

Outsourcing M & R

An Inspection and Audit Perspective

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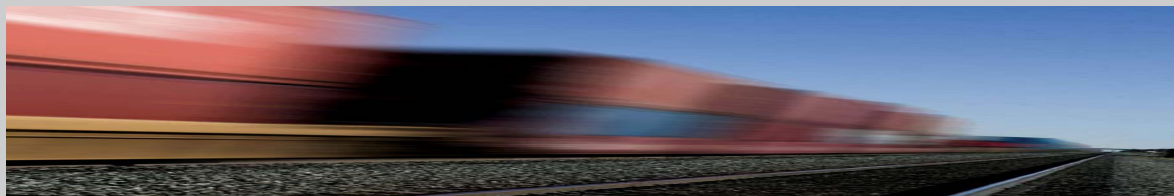
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ISS Snapshot

Total Equipment Management Services

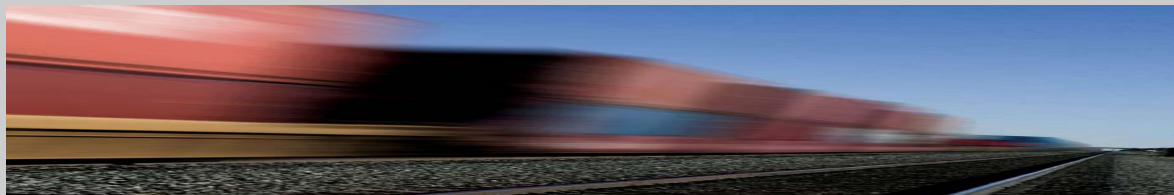
- All ISS Customers are Railroads
- All Railroads have outsourced M & R
- Ensure Safety of Intermodal Equipment
- Manage Damage/Equipment Availability
- Assign Responsibility for Damage
- Gate Inspections – Traditional & AGS



It All Starts At The Gate

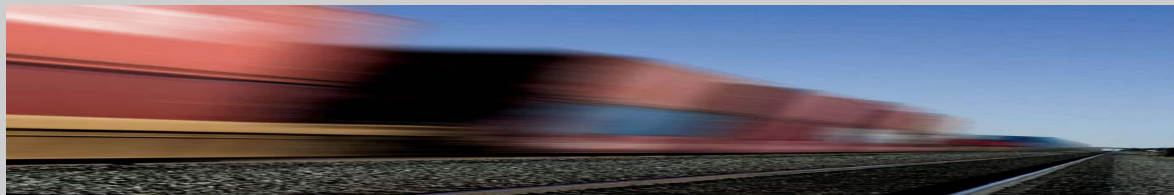
Manual Gate vs. AGS

- AGS – various roads approach is different
 - Velocity vs. Inspection
- Manual – identifying all damage is key
 - Generate reports for inspectors
 - Protect RR from paying for damage
 - Protect yard operator from “yard damage”



Rail Controlled Equipment

- Manage costs
- Check and balance of repair vendors
- Joint inspections of terminated equipment
- Identify responsible party for damage
- Goal is available equipment for rail customers



Rail Controlled Equipment

- Initial inspection of all rail controlled equipment (chassis and containers)
- If damage found a work order is written and distributed to repair vendor
- Railroad applications match/merge to determine if damage rebillable



Private Equipment

- Even RR's without equipment pay for damage
- Instances where the railroads are practically maintaining a customer's fleet
 - A joint inspection program has minimized
- ISS main focus is identifying the sources of the damage



Private Equipment

BNSF LPC Example

- After B/O unit found – complete inspection performed
- Determination of damage (owners/yard/in gate)
- Use various BNSF systems to investigate – AGS/TSS

