

Carbon Footprint Accounting in Logistics

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- Why?
 - Green image
 - Innovations to drive economical benefits
 - Proactive to future mandates
 - Wal-Mart's eco labels
- Large logistics services provider
 - A year ago a handful of requests for footprint
 - Now more than a hundred



Shippers Want to Know Carbon Footprint

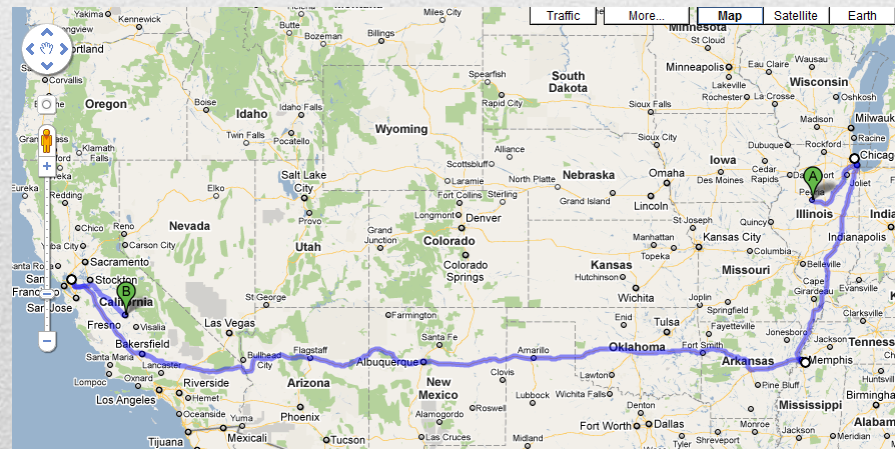
- Still many shippers and carriers have no initiatives
- Different in EU
 - Regulations require trade-off
 - Proctor & Gamble
 - Switch from truck to rail in Western Europe
 - From 10% rail to 30% rail
 - Ship on Amazon river instead of trucking south
 - 40% longer lead time, but 60% lower emissions
 - AAA supply chains can eat up longer lead time
 - Agile, adaptable, aligned

Not so Fast

- Challenges
 - Data
 - Collection
 - Transparency
 - Quality
 - Processes
 - Not in place
 - Find the source, pick up the phone

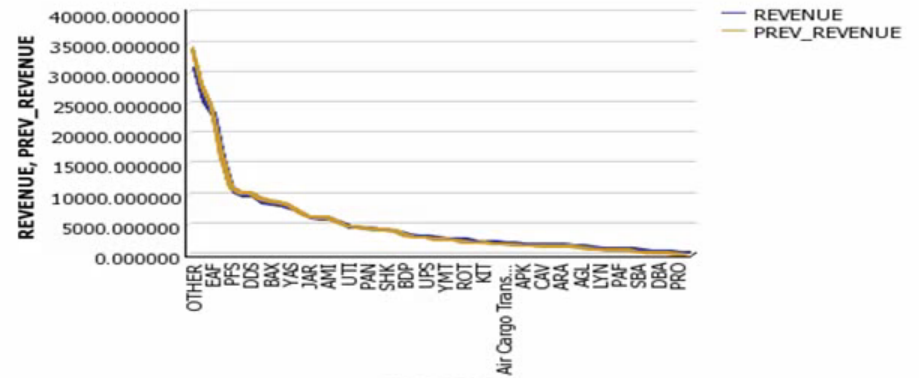
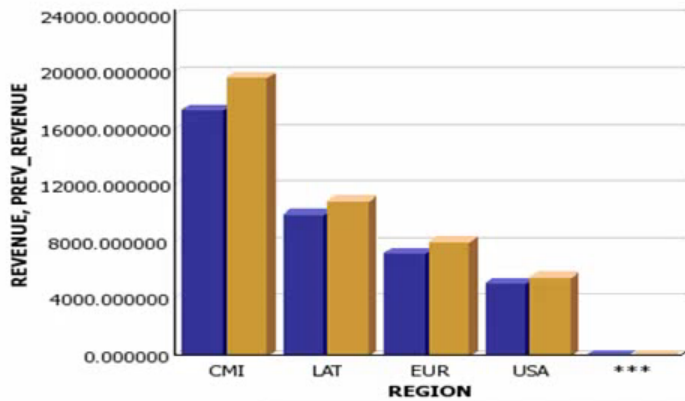
Challenges in Carbon Footprint Accounting

- Two parcel carriers – direct competitors
 - Internally developed allocation schemes
 - No alignment
- Need for guidance
- What is the carbon footprint of a package from Peoria, IL to Fresno, CA?



