

Pool of Pools Quarterly Report

4th Quarter 2018 – October November December

Overview:

The Pool of Pools chassis contributors serve the San Pedro Basin as the largest and most complex pool in the nation. With multiple stakeholders including - 13 marine terminals, 5 rail ramps, and 20+ offdock locations facilitating the 35% share of US import cargo volume is an extraordinarily unique and challenging operating environment. The 4th quarter of 2018 proved to be the most challenging yet while the PoP team overcame significant logistical challenges and container volume surges. All in all, the team has achieved continuous improvement despite the difficult conditions and strives to deliver the highest levels of service for all stakeholders.

Key Metrics through December 2018:

Key Quarterly Metrics	Q3 2018	Q4 2018	Q4 2017	Points to note
Fleet Size	65,310	67,820	70,440	Increased 4% during Q4-18
On-Street volumes	3,745,256	4,013,092	3,907,548	Q4-18 increased 7% over Q3-18
Dislocation (Imbalance)	53.5%	52.7%	51.1%	\$11.2 million in repositioning costs were incurred by the pool in 2018.
On Street Dwell/turn-time 20FT	3.1 days	2.5 days	2.3 days	Increased 24% from Q3-18 Increased 35% from Q4-17
On Street Dwell/turn-time 40-45FT	4.7 days	4.1 days	3.2 days	Increased 15% from Q3-18 Increased 47% from Q4-17
Total Repo Moves	28,360	19,361	37,361	High street dwell times causing fewer units being available for repo resulted in reduction of units repositioned in Q4-18
Out of Service units On Terminal	5,584	5,066	6,722	Reduction of 9.3% from Q3-18 Reduction of 25% from Q4-17

Key Annual Metrics	Full Year 2017	Full Year 2018	Points to Note
Total PoP volume (TEU gate moves)	10,728,465	9,888,074	Decreased 8% 2017 to 2018
On-Street volumes	14,702,747	14,420,941	Decreased 2% 2017 to 2018
PoP Fleet Size	70,440	67,820	Decreased 3.8% 2017 to 2018, commensurate with PoP volumes

Key Points and Challenges Impacting Operations during Q4-2018:

- Continued focus is needed to further reduce the OOS. As with any chassis fleet there is a repair cycle for each unit, and at any given time there will be units deemed unusable on terminal that need either minor maintenance or major repair. Cooperation from all stakeholders is needed to collapse the repair cycle times and get units back in service in the pool moving cargo as quickly as possible.
- 125k teu of extra loader volume ('tariff cargo'), much of which arrived at terminals outside the normal alliance pattern, caused spot disruptions in chassis availability.
- Although overall PoP fleet size is commensurate with PoP volumes, in response to the unexpected Q4 demand brought in by the extra loaders, PoP added 2500x40' chassis to the Pool to assist with chassis availability.
- Lack of warehouse space and use of containers/chassis to store goods caused higher on street dwell times and impacted chassis availability.
- Imbalance and dislocation in excess of 50% continues to impact daily chassis operations and availability.
- Terminals holding excess equipment impacts availability - Cooperation from all Terminals is needed to release surplus equipment for allocation by the PoP Joint Repo Group, and to examine idle equipment and report to Lead Pool Representatives for disposition.