restencil program; file a recordation with the STB; and manage the railcars into service to the loading location. To learn more, request [an informational brochure](#) or call Shannon Rodgers at (814) 631-9277.

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