



*A Collaborative Effort
for a Collective Change*

Equipment Implementation Team - Chassis

Presented By

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TRAC Intermodal

Discussion Agenda



- Who is TRAC Intermodal
- The evolution of chassis pools – How'd we get to where we are today
- Port Performance - Core issues that drive pool performance and port velocity
- Current state of the NY/NJ Chassis Pool
- Types of pools
- Next steps

Who is TRAC Intermodal

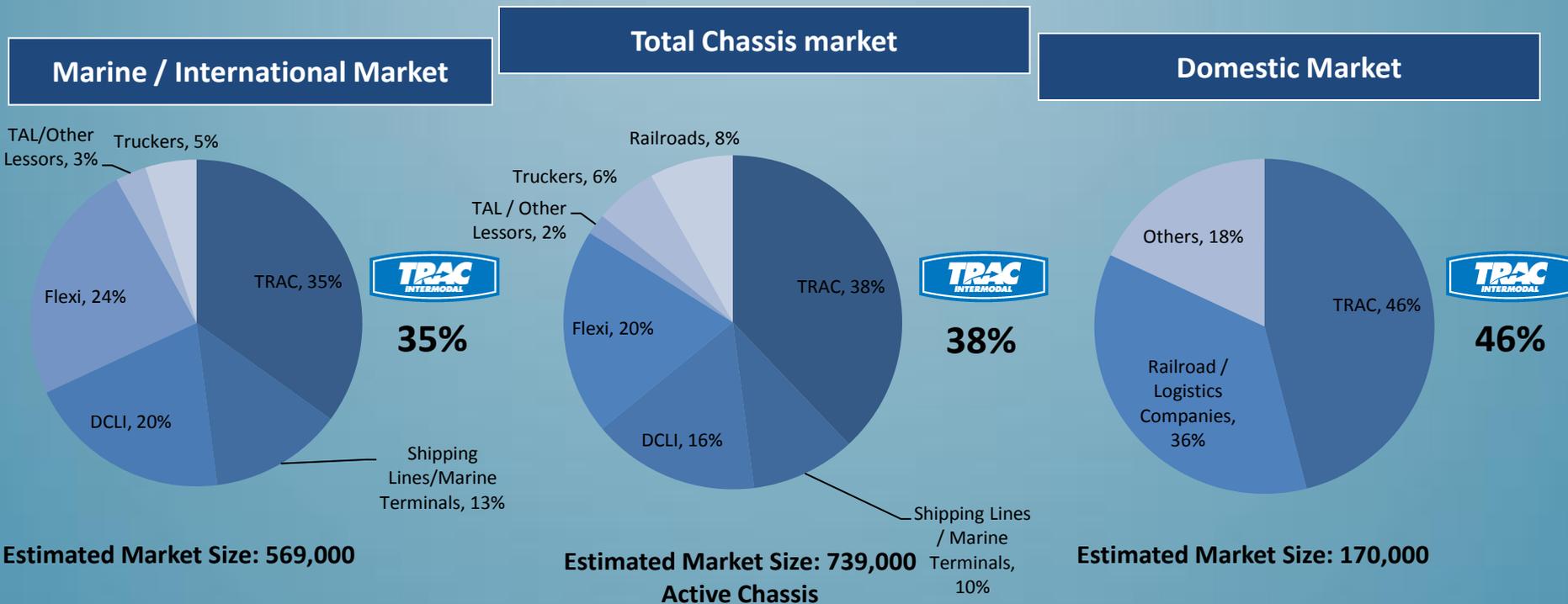


*TRAC is the nation's leading
Intermodal chassis pool manager
and equipment provider for
domestic and international
shippers*

North American Chassis Market



- Total Estimated Market Size = 739,000 Active Chassis
 - Marine - 569,000 (78%)
 - Domestic - 170,000 (22%)
- TRAC has an estimated 38% of the total chassis market share in North America
 - 35% in the Marine market and 49% in the Domestic market