Allocations

Customer Trend



REVENUE		2008 Q 1	2008 Q 2	2008 Q 3	2008 Q 4
USA	DBA	624.145952	594.482937	600.763889	530.317698
	DGF	6805.279091	5057.248061	4298.667030	4357.835273
	AGL	3734.856000	1613.392500	1241.187000	1528.940333
	AIT	1547.793519	940.467654	799.889259	1039.068086
	BAX	7509.114375	6721.625208	7753.307014	7611.398958
	CVA	3946.002703	3821.971667	3730.736036	3184.296982
	DDS	10775.115000	13611.963333	12035.503333	9355.536667
	ABL	1118.513636	466.910909	505.081515	576.507273
	CAV	1475.431250	1869.993750	1637.286667	2035.707083
	CTS	4202.130000	5883.536667	13590.308333	11711.863333

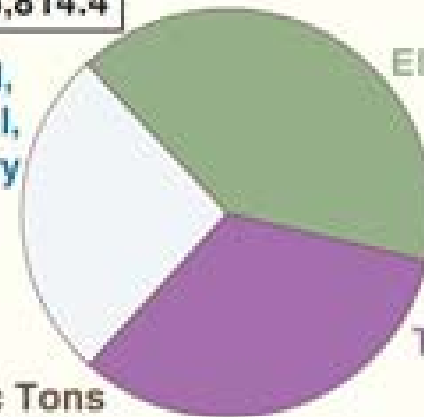
Drill-Down/Up

- One third of total emissions in the US coming from transportation

Figure 3. U.S. Energy-Related Carbon Dioxide Emissions by End-Use Sector, 2008

2008 Total = 5,814.4

Residential,
Commercial,
and Industry
1,530.0
(26.3%)



Electric Power
2,359.1
(40.6%)

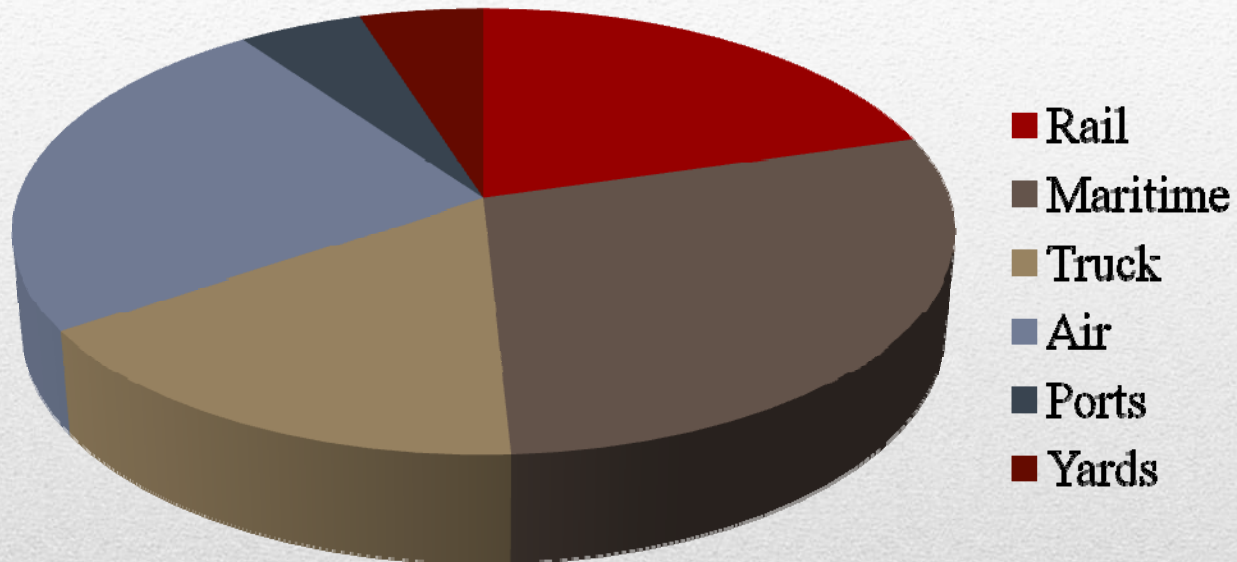
Transportation
1,925.3
(33.1%)

(Million Metric Tons
Carbon Dioxide
Equivalent)

Source: EIA estimates.

Different Perspective

Intermodal Breakdown



Emission in Intermodal

- Region
- State
- Corridor
- Industry
- Operation



Slice it and Dice it

- Intermodal investment decision based on
 - Economics benefits
 - Emission control
- Technology investment
 - Mode, process
- Investment in which region, corridor

Infrastructure



YOU CAN'T MANAGE, IF YOU CAN'T MEASURE

- Put the processes in place
- Add business intelligence
- Top it with analytics

Key Messages



THANK YOU VERY MUCH!

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