



WHY WE NEED A SINGLE GRAY CHASSIS POOL

MEMPHIS SUPPLY CHAIN INNOVATION TEAM OVERVIEW





AGENDA

- Strategic Perspective
- Team Focus
- Next Steps
- Questions



STRATEGIC PERSPECTIVE

LIVING IN THE LONG SHADOW OF MALCOLM MCLEAN





CLEAR AND PRESENT CHALLENGES

1. We are in a period of volatility and change:
 - Ocean carrier industry consolidation
 - ELD's
 - Trade agreements
2. Conditions show the fragility of US container networks and flows:
 - Acute
 - Structural
 - Systemic
3. Structural and systemic forces **directly impact** long term US agricultural export competitiveness.



UNIFYING FOCUS

Supply chain velocity

“how to optimize the dispersion of goods and services to the marketplace”



UNIVERSAL FORMULA



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= **Export or Import Load**



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TEAM FOCUS

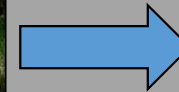
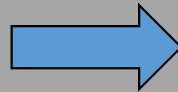




CHASSIS CHALLENGES IN MEMPHIS



- Chassis models have not kept up with demand
- Chassis quality is poor and equipment is aged
- Chassis pools are not interoperable restricting freight
- Chasing chassis is a waste of time and money
- Chassis costs are rising impacting shippers/truckers
- Chassis repositioning costs are escalating
- Billing and reconciliation is complicated and burdensome for all involved



CHASING CHASSIS!

RIGHT CHASSIS ARE NOT IN THE **RIGHT** PLACE AT THE **RIGHT** TIME



Ocean Carriers are responsible for chassis for Store Door Moves

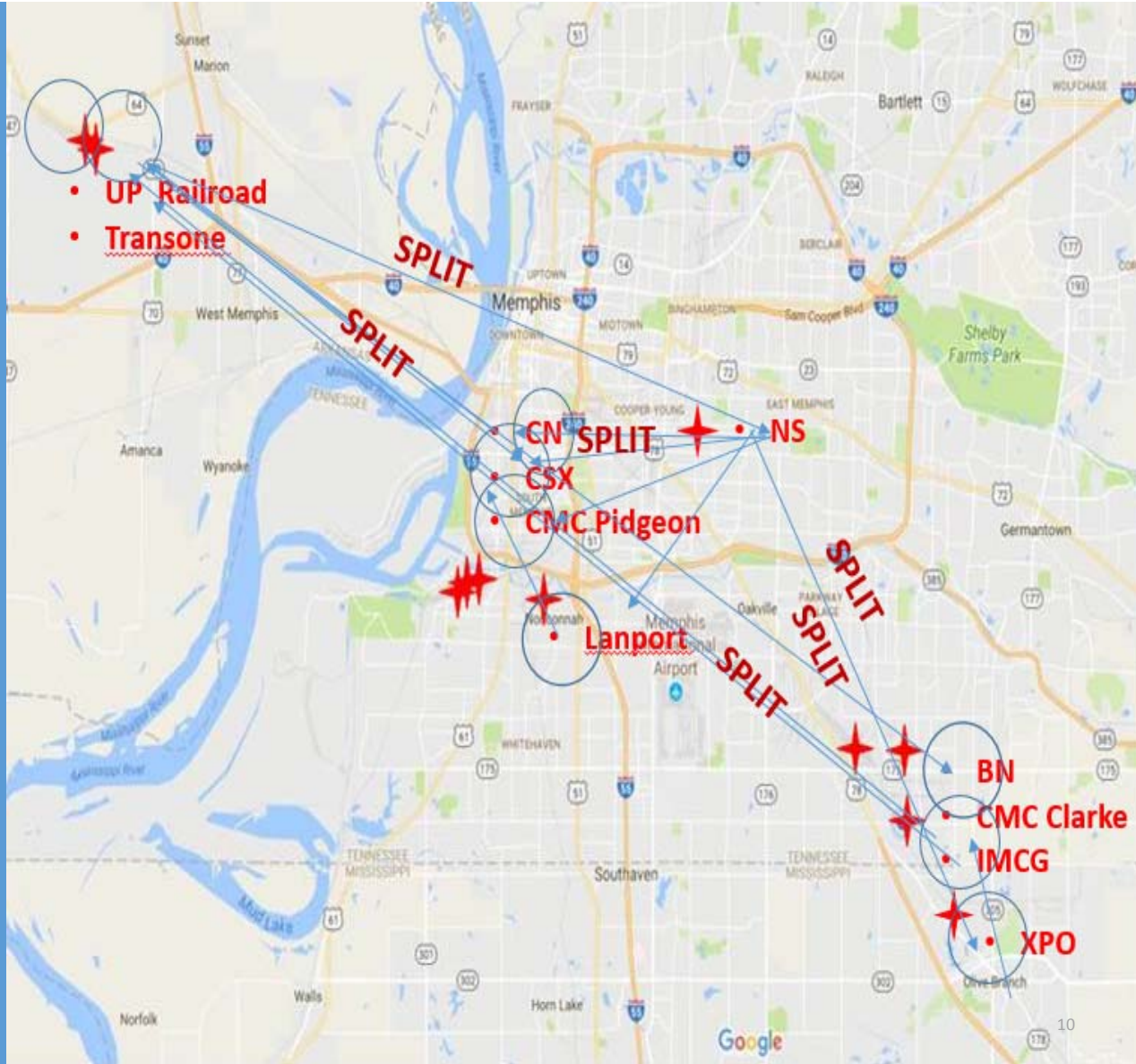
Ocean Carriers are not responsible for chassis on CY Moves

