



## MINUTES

### **OPERATIONS COMMITTEE MEETING INTERMODAL ASSOCIATION OF NORTH AMERICA**

**FRIDAY, NOVEMBER 14, 2008  
3:30 p.m. – 5:00 p.m.**

**CRYSTAL BALLROOM – SALONS I and II  
HYATT PIER 66 HOTEL  
FORT LAUDERDALE, FLORIDA**

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Committee Chairman Barry Michaels of Union Pacific called the meeting to order at 3:33 p.m., acknowledging the committee's vice chairs, Angie Baggett of Landstar System Inc. and Jeff Grahovec of APL Ltd. Michaels then requested that IANA legal counsel, Mr. John Bagileo, review the association's antitrust guidelines. IANA staff member Tom Malloy conducted a verbal roll call and declared a quorum.

Michaels presented for approval the minutes of the April 30, 2008 Committee meeting, held in Oak Brook Illinois. Jim Reo of Consolidated Chassis Management, LLC provided a motion to approve which was seconded by Scott Smith of APL Ltd. The motion carried unanimously.

#### **Briefing Sessions**

##### **Chicago Domestic Chassis Pool**

Michaels noted recent developments regarding chassis pools and introduced Alan Messing of Seacastle Chassis/TRAC Lease to present information on a 53' Domestic chassis pool being operated in Chicago. Messing cited the 53-foot Chicago domestic pool as a single fleet that was available at all 21 domestic rail terminals. The current fleet size is in excess of 10,000 chassis. As the sole pool operator, Seacastle is able to manage all maintenance through its vendor network, adjust fleet size as required and utilize its Poolstat® management system.

Dan Drella of Schneider National, Inc. echoed Messing's sentiments regarding the value of the program, but noted that neutral chassis programs interject additional parties into the transaction and add many layers to the utilization of the program. Messing acknowledged the challenges associated with multiple participants, but assured that progress continues to be made in insuring a viable neutral domestic chassis fleet.

##### **Maintenance & Damage in Daily Operations**

Barry Michaels said briefing session presentations during Committee meetings are designed to stimulate thought amongst attendees and to develop possible solutions through the creation of a specific task force, or to address through an existing group. He added that damage and its associated expense remains a key issue. Barry then introduced Jay Kronberg, Integrated Data Communication Systems Inc., who proceeded with a

presentation on maintenance and damage in daily operations. Kronberg presented data based upon damage expenses incurred by three railroads, underscoring the confidential and proprietary nature of the data. He cited a recent favorable trend in expense per unit, but added that significant sums continue to be incurred. The most frequently occurring repair codes, he said, are tires, followed by side posts, side panels and roofs. Kronberg listed the following recommendations (and opportunities) for reducing damage levels:

- working toward eliminating damage vs. assigning responsibility;
- training on handling equipment;
- terminal design and processes;
- education on inspection identification, inspection quality and standard processes;
- steel wheel interchange between railroads;
- review of contracts and responsibilities;
- improved compliance with manufacturing specifications, including Association of American Railroads specifications; and
- gate inspections, including automated gate system (AGS) technology.

A question regarding similar data for international chassis was asked by Michaels with Jim Reo responding on behalf of his experience. Reo cited concerns with minimal chassis damage information secured via AGS transactions. Paul Dean, Norfolk Southern, said significant damage levels are not being found through AGS. Bob Huffman, also Norfolk Southern, said he believes AGS systems will proliferate in due time, but do not result in reduced damage. Thomas Kelly of BNSF Railway asked how much of the damage is related to tires, to which Ted Prince of Consolidated Chassis Management, LLC responded that, for CCM, it is between 20 percent and 25 percent.

Michaels said the data sampling represents only a small percentage of total activity and asked if the issue should be examined by the Terminal Efficiencies Task Force led by Ben Shelton of Union Pacific. Michaels asked Scott Smith if similar data could be collected for water carriers and Smith said it could and that he would gladly work on the effort through the appropriate OCEMA committees. Grahovec suggested this item could be addressed through a cross-committee task force using appropriate personnel from both the IANA Operations and M&R Committees, with Shelton to coordinate the effort.

### **ATA/IMCC Initiatives**

Dave Manning, Tennessee Express and Chairman of the ATA/IMCC, addressed several key initiatives of the group and described the Clean Truck Program mandates of the ports of Los Angeles and Long Beach. He also referenced related federal court and Federal Maritime Commission activities and the challenges against certain aspects of the programs.

