

Reducing Port Congestion

MODERN CHASSIS ON THE WEST COAST

The Backstory

The Harbor Trucking Association (HTA) is a coalition of Los Angeles (LA), Long Beach (LB) and Oakland intermodal carriers whose purpose is to advocate, educate and promote strategies with other goods movement stakeholders and policy makers that will sustain emissions reductions, provide a dialog for intermodal truck efficiency and return cargo and jobs to California ports. The HTA is vital to the nation's supply chain, as two-thirds of the containers that are imported on the U.S. West Coast come through the Ports of LA/LB and Oakland.

The Challenge

On the West Coast, it comes down to volume: The Ports of LA/LB and Oakland are among the busiest in the world. In fact, the Port of Los Angeles alone imported 9.5 million Twenty-Foot Equivalent Units (TEUs) in 2018 – the most in its 111-year history. Because of this significant increase in imports over the last 2 years, these ports regularly experience severe congestion.

"[The Port of LA/LB] is the most congested I've ever seen," Weston LaBar, HTA CEO said. "There are a few factors that have contributed to this congestion: labor contract issues, big ships and alliance structures and finally, equipment issues and chassis pools."

Trucking companies are feeling the crunch as there is limited – or no – equipment and space in order to operate.

With an impending trade war between the U.S. and China, American importers have been filling orders as quickly as possible in order to beat proposed tariff increases that had been announced. For example, fashion retailers have already imported product for their spring 2019 lines, which is extremely accelerated timing according to LaBar. "These items are sitting in containers on chassis because there's not enough room in warehouses," he said.

Due to this recent increase in supply and demand for imports, trucking companies are feeling the crunch as there is limited – or no – equipment and space in order to operate.

According to LaBar, the biggest bottleneck and choke point for importers is the quality of equipment, infrastructure and chassis. A lot of the chassis equipment on the market is between 20-25 years old, resulting in breakdowns, lost time on the road and increased maintenance & repair (M&R) costs. In some parts of the country, a common problem – blown-out recapped tires – results in upwards of 3-4 hours of downtime for drivers.

Continued on reverse.



AN ADVOCATE

FOR EQUIPMENT STANDARDS
IN THE INTERMODAL INDUSTRY

New Chassis

BETTER FOR
YOUR BOTTOM LINE

SAVE UP TO

\$14K*

PER CHASSIS

PER YEAR

* based on a fleet of 10 chassis

MILESTONE OWNS

11,500

CHASSIS NATIONWIDE



GOAL TO REACH

30,000

OVER THE NEXT 5 YEARS

Our Solution

The HTA is an advocate for creating equipment standards in the intermodal industry. The older the equipment, the more likely that it will incur an issue in functionality at some point, leading to increased down times and forcing shippers to incur additional maintenance and repairs (M&R) costs.

“The entry of companies like Milestone in Southern California has helped drive the quality of chassis in the market,” LaBar said. “[Milestone’s] new equipment is cheaper to maintain and they offer longer-term leases, which means less issues and faster service for our members.”

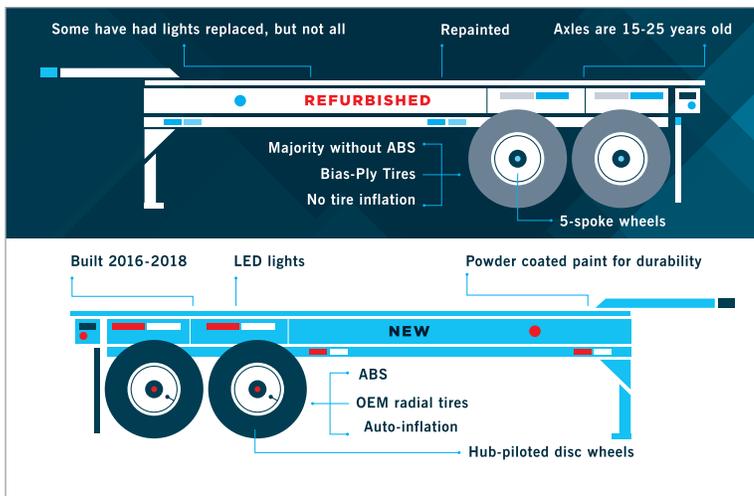
Communicating the value of new chassis, as well as providing access to new equipment has been an imperative for Milestone and Doug Hoehn, EVP of Chassis and Containers.

“Every Milestone chassis is the most advanced chassis on the road. Our customers know that they can easily book the newest chassis fleet in the industry for daily and short-term leases by signing onto www.chassisfinder.com 24/7,” Hoehn said.

This round-the-clock access to a diversified Milestone chassis fleet provides truckers even more options to fulfill their daily shipments.

Doug Hoehn

Milestone, EVP of Chassis and Containers



If Your Chassis Isn't New, It's Old:
THE TRUTH BEHIND REFURBISHED CHASSIS

Our turn times are generally 18-20 minutes better than the general HTA pool.

Fred Johring

Golden State Logistics, President

In addition to providing the nation's most modern fleet, Milestone has made it a priority to provide all shippers with access to the equipment they require. Milestone and the HTA partnered in 2016, which allowed Milestone to provide access to quality equipment on the West Coast for the first time. According to Hoehn, HTA members receive exclusive access to 2016 or newer chassis, all equipped with radial tires, disc wheels, ABS, LED lights, GPS and PSI on specialty equipment.

“We’ve started after-hours pick-up at one of our LA/LB area locations, expanded our inventory levels and equipment types and continued to offer special rates to HTA members,” Hoehn continued. “This round-the-clock access to a diversified Milestone chassis fleet provides truckers even more options to fulfill their daily shipments.”

These benefits to private access have already paid immense dividends for HTA members, such as Golden State Logistics.

“Our turn times are generally 18-20 minutes better than the general HTA pool,” Fred Johring, President of Golden State Logistics said. “We tell our customers that these time savings save lots of money.”

To make things even better, Johring noted that the quality of the Milestone equipment is a benefit to his organization.

“With ocean pools, the equipment is generally 30-years old, which causes lots of problems – there has been no issue with the newer equipment,” he said. “[Milestone] also puts GPS on (the chassis), so if we lose one, we can drive right up to it. There’s no question with a Milestone chassis that it’s a private chassis.”

Milestone currently owns over 11,500 chassis nationwide and has the goal to reach 30,000 chassis over the next 5 years. ▲



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