

Safari Power Saver  
Click to Start Flash Plug-in

Dialogue to the power of



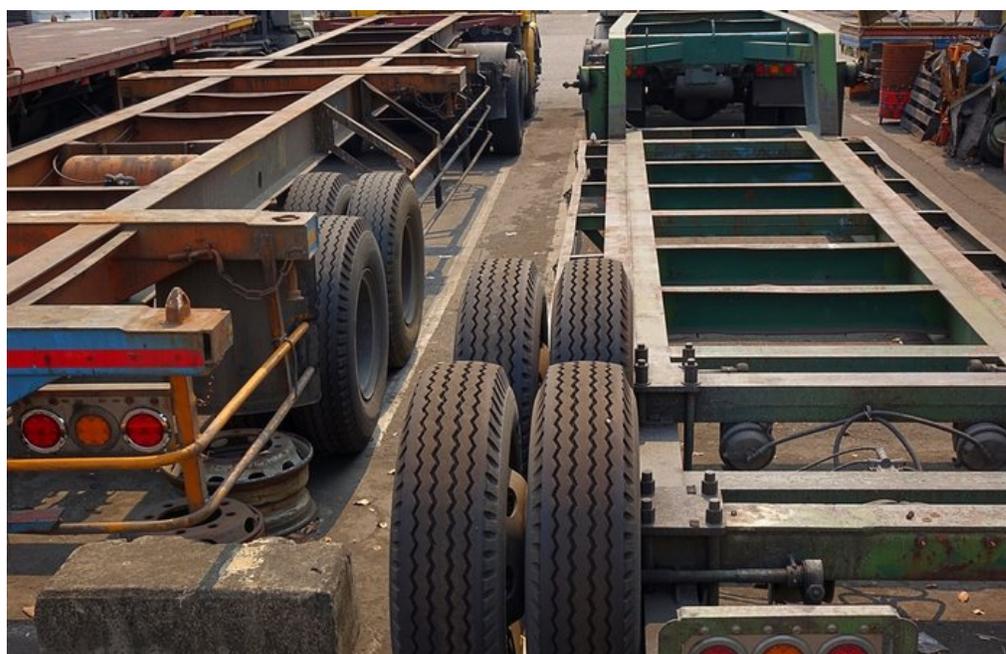
Search JOC.COM

[Special Topics](#) [Ports](#) [Maritime](#) [Trucking](#) [Logistics](#) [Rail & Intermodal](#) [Government](#) [Economy](#) [Air Cargo](#) [Trade](#) [Market Data](#)

## Long-delayed NY-NJ chassis pool 'making progress'

[Joseph Bonney](#), Senior Editor ([/users/jbonneyjoc.com](#)) | Sep 21, 2015 7:31AM EDT

print (<http://www.joc.com/print/3246841>)

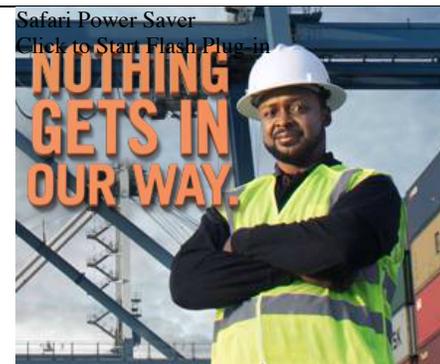


Organizers of a planned universal pool of interchangeable chassis at the [Port of New York and New Jersey](#) (<http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey>) say they're moving closer to completing a devilishly complex job that's dragged on for more than a year.

"We are definitely making progress, and there certainly is a will to get this done. Everyone recognizes the importance of it," said John Nardi, president of the New York Shipping Association.

Nardi wouldn't predict when the planned [port-wide "gray" pool](#) ([http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-sets-plan-gray-chassis-pool\\_20141120.html](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-sets-plan-gray-chassis-pool_20141120.html)) might be launched. Keith Lovetro, CEO of TRAC Intermodal, which controls two-thirds of the port's approximately 30,000 chassis, said it could begin operation in the first quarter of 2016.

The original goal was in the second quarter of 2015. That [target was missed](#) ([http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-gray-chassis-pool-may-not-meet-july-1-target\\_20150609.html](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-gray-chassis-pool-may-not-meet-july-1-target_20150609.html)), extended, and missed again as industry factions bickered over how the pool would be structured, who would manage it, how to preserve competition, and myriad other issues.