Manning noted changes in the Uniform Intermodal Interchange and Facilities Access Agreement, which are the subject of a series of IMCC educational sessions directed at motor carriers to improve their depth of understanding of certain revisions. Manning then described cooperative efforts of IANA (*through the M&R Committee Tire Issue Task Force*) and the Technology & Maintenance Council in the development of a comprehensive tire damage analysis guide for bias-ply tires. Concluding, Manning said final roadability regulations are to be published by the end of 2008, according to U.S. Transportation Secretary Mary Peters.

## **OCEMA – CCM & Port Initiatives**

Scott Smith noted the presentation earlier in the day by Ken Tock to the IANA M&R Committee and cited continuing progress on the chassis pool front with the addition of several new managers in the Gulf and Chicago locations. Scott also reported that over 136,000 chassis are now in CCM pools around the country.

Jeff Grahovec, reporting on port initiatives and activities, noted this year's new six-year agreement with the ILWU and the dramatic increase in on-dock rail loading activities. He expressed concerns regarding the Southern California Clean Trucks Programs, including the delay in fee collections; continuing environmental challenges and issues related to the Transportation Worker Identification Credential. Jeff stated that there appears to be only 20% TWIC compliance with port labor interests.

## **Educational Session: EPA SmartWay DrayFLEET Initiative**

Chairman Michaels advised attendees that this meeting would run approximately 15 minutes longer than scheduled to accommodate the full agenda. Michaels then deferred the Task Force updates until after the EPA presentation. Michaels introduced Ken Adler of the U.S. Environmental Protection Agency who provided a briefing on the EPA SmartWay program, which, after four years, has some 1,000 participants engaged in identification and implementation of technologies that reduce fuel consumption and, thus, pollution. Adler said the SmartWay DrayFLEET model aims to expand such efforts on the drayage front, so as to minimize the potential that such issues might have to constrain terminal growth. He described the DrayFLEET model as realistic and easy to use and said case studies conducted at selected terminals indicated the potential for significant reductions in both air pollution and fuel costs.

Adler said SmartWay officials are now working with ports of Norfolk, Baltimore and Philadelphia via a diesel emissions reduction grant program. He said the Transportation Research Board has allocated \$400,000 for studying of drayage-related congestion using the DrayFLEET model. Responding to a question from Prince, Adler said use of liquefied natural gas as an alternative fuel does not appear competitively feasible in this model. Malloy noted that the federal SmartWay is a voluntary program, but that California officials are looking at making its standards mandatory throughout their state in 2010.

## **Task Force Updates**

### **Security – TWIC Task Force**

Task Force leader James Shondel, NASCENT Technology, provided an update on the current TWIC implementation process. He cited the TWIC Task Force's efforts to provide up-to-date information to its members through monthly communications from IANA, and the broad scale of information available on the IANA Web site security section. James also advised that a recent major power-outage at the sole TWIC activation site had a delayed effect with activation efforts on cards that had been approved. The reactivation aspects of the program are being rolled out to align with the staggered compliance dates at certain port zones, mostly on the east coast.

James also advised that the capabilities of reader technology are not at the stage of being published, however several locations are conducting tests using various potential technologies. **[Subsequent to the meeting, TSA advised nationwide activations resumed without incident on November 17, 2008].**

### **Terminal Efficiencies Task Force**

Ben Shelton, Task Force leader, provided a brief report on the Terminal Efficiencies Task Force, stating that the Task Force has been making progress since its reorganization was approved at the April 30, 2008 meeting. Over the preceding six months, Shelton said, new team members have been selected, several conference calls have been conducted, initial issues have been identified and a charter has been drafted for submission to the Operations Committee. He also noted that a hard copy of the charter was distributed to attendees. New projects have included efforts toward establishing an electronic questionnaire to furnish to the IANA Motor Carrier Division members to determine their perspective on specific terminals that can be quantified as the most efficient.

The Task Force has also assumed the information evaluation and content oversight of the North American Rail Intermodal Terminal Directory, on which an update report should be ready by the next committee meeting. Also, Ben noted the new task assigned earlier in this meeting (*referenced above under the Damage briefing session*). Ben requested that the Committee approve the task force charter, which was adopted via unanimous acclamation.

### **Other Business/Next Meeting/Adjournment**

Michaels noted that the next Operations Committee meeting is set for April 29, 2009 in Oak Brook, Ill. Ed McQuillan, of Optimization Alternatives, moved for adjournment, seconded by Chuck Connors, H&M International, with unanimous approval and the meeting was adjourned at 5:10 p.m.

### **Operations Committee Action Items**

Subject	Item Description	Name	Date
Terminal Efficiencies Task Force	Develop cross-functional committee between Operations and M&R to address potential equipment damage prevention initiatives	Ben Shelton, UP	March 20, 2009
Terminal Efficiencies Task Force	OCEMA evaluation of damage expenses associated with steamship line equipment	Scott Smith, APL	March 20, 2009