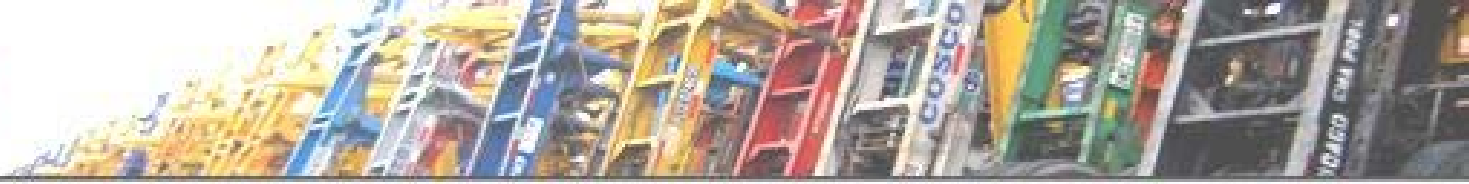


Consolidated Chassis Management (CCM) on behalf of OCEMA

March 5, 2014

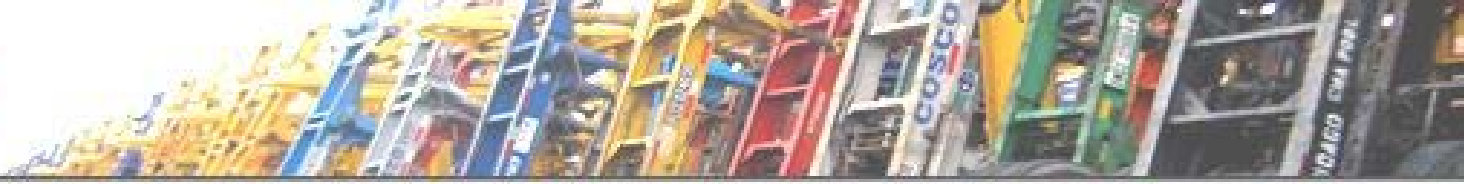
Operational and Commercial Changes in the Chassis World

Information for Decision Making



Topics

- ✓ Who is OCEMA and CCM?
- ✓ Changes in the chassis industry
- ✓ Considerations
- ✓ Options - Comparison of chassis provision options



OCEMA / CCM

- Ocean Carrier Management Association (OCEMA) is a non-profit association of 19 of the world's leading ocean carriers.
- Consolidated Chassis Management (CCM) is a chassis pool network and chassis management company owned by OCEMA.
- 137,000 chassis managed (M&R and logistics). It does not own chassis.
- CCM is the “back room” operation managing the combined fleet of multiple entities (ocean carriers, leasing companies, motor carriers)
- CCM Pools are co-operative chassis pools
 - Operating on a cost pass through basis (no profit)
 - All of the chassis in the pools are “gray”, i.e. they can be used by all participants
 - Participants can pick up or return any chassis at any common pool location

250 facilities served from 16 CCM offices with 148 CCM staff

CCM Manages 28% of the U.S. Marine Chassis Fleet

Participants

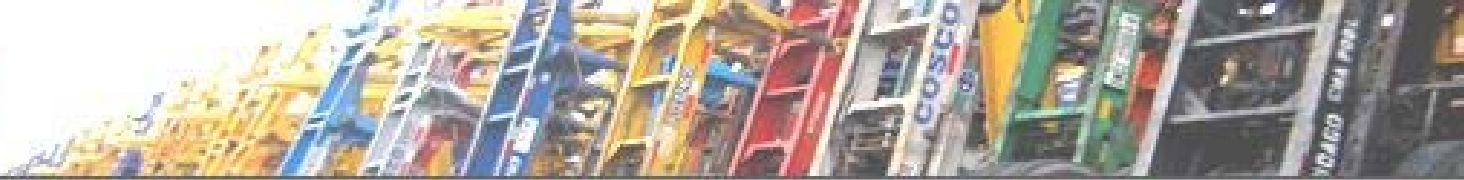
- ACL
- APL
- Bridge Chassis
- China Shipping
- CMA-CGM
- Cosco
- CSAV
- Direct Chassis Link
- Evergreen
- Flexi-Van
- Hamburg Sud
- Hanjin Shipping
- Hapag Lloyd
- Hyundai
- K Line
- Maersk Line
- Matson
- MOL
- Motor Carriers Chassis Pool
- Med Shipping
- NACPC
- NYK Line
- OOCL
- Pacer
- TRAC Intermodal
- Turkon Line
- United Arab
- Yang Ming Line
- Zim Line