Rail operations are under contract with Ocean Carriers for chassis provisioning upon train arrival

In Memphis, rail operational footprints vary - mounted vs grounded

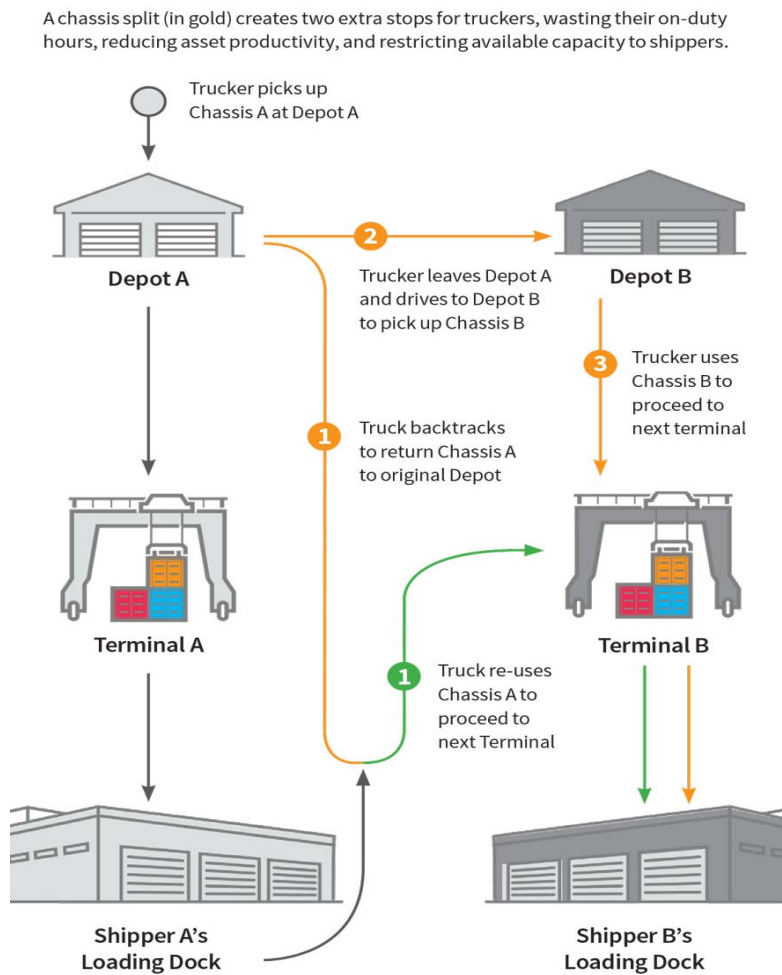
WHERE ARE THE CHASSIS?

Railroad? Depot?