TRAC Intermodal - Company Overview

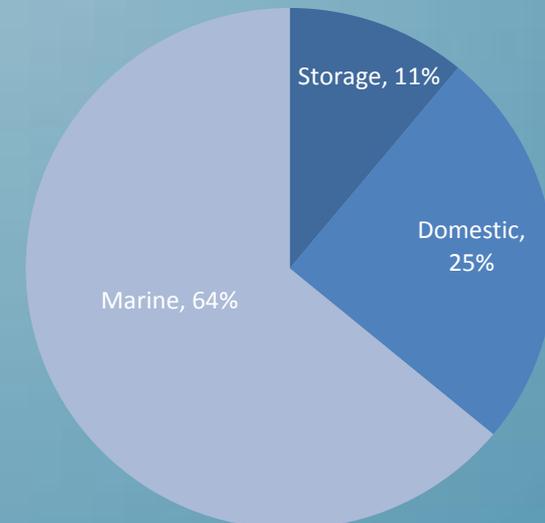


- Largest provider of chassis in North America with over 312,000 units under management
 - 201,000 are in the Marine Segment
 - 77,000 are in the Domestic Segment
 - 34,000 chassis/axels in storage
- Broad distribution network which includes 602 Marine, 167 Domestic and 61 Depot locations
- Largest pool operator - 10 Neutral Marine Pools and only National Domestic Pool operator

Geographic Footprint



TRAC Fleet Size



Evolution of the Marine Market



- Prior to 2009, Steamship Lines operated private chassis fleets to service their land side container needs
- In 2009/2010, numerous Steamship Lines declared that they planned to exit chassis provisioning
- In 2012, SSL's began selling their owned chassis fleets and migrating to the "Motor Carrier" billing model

Evolution of the Marine Market



- SSL's began deploying bigger ships (EEE vessels) to lower slot costs
- Alliances were used to help fill the big ships & realize cost savings
- Slow steaming became more prevalent
- Alliances created the need for chassis interoperability and coordinated Marine Terminal operations
- The growth of alliance vessel sharing requires a different chassis pool model and different approach to Marine Terminal operations

Port Performance



- Core issues affecting port velocity
 - Larger vessels
 - Ship schedule disruptions – Bunching - creates import volume spikes and waiting exports consume limited resource
 - Carrier alliances increase land side operating complexities
 - Marine Terminal Operating practices are not harmonized
 - Chassis migration puts needed repair labor out of position with the chassis supply
 - Chassis repair labor is controlled by MTO's and can be diverted away from chassis repairs
- Motor Carrier billing model is evolving slowly which negatively impacts chassis utilization efficiency
- Pools are being re-structured to support chassis interoperability
 - NY/NJ Market Pool

NY/NJ Chassis Pool – Current State



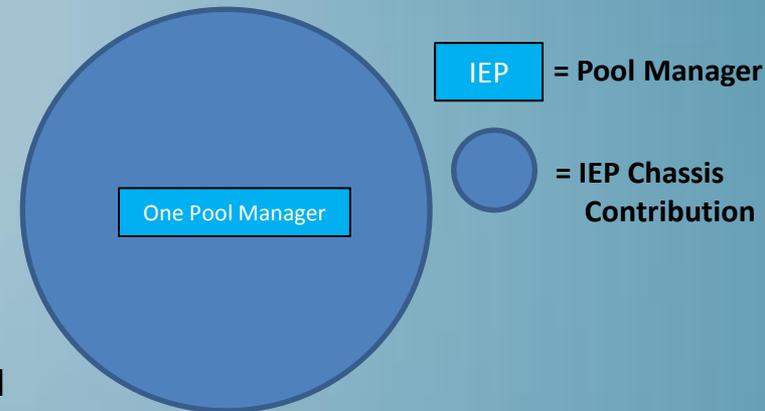
- Broad industry Work Group formed to evaluate various pool structures
 - Market Pool selected
- CPP/Equipment group was formed and represents key market stakeholders
 - NYSA, Motor Carriers, Steamship lines, Labor, Marine Terminal Operators & IEP's
- Pool Operating Agreement was developed
- A Pool Manager was selected
 - IEP's working together
- Operating Agreement's Terms & Conditions being finalized

Types of Pools

- **Neutral Pools** (Private Pool)

- A private pool is owned and managed by one company to serve their respective customers in a geographic area
- The company setting up the pool is the pool manager and IEP
- The pool manager establishes the operating rules, hosting agreements and M&R agreements for the pool

