

Pool of Pools Quarterly Report

1st Quarter 2019 – January February March

Overview:

The Pool of Pools chassis contributors serve the San Pedro Basin as the largest and most complex pool in the nation. The PoP is an extraordinarily unique and challenging operating environment which facilitates 35% share of the US import cargo while servicing multiple stakeholders including - 13 marine terminals, 5 rail ramps, and 20+ offdock locations. On the heels of the of the Q4-18 China tariff cargo rush, the operations team met the Q1-19 challenges head on with remarkable results. Facing continued high dislocation volumes and sustained high street dwell volumes, the PoP leadership with the support of the Joint Repositioning Group, minimized service disruption and delivered a commendable service to the Port stakeholders.

Key Metrics for 1st Quarter 2019:

Key Quarterly Metrics	Q1 2019	Q4 2018	Q1 2018	Points to note
Fleet Size	67,500	67,820	69,060	Decrease of 2% YoY from Q1-18 Decrease of 0.5% from Q4-18
Total PoP volume (TEU mounted gate moves)	2,226,948	2,450,428	2,463,727	Q1-19 decreased 9.6% from Q1-18 Q1-19 decreased 9.1% from Q4-18
On-Street volumes	3,898,403	4,013,092	3,544,125	Increase of 10% over Q1-18 Decrease of 3% from Q4-18
Dislocation (Imbalance)	53.9%	52.7%	50.6%	Dislocation, driven by empties being returned to a different terminal than load originated, continues to be in excess of 50% of mounted cycles. Dislocation increases the overall cycle time, delays supplying terminals in need and puts increased demand on draymen to relocate the chassis to where they are needed.
Total Repo Moves	20,165	19,361	33,462	Number of units repositioned during Q1-19 was slightly higher than Q4-18 due to more units being made available for repo as the high street dwells started to come down after Lunar New Year.
On Street Dwell/turn-time 20FT	3.2 days	2.5 days	2.3 days	Q1-19 increased 39% over Q1-18 Q1-19 increased 28% over Q4-18
On Street Dwell/turn-time 40-45FT	5.1 days	4.1 days	4.0 days	Q1-19 increased 28% over Q1-18 Q1-19 increased 24% over Q4-18
Out of Service units On Terminal	4,886	5,066	7,437	Reduction of 34% YoY from Q1-18 Reduction of 3.5% from Q4-18

Key Points and Challenges Impacting Operations during Q1-2019:

- Even during non-peak demand months, continued focus is needed to further reduce the OOS. Cooperation from all stakeholders is needed to collapse the repair cycle times to keep a steady flow of units in service before we move into peak again.
- Due to the extension of the China tariff deadline, January and February volumes remained strong as import cargo continued to arrive ahead of the deadline, continuing to cause chassis availability spot shortages.
- After CNY, volumes dipped and chassis availability turned to surplus. Terminals stopped allowing chassis to be returned to their terminals, causing truckers to be left stranded with no place to return pool chassis. In these cases, each IEP is required to provide return locations for their own chassis, in many cases outside of the pool.
- Imbalance and dislocation in excess of 50% continues to impact daily chassis operations and availability.
- Terminal cooperation with modes is just as important during slack as it is during peak and is one of the key areas for PoP to be able to succeed with regard to inventory management and availability of supply.