

**DCLI and the
Intermodal Chassis Marketplace**
AgTC Annual Meeting
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Pandemic-Driven Challenges and Chassis Availability



- Tightness in chassis supply during the pandemic was caused by **one overriding factor** affecting every market (across all chassis pool types):
 - **Extended chassis dwell times**, which doubled or even tripled in some markets, driven by warehouse constraints, terminal congestion and other factors
 - Even when container volumes were at record levels during the pandemic, DCLI's chassis ***moves were actually down by 15-20%***
- In response to surges in US container volumes, DCLI:
 - Increased the number of chassis on the street by **more than 65% (40K units)**
 - **Reduced out-of-service chassis levels** to historic lows (< 2%)
 - Spent millions of dollars on **repositioning chassis**
 - **Invested** in new, refurbished and upgraded chassis
- Today, **availability is dramatically improved** and we continue to invest in our fleet so we're prepared for the next supply chain disruption whenever it comes
- We are also focusing on **ways to enhance data sharing** through initiatives like USDOT's FLOW and the FMC's MTDI

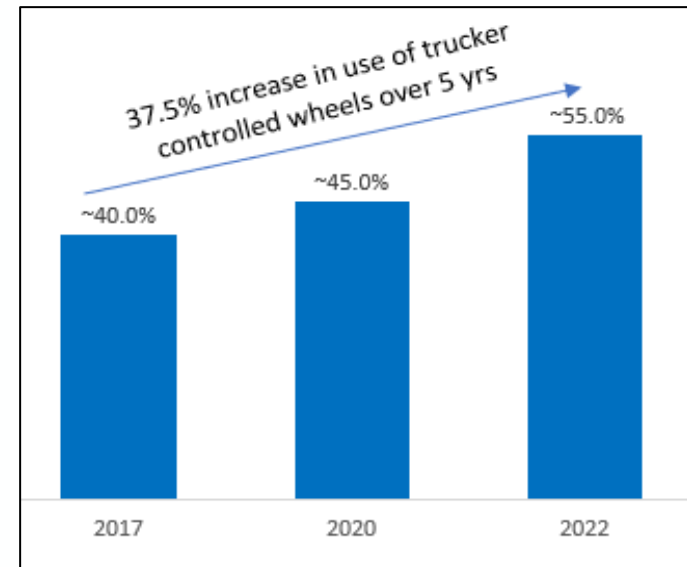
- Ocean carriers owned chassis for years, but **were not investing** and sold these landside assets to Intermodal Equipment Providers (IEPs) like DCLI
- Over the last decade, IEPs have:
 - **Invested billions of dollars** to improve the quality and performance of the nation's chassis fleet and **built nationwide capabilities** to manage logistics
 - **Created competitive pools** that give us direct control over our assets, encourage investment and allow us to serve import **and export** needs
 - **Developed new choices** for securing chassis – competitive daily rental pools, trucker-owned or leased units, BCO-driven private pools
- ATA's IMCC, led by NACPC (a chassis company that competes directly with us), **want the federal government to dictate how chassis pools are run**
- They **want IEPs to give up our privately-owned assets** to a third-party manager, increasing costs for shippers while killing incentives to invest
- NACPC members are both users and providers of the equipment in those pools, so the “choice” they want would **allow them to effectively use our assets while paying themselves**

Growth in Trucker-Owned or Controlled Chassis, Private Pools



Use of trucker-owned or controlled chassis has grown substantially in recent years

- Increase in grounded/hybrid marine and rail terminals has enabled a **37.5% increase in use of trucker-owned or controlled chassis**
- In NY/NJ, we estimate trucker-controlled chassis account for **more than 75%** of moves in the market
- In LA/LB, the **Pool of Pools** accounted for about 80% of moves when it was introduced in 2015 but **is now well below 50%** as ToW and private pools have grown substantially
- Shippers want more control over their supply chains post-pandemic, so are **increasingly working with IEPs and drayage providers to develop private chassis pools**



This data undercuts the argument that there are widespread constraints on truckers' use of their own chassis