 Pool Offices & Service Cities
 Service Cities

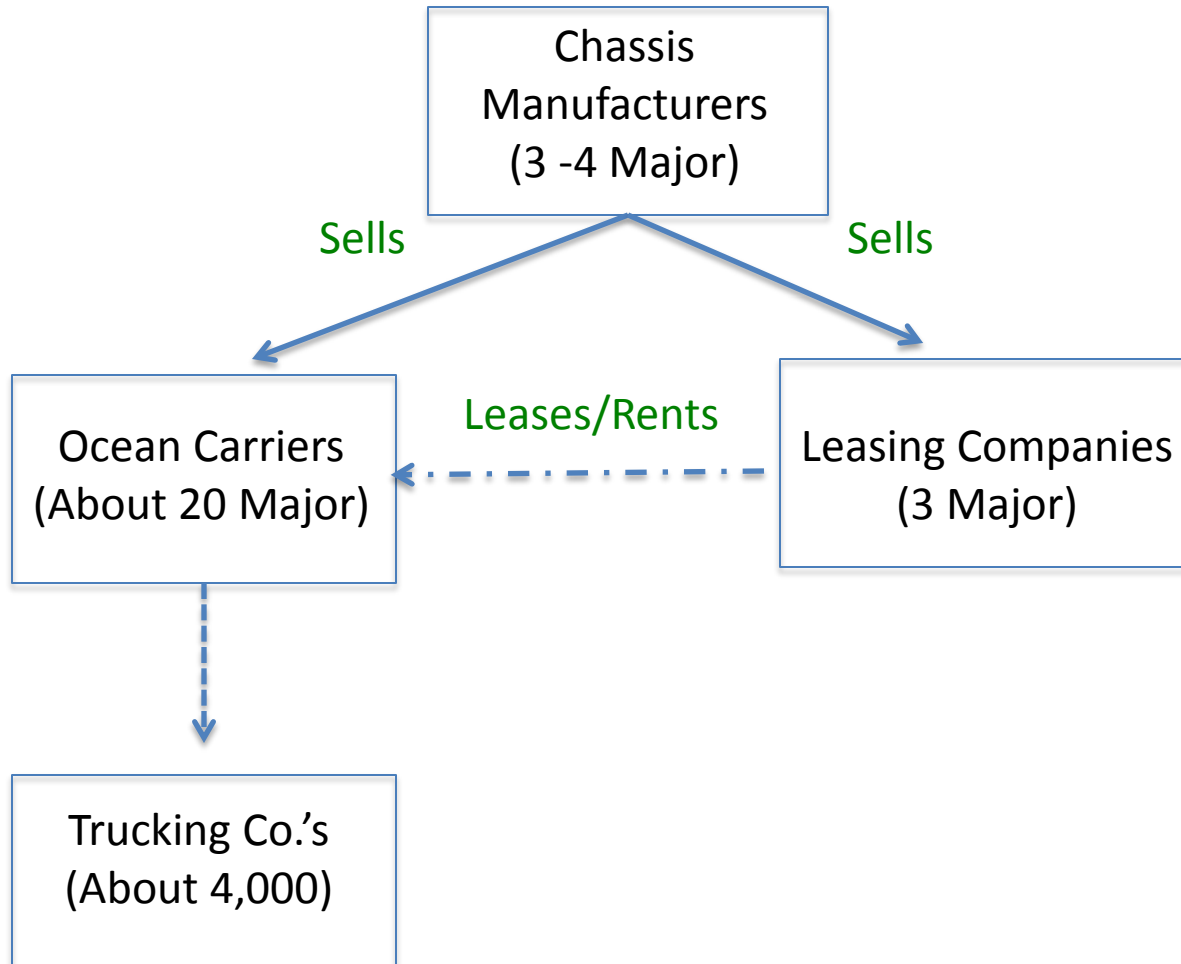


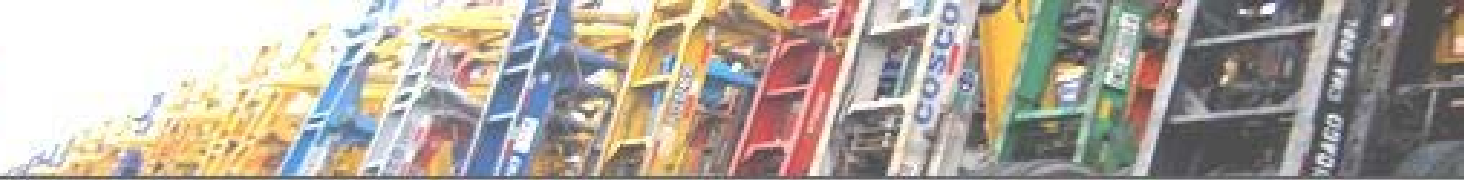
Why is CCM presenting this?

- OCEMA's "chassis experts"
- CCM is recognized as a top chassis industry organization
- CCM uniquely positioned between stakeholders
 - Owned by the ocean carriers
 - Largest pool participants are the leasing companies
 - Works closely with all the rail and ocean terminal operators in its scope
- **All stakeholders would benefit from a better understanding of the evolving chassis provision change**

