



## 2018 Transload to Rail Report

CHICAGO – March 18, 2019 – [TTX](#), a leading provider of railcars and related freight car management services, today announced the results of its year-end 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.

For the PSW (the ports of Long Beach and Los Angeles), imports increased by 4.9% to 8.8 million TEUs. TTX estimates that 3.0 million import TEUs transloaded and routed inland by rail in 2018, a 5.3% increase over 2017. Since 2011, the rate of transloading growth surpassed the rate of import growth in six out of the last eight years. On a share basis, 33.9% of import TEUs were transloaded and shipped inland by rail, nearly the same share was recorded in 2017.

The trend since the end of the Great Recession reveals uneven IPI (Inland Point Intermodal) growth from year to year from the PSW, while the transload rate of growth has been fairly consistent - 2018 marked a continuation of this pattern. IPI shipments grew by 1.4% to 3.0 million TEUs in 2018. In 2017, IPI grew 4.8%, so the year-to-year volatility of the IPI growth remains.

Reviewing the total amount of import TEUs that moved inland by rail (the combination of IPI and transloaded cargo), 6.0 million TEUs moved inland, an increase of 3.3% over 2017. While that is a solid rate of growth, it still lags the overall import growth rate, with the implication that a greater share of imports into the PSW remain in the local area or are trucked to markets if the cargo is leaving the region.

### IMPORT TRANSLOADS

|  | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>PSW Imports</b>                     | 7,040,307 | 7,117,445 | 7,426,803 | 7,779,653 | 7,723,248 | 7,907,715 | 8,430,755 | 8,849,795 |
| vs. Prior Year                         | 1.7%      | 1.1%      | 4.3%      | 4.8%      | -0.7%     | 2.4%      | 6.6%      | 4.9%      |
| <b>Estimated PSW Transload</b>         | 2,130,208 | 2,270,555 | 2,394,283 | 2,482,540 | 2,548,672 | 2,693,501 | 2,849,595 | 3,001,617 |
| vs. Prior Year                         | 5.7%      | 6.6%      | 5.4%      | 3.7%      | 2.5%      | 5.7%      | 5.8%      | 5.3%      |
| <b>Share of PSW Imports</b>            | 30.3%     | 31.9%     | 32.2%     | 31.9%     | 33.0%     | 34.1%     | 33.8%     | 33.9%     |
| <b>Estimated PSW Intact</b>            | 2,991,372 | 2,844,753 | 2,978,060 | 3,156,104 | 3,044,385 | 2,807,620 | 2,941,764 | 2,982,879 |
| vs. Prior Year                         | 7.0%      | -4.9%     | 4.7%      | 6.0%      | -3.5%     | -7.8%     | 4.8%      | 1.4%      |
| <b>Share of PSW Imports</b>            | 38.2%     | 36.0%     | 36.1%     | 36.5%     | 35.5%     | 32.0%     | 31.4%     | 30.3%     |
| <b>PNW Imports</b>                     | 1,348,805 | 1,416,703 | 1,345,913 | 1,299,417 | 1,323,430 | 1,392,831 | 1,368,609 | 1,445,253 |
| vs. Prior Year                         | -5.7%     | 5.0%      | -5.0%     | -3.5%     | 1.8%      | 5.2%      | -1.7%     | 5.7%      |
| <b>Estimated PNW Transload</b>         | 320,801   | 345,252   | 366,720   | 372,588   | 394,382   | 424,705   | 454,378   | 480,276   |
| vs. Prior Year                         | 5.9%      | 7.6%      | 6.2%      | 1.6%      | 5.8%      | 7.7%      | 7.0%      | 5.7%      |
| <b>Share of PNW Imports</b>            | 23.8%     | 24.4%     | 27.2%     | 28.7%     | 29.8%     | 30.5%     | 33.2%     | 33.2%     |
| <b>Estimated PNW Intact</b>            | 730,052   | 778,317   | 710,769   | 612,964   | 655,989   | 670,837   | 599,684   | 638,357   |
| vs. Prior Year                         | -9.0%     | 6.6%      | -8.7%     | -13.8%    | 7.0%      | 2.3%      | -10.6%    | 6.4%      |
| <b>Share of PNW Imports</b>            | 54.1%     | 54.9%     | 52.8%     | 47.2%     | 49.6%     | 48.2%     | 43.9%     | 44.2%     |
| <b>W Canada Imports</b>                | 1,467,737 | 1,664,250 | 1,727,675 | 1,851,101 | 1,979,785 | 1,942,905 | 2,206,086 | 2,312,376 |
| vs. Prior Year                         | 6.0%      | 13.4%     | 3.8%      | 7.1%      | 7.0%      | -1.9%     | 13.5%     | 4.6%      |
| <b>Estimated W. Canada Transload</b>   | 156,606   | 165,015   | 172,768   | 181,408   | 184,120   | 192,966   | 203,131   | 202,991   |
| vs. Prior Year                         | 1.9%      | 5.4%      | 4.7%      | 5.0%      | 1.5%      | 4.8%      | 5.3%      | -0.1%     |
| <b>Share of Western Canada Imports</b> | 10.7%     | 9.9%      | 10.0%     | 9.8%      | 9.3%      | 9.9%      | 9.2%      | 8.8%      |
| <b>Estimated W. Canada Intact</b>      | 954,400   | 1,088,390 | 1,125,059 | 1,236,938 | 1,290,692 | 1,254,245 | 1,433,453 | 1,530,436 |
| vs. Prior Year                         | 5.5%      | 14.0%     | 3.4%      | 9.9%      | 4.3%      | -2.8%     | 14.3%     | 6.8%      |
| <b>Share of W. Canada Imports</b>      | 65.0%     | 65.3%     | 65.4%     | 66.6%     | 65.2%     | 64.6%     | 65.0%     | 66.2%     |

For PNW ports (Seattle and Tacoma), total imports rose 5.7% to 1.4 million TEUs. TTX estimates 0.5 million TEUs were transloaded during 2018, a 5.7% increase over 2017. At the same time, IPI volume gained 6.4% to 0.6 million TEUs. Transload's share of imports remained the same in 2018 and 2017 at 33.2%, while the IPI share of imports gained a fraction to 44.2% from 43.9%. Essentially, PNW imports, IPI and transloading all grew at about the same pace in 2018.

For western Canadian ports (Vancouver and Prince Rupert), container imports grew by 4.6% to 2.3 million TEUs during 2018 compared to 2.2 million TEUs in 2017. TTX estimates the 2018 transload share at 8.8%, down from 2017's 9.2% on virtually flat transload volume. IPI volumes gained 6.8% to 1.5 million TEUs. Overall, the combined rail volumes from the western Canadian ports (IPI plus transloads) grew 5.9% during 2018. Accordingly, even though transload volume was flat, the combined rail volume growth rail exceeded the import growth rate.

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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