### More on JOC



[Carriers will struggle to sustain first-half profitability](#) ([/maritime-news/container-lines/carriers-will-struggle-sustain-first-half-profitability\\_20150921.html](#)) [Container Lines](#) ([/maritime-news/container-lines](#))



[Express parcels industry under pressure "as never before" – report](#) ([/international-logistics/logistics-providers/express-parcels-industry-under-pressure-%E2%80%9Cnever-providers/express-%E2%80%9D-%E2%80%93-parcels-report\\_20150921.html](#)) [Logistics Providers](#) ([/international-logistics/logistics-providers](#))



[No let up in demand for direct LCL services on Asia-US trades](#) ([/maritime-news/no-let-demand-direct-lcl-services-asia-us-trades\\_20150921.html](#)) [Maritime News](#) ([/maritime-news](#))

[Start using ACE voluntarily, Customs specialists advise](#) ([/regulation-policy/customs-regulations/us-customs-regulations/start-using-ace-voluntarily-customs-specialists-advise\\_20150920.html](#)) [US Customs Regulations](#) ([/regulation-policy/customs-regulations/us-customs-regulations](#))

[Despite domestic growth slowdown, US intermodal on solid](#)

In separate interviews, Nardi and Lovetro said agreement appears close on the two main unsettled issues — union jurisdiction over chassis maintenance and repair, and assurances that chassis providers can't use the pool to manipulate supply and prices.

"I don't see either one of these as insurmountable at this point," said Nardi, who chairs the chassis committee of the Council on Port Performance. The council is an industry-wide group working to implement a [task force's recommendations](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-port-performance-task-force-unveils-report_20140624.html) ([http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-port-performance-task-force-unveils-report\\_20140624.html](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-port-performance-task-force-unveils-report_20140624.html)) that include a port-wide chassis pool.

Improvements in chassis supply and quality are crucial to smooth port operations. Problems with chassis have been a key [contributor to congestion](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/chassis-pool-getting-closer-look-ny-nj_20140402.html) ([http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/chassis-pool-getting-closer-look-ny-nj\\_20140402.html](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/chassis-pool-getting-closer-look-ny-nj_20140402.html)) that has plagued New York-New Jersey and other ports, including Los Angeles-Long Beach.

During the last five years, container lines have sold most of their chassis to leasing companies. The carriers did so in order to cut costs and bring their U.S. operations in line with other nations, where truckers or shippers supply their own equipment. The adjustment [has been bumpy](http://www.joc.com/trucking-logistics/drayage/three-largest-us-ports-seek-ways-resolve-chassis-crisis_20140721.html) ([http://www.joc.com/trucking-logistics/drayage/three-largest-us-ports-seek-ways-resolve-chassis-crisis\\_20140721.html](http://www.joc.com/trucking-logistics/drayage/three-largest-us-ports-seek-ways-resolve-chassis-crisis_20140721.html)) for ports and their customers.

In New York-New Jersey, the three main lessors — TRAC, Direct ChassisLink Inc. and Flexi-Van Leasing — operate independent pools that don't share equipment. Truckers often must make an extra stop to switch chassis between different customers' loads. These trips reduce drivers' productivity and worsen congestion at terminal gates.

At Los Angeles and Long Beach, leasing companies attacked the problem by creating an area-wide ["pool of pools"](http://www.joc.com/port-news/us-ports/port-los-angeles/rapid-progress-new-southern-california-chassis-model_20150325.html) ([http://www.joc.com/port-news/us-ports/port-los-angeles/rapid-progress-new-southern-california-chassis-model\\_20150325.html](http://www.joc.com/port-news/us-ports/port-los-angeles/rapid-progress-new-southern-california-chassis-model_20150325.html)) serving the ports' 13 terminals. This allows free interchange of chassis by competing, separately operated pools that periodically settle up costs with each other.

New York-New Jersey plans a different structure — a centrally managed "market pool" cooperative. The lessors plan to form a joint venture that will hire a pool manager. The manager would run the pool according to guidelines set by industry groups that have been working on the gray pool.

Lovetro said the arrangement provides safeguards to ensure that chassis supply and prices aren't manipulated. "The joint venture will be a completely separate operation, totally independent of the three leasing companies," he told JOC.com.

The pool's operating rules will include targets on chassis utilization levels, out-of-service equipment and other performance metrics, Lovetro said. The plan is to open at least two or possibly three near-dock chassis depots to improve M&R quality and to help balance flows of chassis among marine terminals and other locations.

Before launching their Los Angeles-Long Beach pool, lessors secured a Justice Department business review letter stating that their plans appeared permissible under antitrust laws. Attorneys advised that the Justice Department letter was broad enough to cover what's planned for New York-New Jersey, Lovetro said.

The pool-of-pools model at Los Angeles-Long Beach achieved its immediate objective of allowing full "interoperability," or unimpeded exchange of chassis throughout the port, Lovetro said. But he believes the market pool provides more efficient operation because it simplifies accounting and doesn't require each pool to maintain its own operating structure.

