



2018 3Q Transload to Rail Report

CHICAGO – December 13, 2018 – [TTX](#), a leading provider of railcars and related freight car management services, today announced the results of its third quarter 2018 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) 768,341 import TEUs transloaded during the third quarter of 2018, a 4.2% increase over 3Q17. On a share basis, 33.4% of import TEUs were transloaded and shipped inland by rail (up from 32.5% during 3Q17). Intact or IPI (Inland Point Intermodal) shipments declined by 4.7% to 745,414 TEUs during 3Q18, from 782,127 during the same period last year. Imports into the PSW increased by 1.5% to 2,303,137 TEUs from 2,268,805 TEUs during 3Q17.

It is interesting that PSW imports increased by 34,332 TEUs (comparing 3Q18 vs. 3Q17), but overall inland shipments by rail declined by 6,041 TEUs (transloads increased by 30,673 TEUs but intact shipments fell by 36,714 TEUs). Perhaps this an indication that cargo owners imported goods during the third quarter to avoid higher tariffs and are holding shipments in West Coast warehouses for shipment later. Until last week, it appeared that tariffs would increase on January 1, 2019 to 25% from 10%, but as of now, that may not occur until March 1, 2019. Time will tell if retailers are holding goods for later. However, the data could also mean that the share of imports that remains local is simply increasing compared to the share that routes inland, or it could mean that rail is losing share of inland shipments from the PSW.

IMPORT TRANSLOADS

	2010	2011	2012	2013	2014	2015	2016	2017
Estimated PSW Transload	2,014,667	2,130,208	2,270,555	2,394,283	2,482,540	2,548,672	2,693,501	2,849,595
vs. Prior Year	15.0%	5.7%	6.6%	5.4%	3.7%	2.5%	5.7%	5.8%
Share of PSW Imports	29.1%	30.3%	31.9%	32.2%	31.9%	33.0%	34.1%	33.8%
Estimated PSW Intact	2,796,424	2,991,372	2,844,753	2,978,060	3,156,104	3,044,385	2,807,620	2,941,764
vs. Prior Year	16.1%	7.0%	-4.9%	4.7%	6.0%	-3.5%	-7.8%	4.8%
Share of PSW Imports	36.3%	38.2%	36.0%	36.1%	36.5%	35.5%	32.0%	31.4%
Estimated PNW Transload	302,863	320,801	345,252	366,720	372,588	394,382	424,705	454,378
vs. Prior Year	12.6%	5.9%	7.6%	6.2%	1.6%	5.8%	7.7%	7.0%
Share of PNW Imports	21.2%	23.8%	24.4%	27.2%	28.7%	29.8%	30.5%	33.2%
Estimated PNW Intact	801,871	730,052	778,317	710,769	612,964	655,989	670,837	599,684
vs. Prior Year	33.3%	-9.0%	6.6%	-8.7%	-13.8%	7.0%	2.3%	-10.6%
Share of PNW Imports	56.0%	54.1%	54.9%	52.8%	47.2%	49.6%	48.2%	43.9%
Estimated W. Canada Transload	153,700	156,606	165,015	172,768	181,408	184,120	192,966	203,131
vs. Prior Year	1.6%	1.9%	5.4%	4.7%	5.0%	1.5%	4.8%	5.3%
Share of Western Canada Imports	11.1%	10.7%	9.9%	10.0%	9.8%	9.3%	9.9%	9.2%
Estimated W. Canada Intact	904,743	954,400	1,088,390	1,125,059	1,236,938	1,290,692	1,254,245	1,433,453
vs. Prior Year	22.3%	5.5%	14.0%	3.4%	9.9%	4.3%	-2.8%	14.3%
Share of W. Canada Imports	65.4%	65.0%	65.3%	65.4%	66.6%	65.2%	64.6%	65.0%

For PNW ports (Seattle and Tacoma), TTX estimates 124,434 TEUs were transloaded during 3Q18, a 5.6% increase over 3Q17. Total imports discharging at the PNW ports rose 10.7% (from 346,624 TEUs in 3Q17 to 383,655 in 3Q18) and IPI volume gained 18.2% to 171,584 TEUs during 3Q18. Transload's share of imports reached 32.4% during the quarter, lower than 3Q17's share of 34.0%. Unlike the PSW, IPI volume growth is keeping pace with the import growth rate.

For western Canadian ports (Vancouver and Prince Rupert), TTX estimates the 3Q18 transload share at 8.5%, down slightly from 8.8% in 3Q17. Transload volume also dropped modestly to 51,745 TEUs in 3Q18 from 52,451 TEUs in 3Q17, a 1.3% decline. Imports however, grew by 2.1% to 610,221 TEUs during the quarter compared to 597,523 TEUs in the same period last year. Similarly, IPI volumes increased by 2.4% to 394,790 TEUs, up from 385,650 TEUs.



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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