HTA Intermodal Meeting

September 25, 2013
Long Beach, CA
Intermodal Trucking Issues

- ATA Port of LA Litigation
- Intermodal Legislation/Regulations
- Intermodal Trucking Operations
  - Chassis Ownership
  - Trucker-Open Choice
  - FMC
Court Ruling June 13

• Whether provisions of the concession agreements “related to a price, route, or service” of motor carriers escaped preemption because the Port was acting as a “market participant” serving its “business interest” in expanding the Port?

• “No” - unanimous 9-0 vote!
Court Ruling

• Whatever the Port’s asserted motivation, the concession agreements amounted to “classic regulatory authority” and thus fell within the scope of the F4A’s preemption provision;

• Port compelled trucking companies to enter into the contracts as a condition of access to the Port, by “wielding coercive power over private parties, backed by the threat of criminal punishment.”
Legislative/Regulatory Activity

- Federal Activities; New Nadler Bill
- **State Misclassification** activities at state level - WA, CA, CT, NJ, NY....
- Port drivers = Employees;
- Teamsters, Change to Win, et. al.;
- Ends Federal Preemption...
Chassis - Tioga Study Findings

• Block obsolescence of chassis fleet:
  ➢ 40% of chassis built 1985-1997;
  ➢ Age/safety of chassis;
  ➢ Ineffective preventative M&R;
  ➢ Complex, adversarial administration
  ➢ Need to acquire assets to have “say” in evolving chassis model!
Chassis Ownership Change
(Relative Ratio Ocean Carriers to Leasing Co’s)

2009: 51% Ocean Carriers, 49% Leasing Companies
2012: 32% Ocean Carriers, 68% Leasing Companies
2013 (Est): 20% Ocean Carriers, 80% Leasing Companies

Reference: OCEMA Estimates
CCM Is Owned By OCEMA

- Ocean Carrier Equipment Management Association
- Lead ocean carrier organization for U.S. intermodal equipment issues
- 19 international ocean carriers are members
CCM Advantages

• A unitary gray fleet of Chassis
• Management of Chassis supply within pool
• Management of Chassis maintenance & repair
• Management of repositioning of Chassis
• Management of over-the-road repairs
• All services provided on cost pass-through basis
CCM Adapting-Preparing Co-op Pool v. 2.0

• Non-Ocean Carriers May Contribute Chassis to CCM Pools
  ➢ Opportunity to Participate in Governance;

• Fostering a Competitive Environment Within the Pool
  ➢ Motor Carriers May “Choose” Their Chassis Provider
What is the North American Chassis Pool Cooperative?

- Cooperative of 11 motor carriers
- STB granted pooling authority
OFFICERS

• Chairman – David Manning, Tennessee Express

• Vice Chairman – Mark George, IMC Companies

• Secretary – Curtis Whalen, American Trucking Associations

• Treasurer – Randy Guillot, Triple G Express
Why was NACPC created?

Evolving Chassis model was unacceptable

- Motor carrier unable to negotiate price or interchange terms with leasing companies
- Must have a choice for chassis provider i.e. “Trucker Choice”
NACPC Evolution

- Tioga Feasibility Study commissioned Fall 2011
- ATA IMCC and CCM meetings began Winter 2011
- NACPC incorporated as LLC in Delaware Oct. 2012
- NACPC pooling authority granted by U.S. Surface Transportation Board Jan. 2013
- First Chassis contributed MCCP Memphis and Nashville Apr. 1, 2013
NACPC GOALS

First - User charges based on cost pass-through.

- Asset
- Pool management including maintenance & repo
- Insurance
- Factored by gate-to-gate utilization percentage
- Cash accumulation for future modernization & purchases
NACPC

Second - Adequate national supply of Chassis

- Average age 16 years – major remanufacturing required.
- Efficiencies squeezed from existing Chassis fleet.
- New Chassis will be required as economy heats up.
NACPC

Third - Modernized Chassis Specifications

- Radial tires
- Auto-inflation
- LED lights
- Anti-Lock braking system
Fourth - Interchange to qualified user at reasonable terms of use

- Uniform Intermodal Interchange & Facilities Access Agreement (UIIA).
- NACPC Use Agreement agreeing to 15 day payment terms and volume.
NACPC

NACPC strategy for future

- Acquire Chassis from marine carriers
- Contribute Chassis into CCM managed pools
- Modernize Chassis
- Seek motor carrier commitments for use