"TRAC is focused on providing customers with the right chassis, at the right place, in the right condition." – Keith Lovetro, president and CEO

BIG SHIFT

TRAC Intermodal is leading change in the intermodal equipment sector by understanding its customers’ needs.

It’s been said that companies that prepare for the future improve the industry. That axiom holds true for TRAC Intermodal, which for more than 45 years has been providing intermodal equipment to international and domestic shippers.
TRAC is North America’s leading intermodal equipment provider and chassis pool manager. Since 2010, the operation’s year over year growth has been about 20 percent. TRAC’s active fleet now consists of approximately 272,000 chassis. Additionally, the company has a broad operating footprint with 630 marine, 167 domestic and 59 depot locations.

President and CEO Keith Lovetro says...
TRAC's success is a result of understanding its customers, anticipating market changes and having a good strategy. “Knowing what our customers want enables development of specialized products like our recently introduced TITAN chassis,” he says. The premium 40-foot TITAN marine chassis was designed to enhance driver productivity and includes OEM radial tires, automatic tire inflation systems and GPS tracking.

Caliber Information Systems provides maintenance and repair solutions, including Software as a Service and field support services to major lessors, railroads, and motor carriers in the Transportation Industry. TRAC Intermodal is a highly valued, cornerstone Caliber client. With a focus on mobile technologies, Caliber began supplying field support services to TRAC Intermodal in 2006. Caliber has since added equipment inspection, repair estimating and purchase order software services. Today TRAC Intermodal utilizes Caliber field support and software services throughout its nationwide network of Field Inspectors and repair service partners.
“Steamship operators began transitioning away from that traditional model, choosing instead to favor port-to-port shipping.”

Our service creed is to provide customers with leading and innovative philosophies in safety, service, and value creation that are then backed by exceptional results, sound business practices, and effective technology to create long-standing stability in our partnerships. P&B will accomplish this without ever jeopardizing our customers’ trust, our organizational values, our founder’s creed, or the welfare of our team members. At P&B Intermodal, we have a host of factors that we believe create a unique competitive advantage and set us apart from the rest of the competition. These factors combine service offerings, company culture, internal processes, and technology in such a way that make up our company’s compelling value proposition.

Making Changes

Before 2009, steamship lines traditionally provided chassis for over-the-road transport of containers themselves, with companies like TRAC Intermodal leasing the chassis to the steamship lines. These chassis were then maintained and operated by the steamship companies.

“Steamship operators began transitioning away from that traditional model, choosing instead to favor port-to-port shipping,” Lovetro says. “The steamship lines are not yet done divesting their chassis, and we expect the trend to continue into 2016.”

Within this new environment, TRAC Intermodal made sweeping changes in the way it serves the marine side of the industry. Lovetro explains that rather than only leasing the equipment to steamship lines, TRAC Intermodal increasingly acts like a rental car agency for motor carriers, focused on providing shorter-term rentals of the right chassis types, at the right place, in the right condition.

This shift away from the long-term leasing model also meant TRAC Intermodal had to change the way it made chassis available to the market. According to Lovetro, the company created regional pools to provide multiple distribution points to support a broad network of ports and rail locations.

TRAC’s business became much more complex after steamship lines began exiting the chassis provisioning business. “Our strategy is to acquire chassis, expand our footprint and focus on delivering high-quality chassis solutions to our customers,” Lovetro says. Since 2009, TRAC has added more than 3,100 new customers. With a 38 percent share of the market in North America, TRAC is
Cover Story
TRAC Intermodal

With a 38 percent share of the North American market, TRAC is the leading provider of chassis solutions to the intermodal industry.
the leading provider of chassis solutions to the intermodal industry.

The chassis leasing industry is dynamic. To remain competitive, TRAC expanded its geographic footprint on the West Coast, established new service centers in Los Angeles and Chicago, began providing limited drayage services and spent significant resources on growing its owned and managed marine chassis fleet.

More Growth
TRAC’s headquarters in Princeton, N.J., has been bursting at the seams and is consolidating its headquarters from two locations into one. TRAC expects to move into the new office space during the first quarter of 2015 located at 750 College Road East, Princeton, N.J.
Its principal business is providing marine and domestic chassis on both long and short-term leases or rental agreements to a diversified customer base including the world’s leading shipping lines, Class I railroads, major U.S. intermodal transportation companies and motor carriers.

According to Lovetro, “2014 will be a year in which our marine market segment continues to transform and grow as steamship lines sell their remaining chassis fleets and migrate to the motor carrier model. We anticipate acquiring more marine chassis from steamship lines and growing our daily usage volumes with motor carriers and other new emerging customers, such as BCOs. Additionally, we will continue to broaden and expand our focus on service, quality and safety.”

**Intermodal is Everywhere**

The U.S. economy is dependent on the movement of intermodal container cargo through its major port terminals and railroad ramps. Chassis are an essential component in the intermodal containerized shipping infrastructure as they...
are required by shipping lines, railroads, intermodal transportation companies and motor carriers to move shipping containers over land between ocean-going vessels, railroad ramps, warehouses and other delivery points served by motor carriers.

The North American chassis market is large, with a total fleet of approximately 719,000 chassis and an aggregate replacement cost of approximately $8.6 billion. Of this total, approximately 567,000 chassis are marine chassis for transporting 20-, 40- and 45-foot intermodal containers. The remaining chassis are domestic chassis, primarily designed for domestic containers with a length of 53-feet that move almost exclusively on railcars.

The United States has been the only major container market in the world where shipping lines and railroads provide chassis as part of their basic transportation service to their customers, although the industry is transitioning to the motor
carrier model where the responsibility for chassis provisioning is transitioning to motor carriers.

Leasing companies own a significant portion of North America’s chassis, and we believe the remainder is owned predominantly by shipping lines and railroads. TRAC estimates that approximately 69 percent of the North American chassis market is controlled by leasing companies like TRAC, and it expects the trend to continue.

**Biggest Fleet in North America**

TRAC’s fleet of equipment consists of marine and domestic chassis. These assets are owned, leased-in or managed by TRAC on behalf of third-party owners in pooling arrangements.

The net book value of the company’s owned equipment is approximately $1.43 billion.

TRAC operates its business through two operating segments: the marine market segment and the domestic market segment.

The marine market segment primarily serves shipping lines and motor carriers with 20-, 40- and 45-foot chassis. These chassis are used in the transport of dry or refrigerated marine shipping containers of the same size, carrying goods between port terminals and/or railroad ramps and retail or wholesale warehouses or store locations, principally in the United States.

TRAC offers customers short-term rental agreements or long-term leases. As of June 30, 2014, TRAC’s active fleet included 199,000 marine chassis.

The Domestic Market segment primarily serves railroads and major U.S. intermodal transportation companies with 53-foot chassis. These chassis are used in the transport of domestic shipping containers of the same size carrying goods between railroad ramps and retail or wholesale warehouses or store locations, principally in the United States. TRAC offer customers both long-term leases and short-term leases or rental agreements. As of June 30, 2014, TRAC’s active fleet included 72,992 domestic chassis.

By understanding changing markets and proactively understanding customer needs, TRAC Intermodal has put itself in position to take advantage of opportunities with domestic and international shippers for years to come.