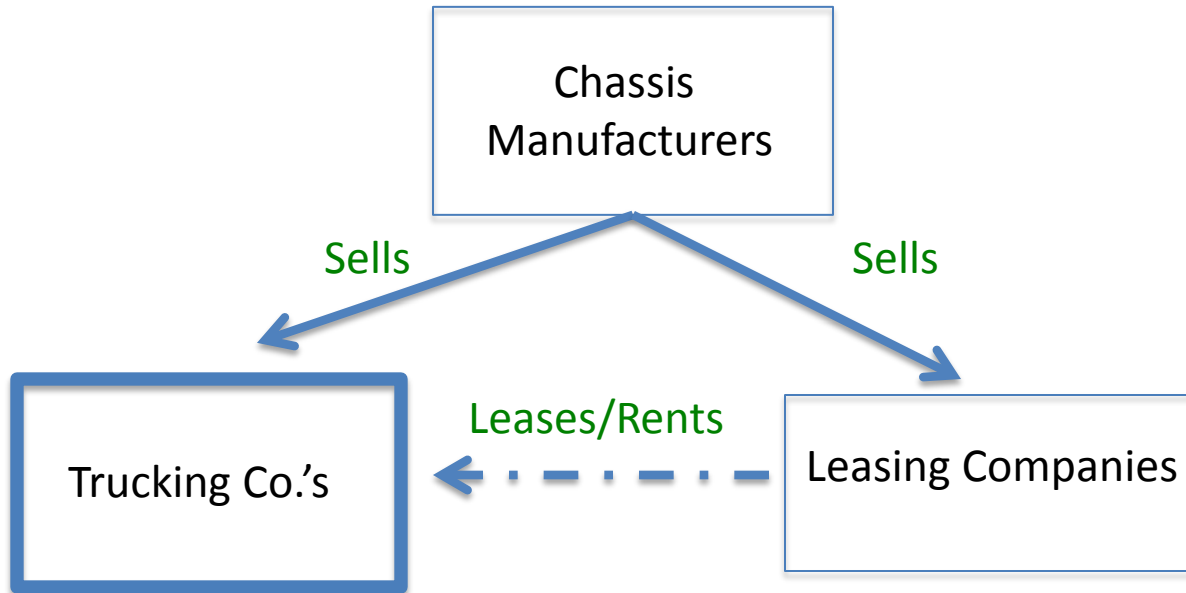


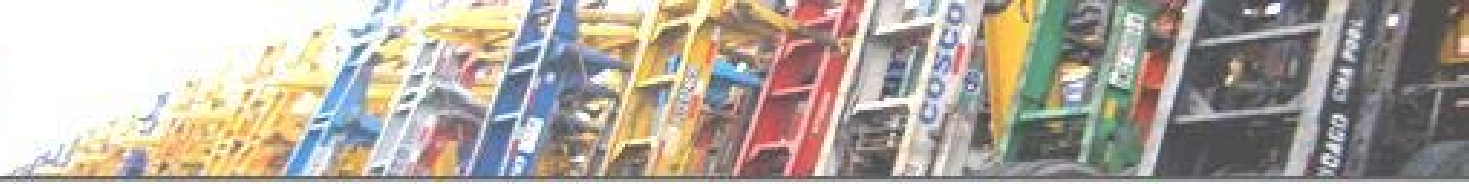
“Traditional” U.S. Chassis Business Model





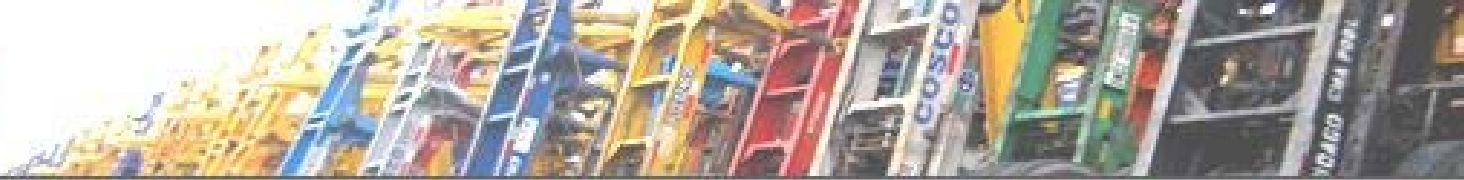
“The Rest of the World” Chassis Business Model





The New Chassis Paradigm

- Ocean Carriers' core competency is ocean transport
- Handing off the provision of chassis to the appropriate parties is an evolution
- All the stakeholders, Ocean Carriers, Shippers, Leasing Companies, Terminals and Motor Carriers want a smooth transition



U.S. International Chassis Ownership Change

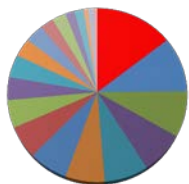
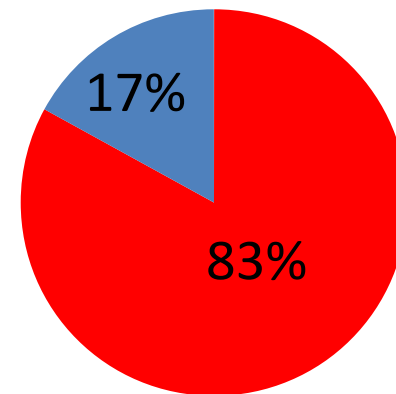
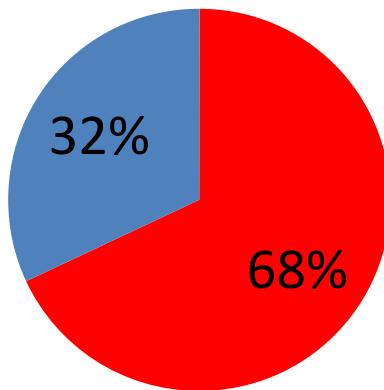
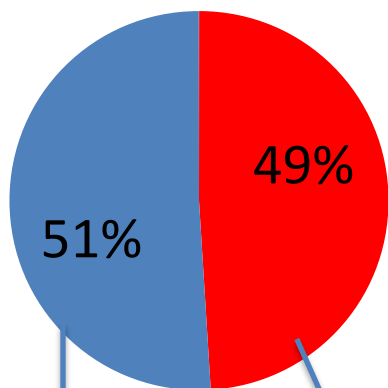
■ Ocean Carriers