Lovetro said TRAC would like to see the Los Angeles-Long Beach pool-of-pools arrangement eventually converted to a market pool. "Once we get it built in New York-New Jersey, we could take the concept to other



[track](#) ([/rail-intermodal/intermodal-shipping/us-intermodal-experts-look-past-domestic-growth-slowdown-future-steady-gains\\_20150920.html](#)) [Intermodal Shipping](#) ([/rail-intermodal/intermodal-shipping](#))  
[\(/rail-intermodal/intermodal-shipping/us-intermodal-experts-look-past-domestic-growth-slowdown-future-steady-gains\\_20150920.html\)](#)



[Trumpeting logistics job salaries could help industrial developers get permits](#) ([/international-logistics/industrial-real-estate/trumpeting-logistics-job-salaries-could-help-industrial-developers-get-permits\\_20150920.html](#)) [Industrial Real Estate](#) ([/international-logistics/industrial-real-estate](#))  
[\(/international-logistics/industrial-real-estate/trumpeting-logistics-job-salaries-could-help-industrial-developers-get-permits\\_20150920.html\)](#)



[Australia promotes food exports after commodity boom ends](#) ([/maritime-news/australia-promotes-food-exports-after-commodity-boom-ends\\_20150919.html](#)) [Maritime News](#) ([/maritime-news](#))  
[\(/maritime-news/australia-promotes-food-exports-after-commodity-boom-ends\\_20150919.html\)](#)

[MORE News & Analysis »](#) ([/news](#))



## Recommended Resources

[WEBCASTS](#) ([/](#)) [PODCASTS](#) ([/](#)) [WHITEPAPERS](#) ([/](#))



### The Internet of Things for Freight Logistics

<https://vts.inxpo.com/Launch/QReg.htm?ShowKey=27251&AffiliateData=W50924H>

Sep 24, 2015 10:00AM EDT

#### LEARN MORE

<https://vts.inxpo.com/Launch/QReg.htm?ShowKey=27251&AffiliateData=W50924H>



### ON DEMAND Converting Trade Data to Gold

<https://vts.inxpo.com/Launch/QReg.htm?ShowKey=26327&AffiliateData=050806H>

markets pretty readily," he said.

[Efforts to develop a market pool](http://www.joc.com/port-news/port-equipment/trac-chassis-providers-want-voice-ny-nj-%E2%80%98gray%E2%80%99-pool_20140729.html) ([http://www.joc.com/port-news/port-equipment/trac-chassis-providers-want-voice-ny-nj-%E2%80%98gray%E2%80%99-pool\\_20140729.html](http://www.joc.com/port-news/port-equipment/trac-chassis-providers-want-voice-ny-nj-%E2%80%98gray%E2%80%99-pool_20140729.html)) in New York-New Jersey have taken longer than expected.

Lovetro said that's largely due to the large number of participants involved. The discussion has included representatives of lessors, terminals, M&R contractors, trucking companies, and longshore labor.

This has made it complex, but Lovetro said it's better to thrash out various parties' objections before the pool begins operation. "We don't want to build this thing, and then have people say, 'It's not going to work for me,'" he said.

Labor jurisdiction has been a touchy issue in the New York-New Jersey chassis-pool discussions. The International Longshoremen's Association is anxious to maintain its jurisdiction over chassis M&R, the union's fastest-growing source of work.

The ILA has sought to bring the leasing companies into its coastwide master contract, which requires signatories to use ILA labor. Although the leasing companies aren't contract signatories, they have pledged to exclusively use repair companies and marine terminals that employ ILA labor. "There is no effort or intent on our part to ever move away from that," Lovetro said.

At a meeting last Thursday, pool organizers and attorneys worked out language in an agreement making it clear that lessors will not try to circumvent the union, even though they won't be master contract signatories, Lovetro said. This agreement is being review and could be approved in principle as early as this week.

Contact Joseph Bonney at [joseph.bonney@ihs.com](mailto:joseph.bonney@ihs.com) (<mailto:joseph.bonney@ihs.com>) and follow him on Twitter: [@JosephBonney](http://www.twitter.com/JosephBonney) (<http://www.twitter.com/JosephBonney>).

