



# Chassis Pools and International Operations



Alliance of the Ports of Canada, the Caribbean,  
Latin America and the United States

*Presentation to AAPA  
April 24, 2007*

# *Flexi-Van Overview...*

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- Founded 1955 and headquartered in Kenilworth, NJ
- Private company owned by Mr. David H. Murdock affiliated with Castle & Cooke Corporation and the Dole Food Company
- Core businesses are Chassis Leasing and Chassis Pool management
- Total chassis fleet of 164,000, Pool management encompasses over 80,000 International chassis
- Largest manager of International Chassis Pools in North America



# *FV managed International Pool Locations include...*

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Appliance Park, KY  
Atlanta, GA  
Baltimore, MD  
Bensenville, IL  
Boston, MA  
Charleston, SC  
Charlotte, NC  
Chicago, IL  
Cicero, IL

Cincinnati, OH  
Corwith, IL  
Dallas, TX  
Denver, CO  
El Paso, TX  
Houston, TX  
Jacksonville, FL  
Joliet, IL  
Long Beach, CA  
Los Angeles, CA

Louisville, KY  
New Orleans, LA  
New York, NY  
Oakland, CA  
Philadelphia, PA  
Pittsburgh, PA  
Salt Lake City, UT  
Savannah, GA  
Willow Springs, IL  
... And More...



# *What are the benefits of Chassis Pooling?*

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- Reduction of Units Required
  - **Variation in demand causes poor utilization, sharing assets offsets the effect and increases utilization**
  - **higher levels of utilization required less chassis to service same level of throughput**
  - **Typical improvement is from 60% (individual operation) to 80% utilization (pool operation)...**
  - **This means that 1 of every 4 chassis can be phased out or a 25% increase in throughput can be sustained by current fleet.**



# *What are the benefits of Chassis Pooling?*

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- Port Operations
  - Chassis sorting by user line is not required
  - Separate inventories are not required
  - Single source for chassis management and coordination
  - Substantial reduction in footprint for bare chassis

Aforementioned improvement from 60% to 80% utilization would reduce the number of bare chassis on terminal by...

# *What are the benefits of Chassis Pooling?*

| Utilization | Units being used | Fleet Required | Bare Units |
|-------------|------------------|----------------|------------|
| 60%         | 600              | 1000           | 400        |
| 80%         | 600              | 750            | 150        |
| Difference  | same             | -25%           | -62%       |

# *What are the benefits of Chassis Pooling?*

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- Safety
  - Fleet standards are established
  - Single resource, procedure, approval and payment process
  - Pre and Post repair inspection services
  - General condition audits, recordkeeping and compliance



# *What are the benefits of Chassis Pooling?*

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- Management
  - Pool manager provides Logistic Management to make sure that assets are deployed according to the requirements of the lines, facilities and the beneficial owners of the cargo
  - Pool manager provides single entity to coordinate various aspects of operations with terminals, rails, truckers, etc
  - System provides chassis-focused information to support processes such as forecasting, utilization, repairs, idle equipment, etc.



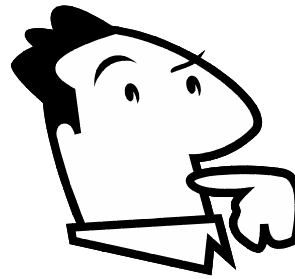


# *What are the benefits of Chassis Pooling?*

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- Congestion and Environment
  - **Collective imbalance is less than individual imbalance... reduces the number of bare chassis requiring repositioning**
  - **Typical reductions are 20-40% - increase street turns and use of off terminal depots are also facilitated**
  - **Positive effect on port area congestion and diesel emissions. A viable Emission Control Strategy that saves money!**

# *Problem...*



**The benefits of chassis pooling are real, but the pool must be structured correctly.**

**Although some pools may appear to create the “gray” pool condition, benefits are not necessarily realized.**

**Poorly designed pools can cause inefficiency, especially those that limit users options or provider competition.**

**We need “gray” pools that are truly open to all stakeholders and allow free competition for multiple user/provider relationships.**

# *Pool Structure*

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Neutral Pool – Appointed lessor provides chassis at a daily rate

CO-OP Pool – Users contribute chassis and share assets

Hybrid Pool – CO-OP pool expanded to meet needs of all stakeholders in a truly “gray” pool.