■ Leasing Companies

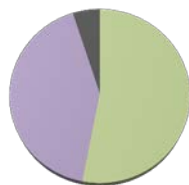
2009

2012

2013

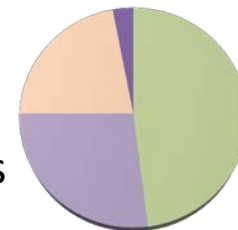


Ocean Carriers



Leasing Companies

Leasing Companies



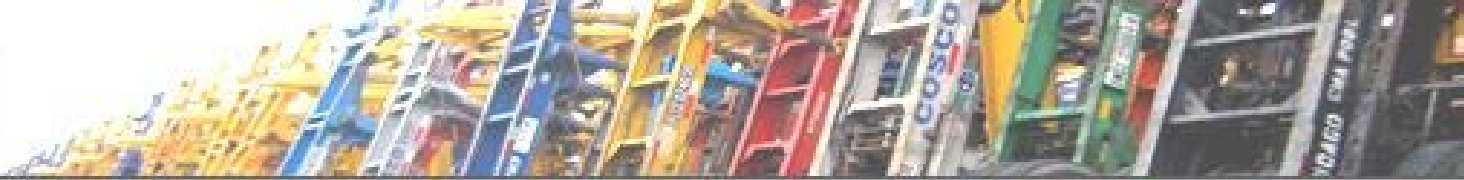
U.S. Chassis Supply Models

1. **Traditional Model.** Ocean Carrier owns/leases and operates its fleet. Ocean Carrier provides chassis to its customers.
2. **Leasing Company** provision. Ranges from Daily lease to dedicated fleet options.
3. **Terminal Operator** supplies/manages chassis pool
4. **Motor Carrier or Shipper** owns/leases and operates its own fleet

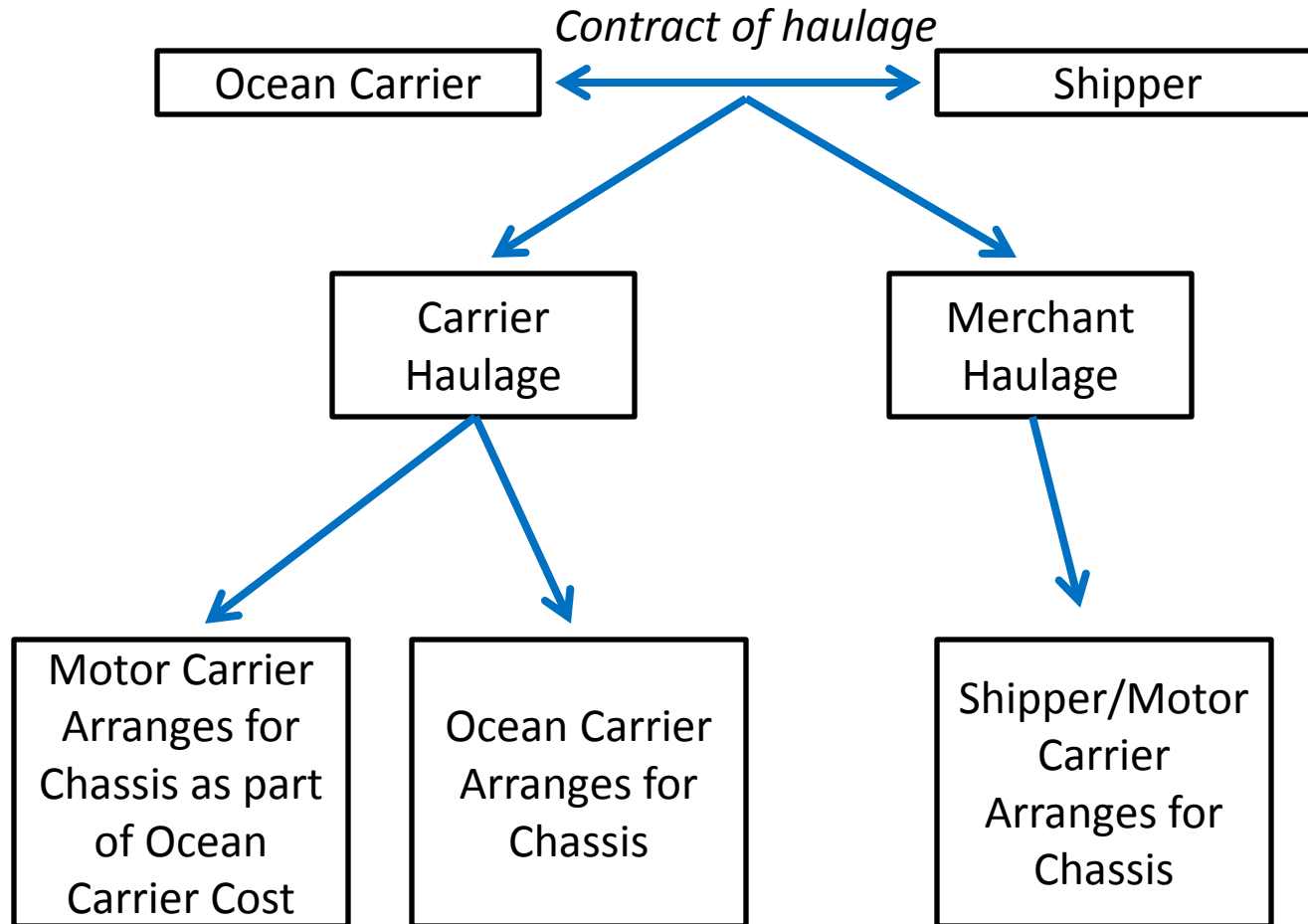
Co-operative Chassis Pool. Pool structure with common management that can include Ocean Carriers, Leasing Companies, Motor Carriers, Shippers, 3PL's. Models #1, 2 & 4 can operate within the co-op pool.