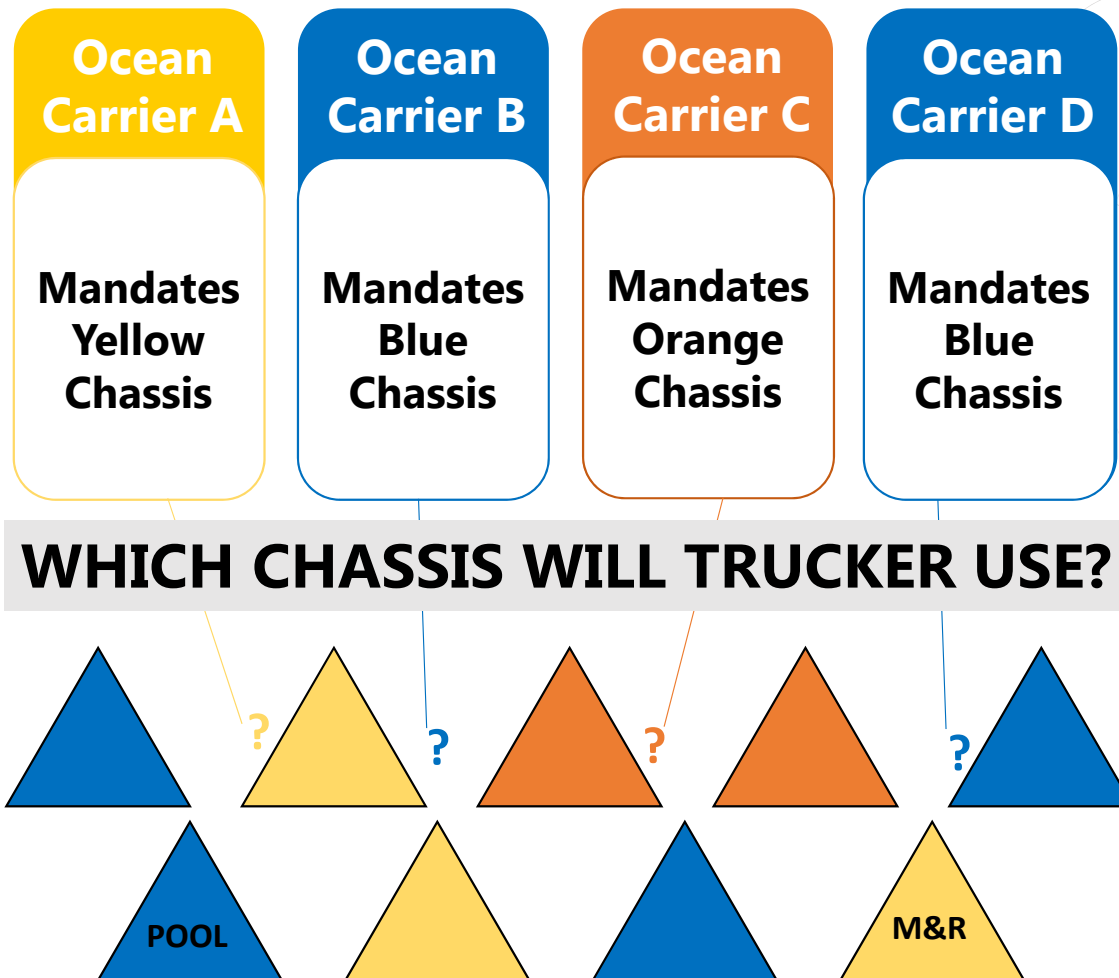


WHAT IS CHASSIS SPLIT?





PROBLEM WITH CAPTIVE CHASSIS POOLS





SNAPSHOT OF MCCP CHASSIS LOCATION VARIABILITY

DO NOT REMOVE BARE MCCP CHASSIS FROM THE BNSF WITHOUT AUTHORIZATION FROM THIS OFFICE!

1. All logistics issues should be emailed to mccp@ccmpool.com.
2. All M&R issues should be emailed to mccpmnr@ccmpool.com.

MEMPHIS

BNSF is accepting bare MCCP 20' & 40' chassis.

UPRR is accepting bare MCCP 20's and 45's only.

CN is accepting bare MCCP 40's only.

CSX is not accepting bare MCCP chassis.

IMCG is accepting bare MCCP 45' chassis.