# *Pool Structure*

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## Neutral Pool

- In order to establish single chassis source for operations, one lessor is appointed and usage is mandatory.
- Customers object to lack of business options and are at a disadvantage when negotiating rates/terms due to lack of competition (“caught-fish”)
- Other stakeholders or facilities have no say
- Benefits are limited

# *Pool Structure*

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## CO-OP Pool

- In order to establish single chassis source for operations, one pool LLC is established and pool usage is mandatory.
- Not all customers / stakeholders are qualified or able to contribute.
- Pool billing or policies may not fit requirements or the business model of all stakeholders.
- Benefits are limited

# Pool Structure

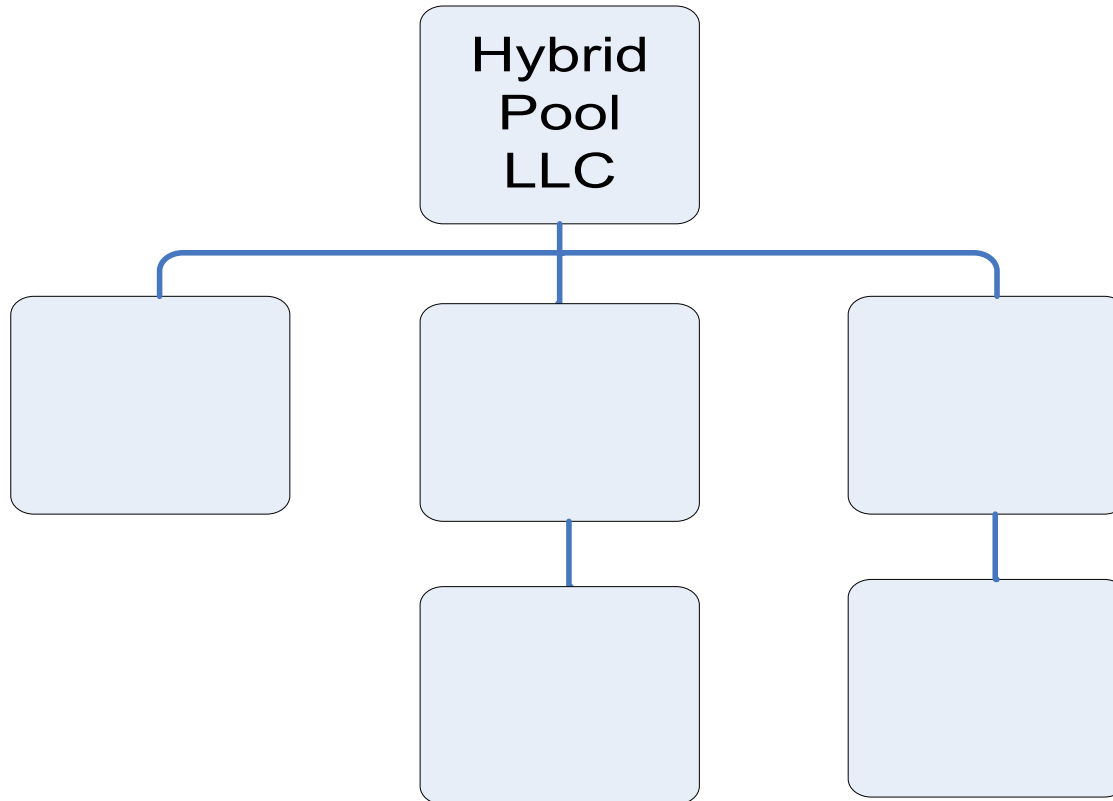
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## Hybrid Pool

- In order to establish single chassis source for operations, one pool LLC is established and usage is mandatory.
- Multiple pools (not limited to one) are allowed to operate within the Hybrid pool.
- All users/stakeholders are given opportunity to choose how to participate in the pool.
- Competition is preserved while maintaining the “gray” pool environment.

# *Pooling Structure*

## Hybrid Pool – Diagram



# *Possible Next Steps...*

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- Full development and implementation of the OCEMA/CCM Unified Pool Concept (UPC)
- Covert current COOP pools to allow participation of multiple asset contributor/users and their customers.
- Identify specific locations/terminals where Neutral pools can be incorporated into the larger, “grayer” Hybrid model





# Questions and Comments



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