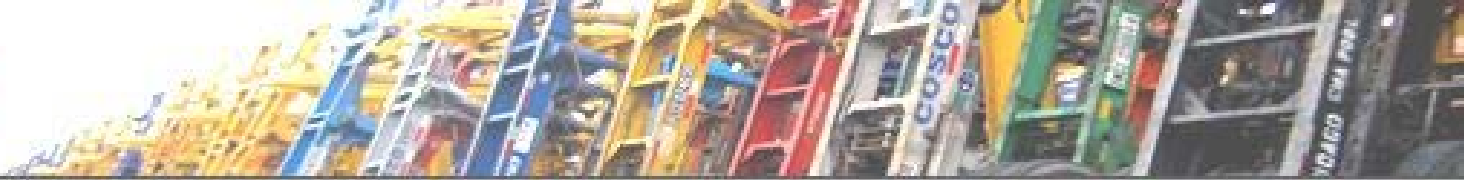
New Chassis Paradigm Transition

- Ocean Carriers reduce their provision of chassis
 - Carrier vs. Merchant Haulage
 - Exceptions by contract
 - On-terminal at rails and ocean terminals
 - Progression to grounded container operations
- Ocean Carriers sell chassis, further disengagement from chassis
- Shipper / Motor Carrier become responsible for providing chassis



