

2016 3Q Transload to Rail Report



CHICAGO – November 15, 2016 – [TTX](http://www.ttx.com), a leading provider of railcars and related freight car management services, today announced the results of its third quarter 2016 Transload to Rail Report. Since 2002, TTX Company has developed quarterly estimates of container transloading that help track trends in international logistics and intermodal operations.

TTX estimates that in the PSW (the ports of Long Beach and Los Angeles) 701,749 import TEUs transloaded during the third quarter of 2016, a 3.9% increase over 3Q15. On a percentage basis, TTX estimates that 33.5% of import TEUs were transloaded and shipped inland by rail (up from 31.3% during 3Q15). On the other hand, intact or IPI (Inland Point

Intermodal) shipments declined by 15.6% to 691,483 TEUs during 3Q16, from 819,350 during the same period last year. Imports into the PSW fell by 2.7% to

IMPORT TRANSLOADS									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Estimated PSW Transload	1,724,951	1,797,236	1,752,247	2,014,667	2,130,208	2,270,555	2,394,283	2,482,540	2,548,672
vs. Prior Year	2.4%	4.2%	-2.5%	15.0%	5.7%	6.6%	5.4%	3.7%	2.5%
Share of PSW Imports	21.5%	25.0%	29.0%	29.1%	30.3%	31.9%	32.2%	31.9%	33.0%
Estimated PSW Intact	3,623,363	3,181,989	2,408,184	2,796,424	2,991,372	2,844,753	2,978,060	3,156,104	3,044,385
vs. Prior Year	-3.6%	-12.2%	-24.3%	16.1%	7.0%	-4.9%	4.7%	6.0%	-3.5%
Share of PSW Imports	40.7%	39.8%	35.8%	36.3%	38.2%	36.0%	36.1%	36.5%	35.5%
Estimated PNW Transload	283,648	286,528	269,007	302,863	320,801	345,252	366,720	372,588	394,382
vs. Prior Year	6.2%	1.0%	-6.1%	12.6%	5.9%	7.6%	6.2%	1.6%	5.8%
Share of PNW Imports	17.7%	20.5%	23.5%	21.2%	23.8%	24.4%	27.2%	28.7%	29.8%
Estimated PNW Intact	904,038	774,151	601,530	801,871	730,052	778,317	710,769	612,964	655,989
vs. Prior Year	-4.0%	-14.4%	-22.3%	33.3%	-9.0%	6.6%	-8.7%	-13.8%	7.0%
Share of PNW Imports	56.5%	55.4%	52.6%	56.0%	54.1%	54.9%	52.8%	47.2%	49.6%
Estimated W. Canada Transload	171,417	167,033	151,236	153,700	156,606	165,015	172,768	181,408	184,120
vs. Prior Year	1.0%	-2.6%	-9.5%	1.6%	1.9%	5.4%	4.7%	5.0%	1.5%
Share of Western Canada Imports	13.4%	13.5%	13.0%	11.1%	10.7%	9.9%	10.0%	9.8%	9.3%
Estimated W. Canada Intact	786,730	843,761	739,532	904,743	954,400	1,088,390	1,125,059	1,236,938	1,290,692
vs. Prior Year	9.1%	7.2%	-12.4%	22.3%	5.5%	14.0%	3.4%	9.9%	4.3%
Share of W. Canada Imports	61.4%	68.1%	63.6%	65.4%	65.0%	65.3%	65.4%	66.6%	65.2%

2,096,921 TEUs from 2,155,385 TEUs during 3Q15. Because of last year's labor dispute, year-over-year comparisons are difficult to make, but it appears that the amount of cargo moving inland by rail is down. Combining both IPI and transloaded shipments, volume fell by 101,539 TEUs, from 1,494,711 TEUs in 3Q15 to 1,393,232 TEUs during 3Q16 (a 6.8% decline).

For PNW ports (Seattle and Tacoma), the net results are similar to the PSW, namely that rail continues to lose market share. Although total rail volumes (combining both transload and IPI) grew during the quarter by 5.5%, total imports increased by 8.4%, (nearly 50% faster than the total rail volumes) suggesting that rail is losing market share. Reviewing the numbers in detail, TTX estimates 110,845 TEUs were transloaded during 3Q16, a 7.0% increase over 3Q15. Total imports discharging at the PNW ports increased 8.4% (from 349,325 TEUs in 3Q15 to 378,624 in 3Q16) while IPI volume posted a 4.6% gain, increasing from 173,840 TEUs during 3Q15 to 181,884 TEUs in 3Q16. As a share of PNW imports, transloading fell slightly to 29.3% during the quarter, compared to 29.7% in 3Q15.

Concerning the western Canadian ports (Vancouver and Prince Rupert), TTX estimates the 3Q16 transload share at 9.5%, up from 9.0% in 3Q15. Transload volume increased to 50,156 TEUs in 3Q16 compared to 47,437 TEUs in 3Q15, a 5.7% increase, but IPI traffic fell by 1.7% to 333,913 TEUs in 3Q16 from 339,794 TEUs in 3Q15. Imports to western Canadian ports gained only 0.3%, rising from 524,961 TEUs in 3Q15 to 526,619 TEUs in 3Q16. Similar to the U.S, rail share in Canada has declined too, but not as severely. Combining IPI and transload volumes, traffic from western Canada declined 0.8%, comparing 3Q16 to the same period in 2015.

Regarding the definition of transloading, TTX defines it as the transfer of cargo from international marine containers into domestic 53-foot containers that are subsequently shipped inland by rail. In some cases, transloading takes advantage of the spread in the cost of shipping three 40-foot containers inland versus shipping two 53-foot containers. More common, however, is that transloading helps many firms (particularly retailers) manage inventory levels and restocking, which ultimately lowers supply chain costs.

About TTX

[TTX Company](#) is a leading provider of railcars and related freight car management services to the North American rail industry. TTX's pool of railcars – over 230,000 cars and intermodal wells – is ideal for supporting shippers in the intermodal, automotive, paper & forest, metals, machinery, wind energy and other markets where flatcars, boxcars and gondolas are required. Owned by North America's leading railroads, TTX's free-running pools provide fungible assets that minimize total empty miles, further lowering costs and minimizing risk for the industry and helping the railroads conserve their capital for other critical infrastructure needs. Customers easily recognize TTX's bright yellow cars as a consistent, high quality, well-maintained fleet that serves many transportation needs.

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