[Port News](#) (/port-news) > [US Ports](#) (/port-news/us-ports) > [Port of New York and New Jersey](#) (/port-news/us-ports/port-new-york-and-new-jersey)  
[North America](#) (/geography/north-america) > [United States](#) (/geography/united-states)

## Related

**Carriers will struggle to sustain first-half profitability** (/maritime-news/container-lines/carriers-will-struggle-sustain-first-half-profitability\_20150921.html)  
 Container Lines (/maritime-news/container-lines)

**Express parcels industry under pressure "as never before" – report** (/international-logistics/logistics-providers/express-parcels-industry-under-pressure-%E2%80%9Cnever-%E2%80%9D-%E2%80%93-report\_20150921.html)  
 Logistics Providers (/international-logistics/logistics-providers)

**Long-delayed NY-NJ chassis pool 'making progress'** (/port-news/us-ports/port-new-york-and-new-jersey/long-delayed-ny-nj-chassis-pool-%E2%80%98making-progress%E2%80%99\_20150921.html)  
 Port of New York and New Jersey (/port-news/us-ports/port-new-york-and-new-jersey)

**No let up in demand for direct LCL services on Asia-US trades** (/maritime-news/no-let-demand-direct-lcl-services-asia-us-trades\_20150921.html)  
 Maritime News (/maritime-news)

**Demand drags Asia-Med volumes down to 2012 euro crisis levels** (/maritime-news/demand-drags-asia-med-volumes-down-2012-euro-crisis-levels\_20150921.html)  
 Maritime News (/maritime-news)

**Flat or declining volumes at most of China's top ports** (/port-news/flat-or-declining-volumes-most-china%E2%80%99s-top-ports\_20150921.html)  
 Port News (/port-news)

**Start using ACE voluntarily, Customs specialists advise** (/regulation-policy/customs-regulations/us-customs-regulations/start-using-ace-voluntarily-customs-specialists-advise\_20150920.html)  
 US Customs Regulations (/regulation-policy/customs-regulations/us-customs-regulations)

**Despite domestic growth slowdown, US intermodal on solid track** (/rail-intermodal/intermodal-shipping/us-intermodal-experts-look-past-domestic-growth-slowdown-future-steady-gains\_20150920.html)  
 Intermodal Shipping (/rail-intermodal/intermodal-shipping)

**Trumpeting logistics job salaries could help industrial developers get permits** (/international-logistics/industrial-real-estate/trumpeting-logistics-job-salaries-could-help-industrial-developers-get-permits\_20150920.html)  
 Industrial Real Estate (/international-logistics/industrial-real-estate)

Aug 6, 2015 2:00PM EDT

[LEARN MORE](#)

(<https://vts.inxpo.com/Launch/QReg.htm?ShowKey=26327&AffiliateData=050806H>)



**ON DEMAND Peak Season Shipping Forecast**

(<https://vts.inxpo.com/Launch/QReg.htm?ShowKey=26453&AffiliateData=W50730H>)

Jul 30, 2015 11:00AM EDT

[LEARN MORE](#)

(<https://vts.inxpo.com/Launch/QReg.htm?ShowKey=26453&AffiliateData=W50730H>)

[More Webcasts >>](https://www.joc.com/webcasts) (<https://www.joc.com/webcasts>)

**SUBSCRIBE TO READ HIS COVERAGE**

**JOC.com**

**Bill Cassidy**  
**KNOWS TRUCKING**

*30 years of trucking coverage*

## Port News

- ▼ [US Ports](#) (/port-news/us-ports)
  - [Port Hueneme](#) (/port-news/us-ports/port-hueneme)
  - [Port of Miami](#) (/port-news/us-ports/port-miami)
  - [Port of Mobile](#) (/port-news/us-ports/port-mobile)
  - [Port of Manchac](#) (/port-news/us-ports/port-manchac)
  - [Port of Los Angeles](#) (/port-news/us-ports/port-los-angeles)
  - [Port of Long Beach](#) (/port-news/us-ports/port-long-beach)
  - [Port of Morehead City](#) (/port-news/us-ports/port-morehead-city)
  - [Port of New Orleans](#) (/port-news/us-ports/port-new-orleans)
  - [Port of Olympia](#) (/port-news/us-ports/port-olympia)
  - [Port of Oakland](#) (/port-news/us-ports/port-oakland)
  - [Port of Norfolk](#) (/port-news/us-ports/port-norfolk)
  - [More...](#) (/tertiary-navigation/8980)
- ▶ [International Ports](#) (/port-news/international-ports)
- ▶ [Terminal Operators](#) (/port-news/terminal-operators)
- ▶ [Longshoreman Labor](#) (/port-news/longshoreman-labor)
- [Port Productivity](#) (/port-news/port-productivity)

## Add comment

Your name

[laborrelations@... \(/users/laborrelationscomcastnet\)](#)

Comment \*

Save

## Comments

[laborrelations@... \(/users/laborrelationscomcastnet\)](#) replied on Sep 21, 2015 9:30AM EDT [PERMALINK \(/COMMENT/8936#COMMENT-8936\)](#)

If TRAC is committed to using ILA to do their chassis M&R on the East Coast then they should have no problem using the ILWU and their 1 minute roadability safety inspections, on the West Coast. There is no free lunch. Get real, the costs get passed on anyway, so why not do actual safety inspections and actually look at the brake components? Before someone gets killed.