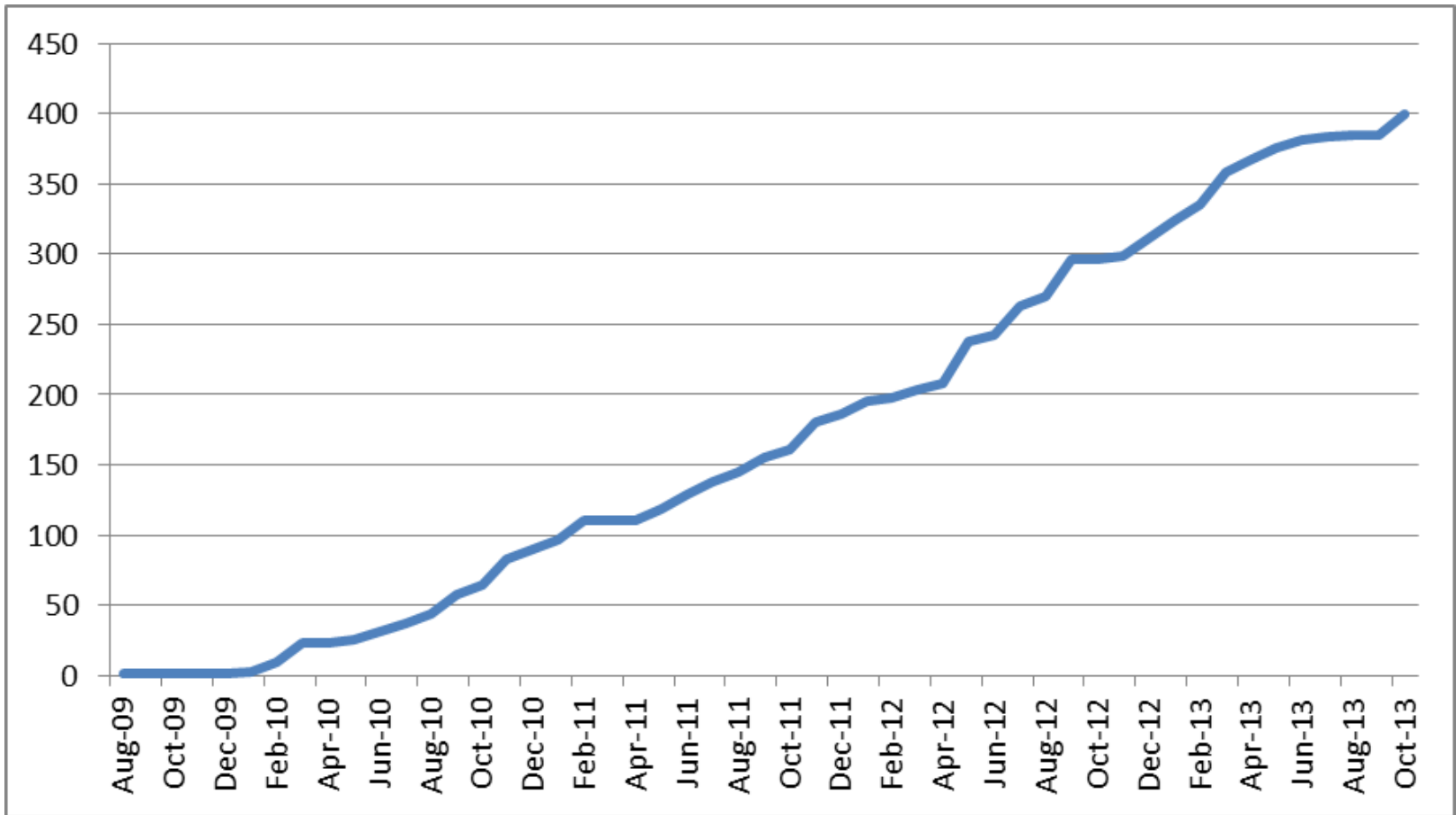
The New Chassis Model



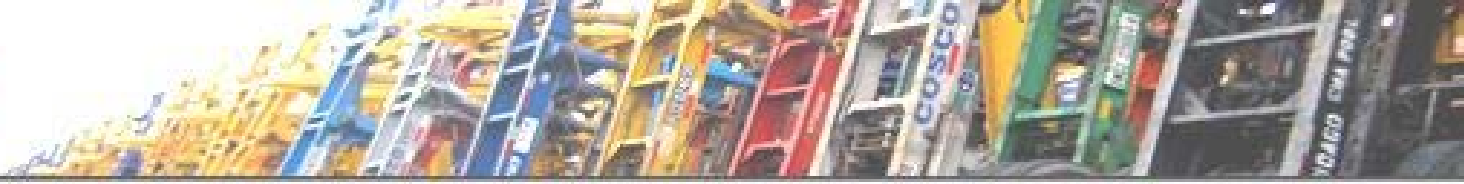


OCEMA Carriers' Announcements of Chassis Provision Change

Metro City / Ocean Carrier Combination

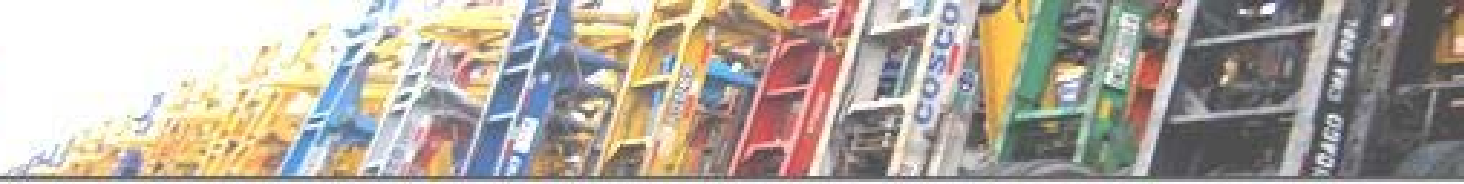


Source: OCEMA.org tracked public announcements for 42 major cities



Emerging Considerations

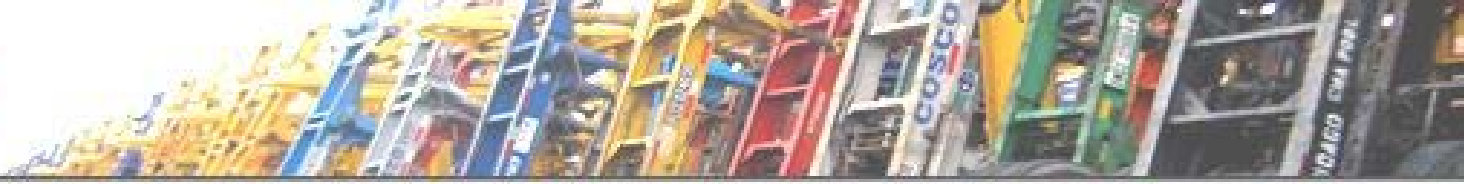
- Will be increased control/validation of Motor Carrier at terminal gates
 - Cargo can be frustrated if Motor Carrier is delinquent on chassis rental payments or has not signed contracts with chassis provider
- Motor carriers need contracts with chassis providers
 - Motor Carriers using UIIA for container only
- Motor Carrier increased responsibility in the quality of transaction data (Motor Carrier SCAC, accurate chassis numbers, etc.)



Other Considerations

- Average age of current U.S. Chassis fleet is 15 years
- No new marine chassis built in 5+ years
 - Who will invest in chassis?
 - What are the cost implications?
- Will the supply of chassis meet demand?
- Remanufacturing (reconditioning) of a chassis can double or triple a chassis life

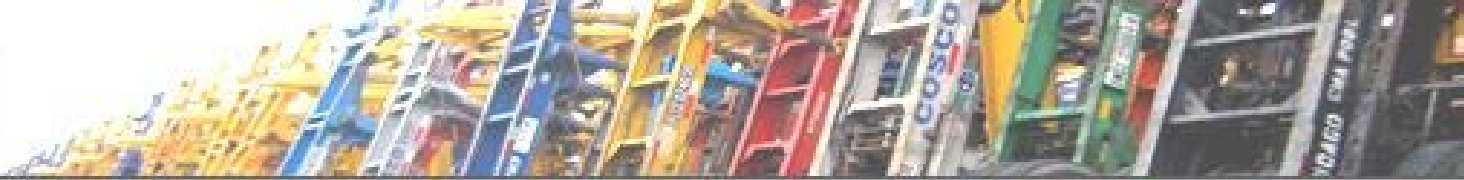
Increased investment likely after successful transition to new business models



Chassis Provision Options

Next steps:

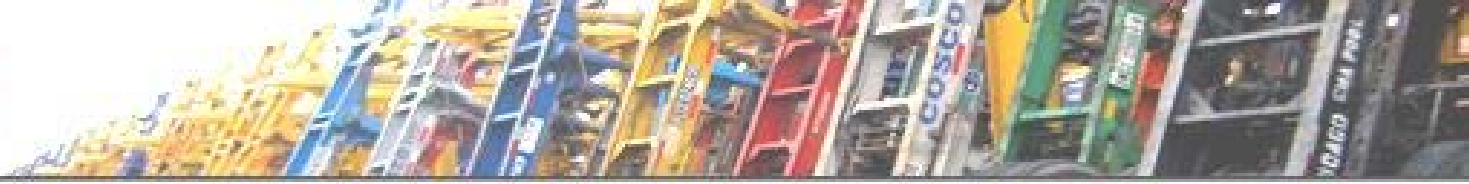
- ✓ Analyze your current operations in regards to chassis
 - Number of moves with chassis
 - Measurement of usage (in terminal days)
 - include dwell or idle times at facilities
- ✓ Review options that “fit” your operation
- ✓ Establish value of chassis provision options



Chassis Provision Options #1

Shipper or its contracted Motor Carrier lease or purchase chassis and operate as a private fleet

- ✓ Capital investment
 - Right-sizing the fleet for size; volume peaks & valleys
- ✓ On own or outsourced?
 - Maintenance & repair
 - Qualified mechanics
 - Compliance with roadability regulations
 - Over the road repairs
 - Labor jurisdiction
- ✓ Need storage facility?
- ✓ Tracking of fleet – system & administration
- ✓ Will all movements require a chassis?
- ✓ Wheeled terminals could be problematic



Chassis Provision Options #2

Shipper or its Motor Carrier rent chassis from Chassis Leasing Company

- ✓ No capital investment
- ✓ Locations covered – Likely able to handle wheeled operations
- ✓ M&R included
- ✓ Daily rental rates
- ✓ Small administration of tracking usage

Chassis providers include:

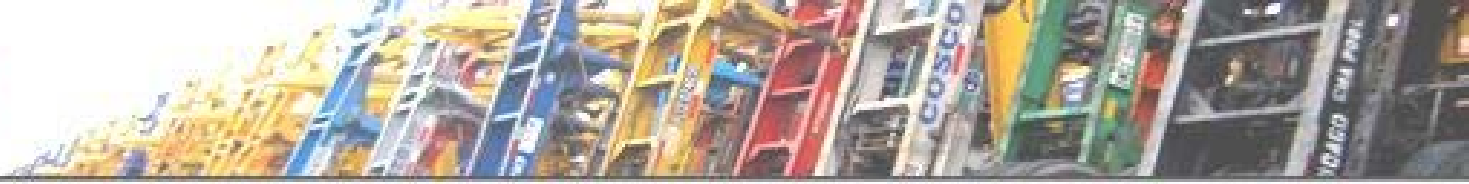
- Trac Intermodal
- Flexi-Van Leasing
- Direct Chassis Link
- NACPC
- Bridge Chassis



Chassis Provision Options #3

Shipper or its contracted Motor Carrier leases or purchases chassis and contributes chassis directly into a co-op chassis pool

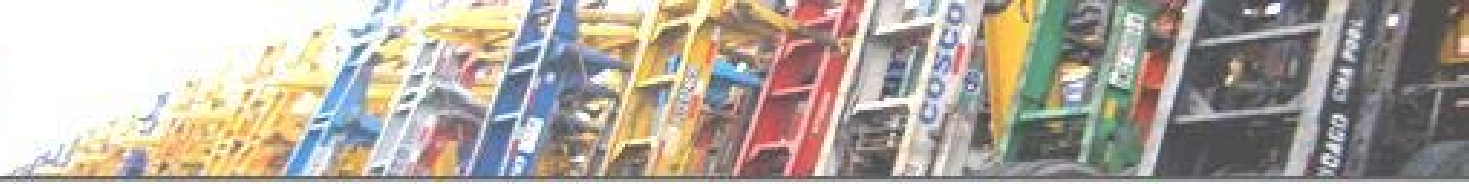
- ✓ Capital investment
 - Right-sizing the fleet for size; volume peaks & valleys
- ✓ M&R included
- ✓ Small administration of tracking usage
- ✓ Locations covered – Likely able to handle wheeled operations



Chassis Provision Options

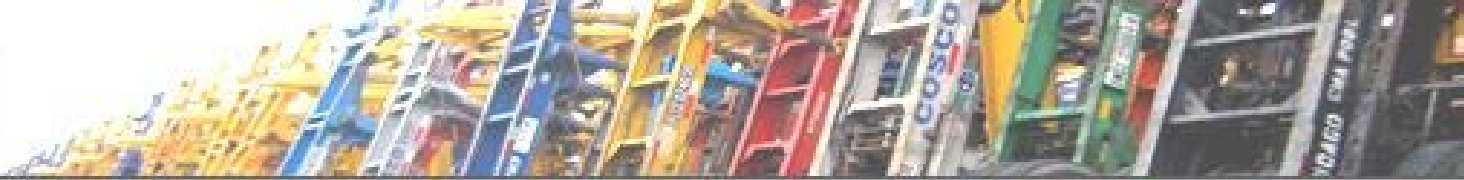
Within the CCM pools there is an added element of choice offered:

- Select specific moves for your chassis provision option
 - Shipper provides B/L, Booking Number or Container Number to CCM
- Shippers' ability to provide chassis for multiple motor carriers
- Motor Carriers' ability to provide chassis for multiple Shippers



Summary

- Chassis provision is evolving
- Multiple options are available for Shippers & Motor Carriers
- Match your needs with provision options

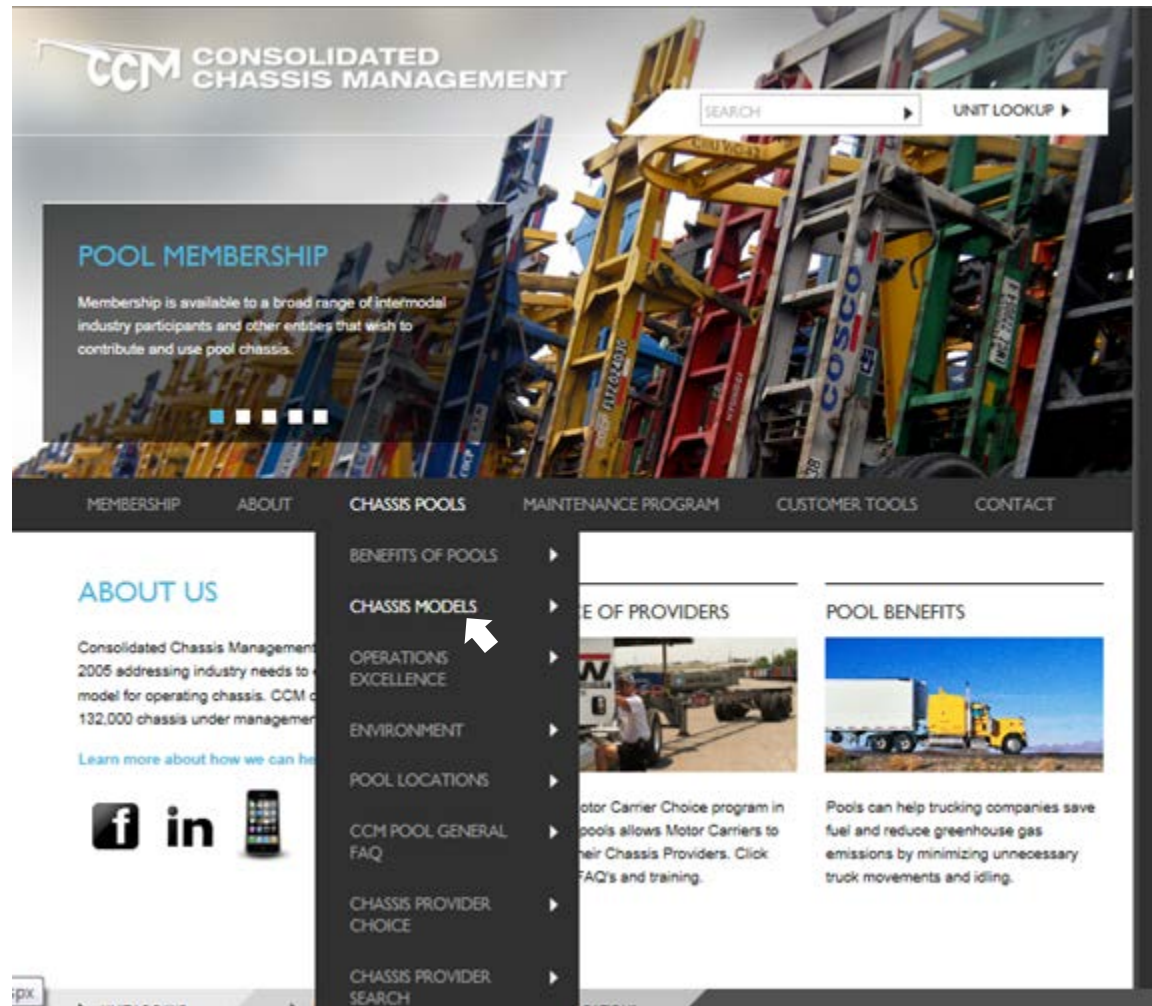


For More Information



visit

CCMpool.com



WWW.CCMPOOL.COM



OCEMA.org



For More Information



Tracintermodal.com



Chassislink.com



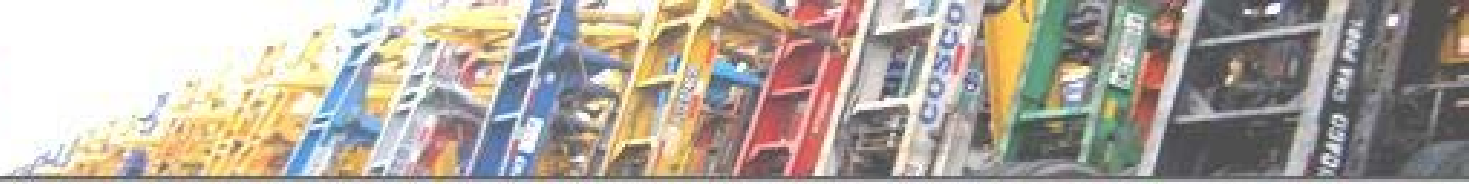
Flexi-van.com



Nacpc.org

Bridge Chassis Supply LLC

Bridgechassissupply.com



Question & Answer