SNAPSHOT OF CHASSIS TRAC LOCATION VARIABILITY



TRAC Marine Eastern Pool - Memphis / Nashville Daily Report									
This report is specific to TRAC TMEP chassis with <i>TSXZ</i> prefix. Chassis are approved for usage by APL, CMA, SM Line and Zim. Usage for other SSL's will default to standard rate billing direct to motor carrier.									
<u>Memphis</u>									
	Releases			Returns			Comments		
	20'	40'	45'	20'	40'	45'			
BNSF	No	Yes	No	Open	Closed	Closed	40' chassis may be picked up from BN today with no release# required		
CNRR	No	Yes	No	Open	Closed	Closed	40' chassis may be picked up from CN today with no release# required		
CSXRR	No	No	No	Closed	Closed	Closed	Reservation required through EZ Book for release		
NSRR	No	No	No	Closed	Closed	Closed			
UPRR	No	No	No	Open	Open	Open			
CMC Clarke Rd	Yes	No	Yes	Closed	Closed	Closed			
CMC Pidgeon Yard	No	No	Yes	Closed	Closed	Closed	Reservation required through EZ Book for release		
Southern Intermodal	Yes	No	Limited	Closed	Closed	Closed	Reservation required through EZ Book for release		
IMC Memphis	Limited	Limited	Limited	Closed	Closed	Closed	Reservation required through EZ Book for release		
TransOne	Yes	No	Yes	Closed	Closed	Closed	Reservation required through EZ Book for release		

Please note chassis that originate in Marion should return to Marion and chassis that originate in Memphis should return in Memphis where possible.
Release locations with limited quantities may run out quickly. If EZ Book shows no equipment at these locations, please look for alternate location



MEMPHIS SUPPLY CHAIN INNOVATION TEAM

RESULT OF CAPTIVE POOLS

- Rising COSTS and wasted TIME
- Handcuffed chassis usage
- Access is limited
- SUPPLY is an on-going problem with limited visibility

EVERY STAKEHOLDER GETS STUCK!

- **BCO's** and **forwarders** can't move freight
- **Railroads** don't move trains fluidly
- **Ocean carriers** lose opportunities and equipment turns
- **Truckers** are wasting time searching for chassis
- **A single gray pool** offers efficiency gains and simplicity



WHAT IS THE IMPACT?



- Freight does not move – drivers look for and waiting on adequate supply of quality chassis each day
- Chassis in M&R is back logged while freight is at a standstill
- Freight costs are escalating in terms of:

Demurrage

Lost Turn Time

Chassis Repositioning

Delayed and Lost Sales

Admin Time



OBJECTIVES FOR A MORE EFFECTIVE CHASSIS MODEL I

Quantity: Improved inventory availability

Quality: Safe, reliable road-worthy assets

Interoperable: All assets in region deployed
for best collective use

Choice: Fair and open access for merchant (CY)
haulage moves



OBJECTIVES FOR A MORE EFFECTIVE CHASSIS MODEL II

Quantity: Adequate and interoperable supply

Quality: Modern and road worthy chassis

Accountable: Pool manager for quantity and quality

Engaged: Key stakeholder / advisory board



THE JOURNEY TO WHERE WE ARE TODAY

- Federal Maritime Commissioner Rebecca Dye led Supply Chain Engagement meetings in Memphis 15-16 May with area stakeholders which narrowed focus to single gray chassis pool.
- Commissioner Dye and Supply Chain Innovation Team members met directly with Ocean Carrier Equipment Management Association (OCEMA) members in Memphis 2 AUG to discuss rationale and options for single gray chassis pool and followed up in writing.
- American Cotton Shippers Association (ACSA); Greater Memphis Chamber; Agricultural Transportation Coalition (AgTC) and American Trucking Association (ATA) have written to OCEMA to publically support the team's Memphis single gray pool initiative.
- ACSA Chairman Raymond Faus, President Bill May, and in-coming President Buddy Allen raised awareness of the Memphis Supply Chain Innovation Team recommendations with Senator Lamar Alexander and Congressman David Kustoff offices during Washington DC meetings 24-27 SEP.
- Jeff Lawrence, OCEMA Executive Director; Bill May, ACSA President and Team members Donna Lemm and Neely Mallory III discussed proposed pool of pools "plus" option in Memphis 12 OCT.
- Expanded meeting with all railroads and intermodal equipment providers planned for 4 DEC.



NEXT STEPS





ASSISTANCE NEEDED

- Express full support for Team's single gray pool chassis efforts with your ocean carriers, rail carriers, chassis providers, truckers and industry associations.
- Exercise your right to choose your chassis provider on merchant haulage (CY) moves.
- Review whether your demurrage and detention bills at the railroads were / are caused lack of chassis availability and report findings confidentially to the Federal Maritime Commission Fact Finding Investigation 28: **FF28@FMC.gov**



QUESTIONS