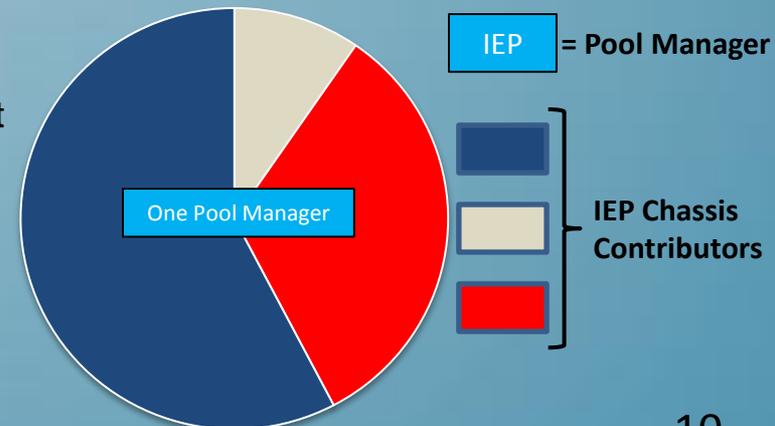
Neutral Pool



- **Market Pool** (Co-Op Pool)

- A Co-Op pool is designed to serve a broad number of customers for multiple contributing IEP's
- The pool operates with one pool manager and one set of operating rules
- Multiple IEPs may contribute to the fleet, and chassis are "gray" across all locations in the pool

Market Pool

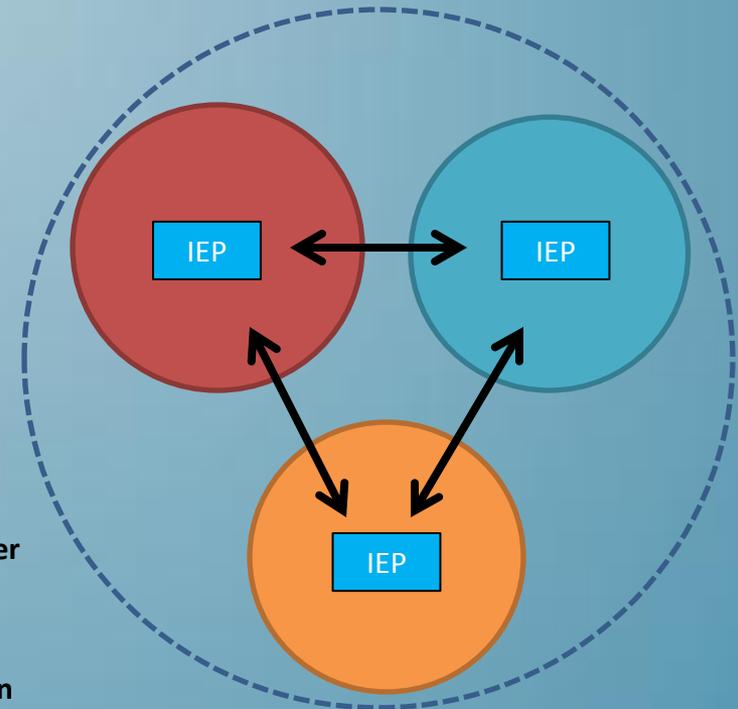
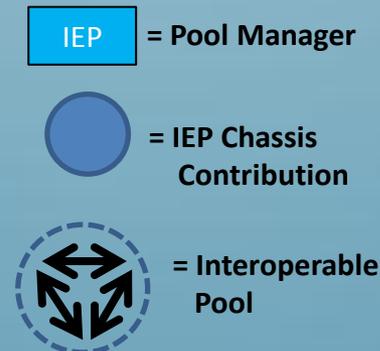


Types of Pools

- **Pool of Pools**

- Multiple neutral pools operating in the same geographic area coordinate to use each-others fleets - creating an “interoperable fleet” in multiple locations in a market
- Each contributing pool is responsible for and continues to manage their own pool, their own M&R, their own fleeting and their respective pool operating rules
- Cross usage volumes are reconciled at the end of each month
- The Pool of Pools was launched in the Port of Los Angeles/Long Beach in March 2015 and is the only port complex where this model is being used

Pool of Pools



Next steps



- Finish the Terms & Conditions in the Pool Operating Agreement
- Finalize the IEP Pool Management Joint Venture
- Begin Operating the NY/NJ Market Pool