



1Q19 Transload to Rail Report

CHICAGO – April 29, 2019 – [TTX](http://www.ttx.com), a leading provider of railcars and related freight car management services, today announced the results of its first quarter 2019 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 fell 4.4% to 1.9 million TEUs in 1Q19. This is not surprising, given that most observers believe that surging imports in December of 2018 (shipped early to avoid the threat of tariffs on January 1st) pulled in cargo that otherwise would have shipped during the first quarter of 2019. Similarly, TTX estimates that the volume of import TEUs that transloaded and routed inland by rail fell by 1.5%, to 0.7 million TEUs. The transload share of imports climbed to 35.5% from 34.5% in 1Q18, since the transloading volume declined at a slower pace than imports.

Likewise, compared to 1Q18, IPI volume (Inland Point Intermodal or “intact” shipments) declined by 3.0% to 1.4 million TEUs. However, the pace of the IPI decline was also less than the decline of the import volume during the quarter, and the IPI share of imports during 1Q19 recovered to 32.4% after falling to 27.0% in 4Q18, corroborating the viewpoint that some of December’s surge cargo routed inland after the New Year.

IMPORT TRANSLOADS

	2011	2012	2013	2014	2015	2016	2017	2018
PSW Imports	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%
Estimated PSW Transload	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%
Share of PSW Imports	30.3%	31.9%	32.2%	31.9%	33.0%	34.1%	33.8%	33.9%
Estimated PSW Intact	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%
Share of PSW Imports	38.2%	36.0%	36.1%	36.5%	35.5%	32.0%	31.4%	30.3%
PNW Imports	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%
Estimated PNW Transload	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%
Share of PNW Imports	23.8%	24.4%	27.2%	28.7%	29.8%	30.5%	33.2%	33.2%
Estimated PNW Intact	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%
Share of PNW Imports	54.1%	54.9%	52.8%	47.2%	49.6%	48.2%	43.9%	44.2%
W Canada Imports	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%
Estimated W. Canada Transload	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%
Share of Western Canada Imports	10.7%	9.9%	10.0%	9.8%	9.3%	9.9%	9.2%	8.8%
Estimated W. Canada Intact	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%
Share of W. Canada Imports	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 5.4% to 335,698 TEUs, but TTX estimates transloads dropped by 3.4% to 110,956 TEUs during the quarter. On the other hand, IPI volume spiked by 13.6% to 152,740 TEUs. Transload’s share of imports fell to 33.1% during 1Q19 compared to 36.1% in 1Q18, while IPI share grew to 45.5% in the quarter from 42.2% during 1Q18. The growth in the PNW may be a reflection of weakness there during 1Q18 (which creates favorable comparisons) along with share gains from other port regions in 2019.



For western Canadian ports (Vancouver and Prince Rupert), container imports grew by 3.6% to 562,697 TEUs during 1Q19, but transload volume declined 4.0% to 48,726 TEUs and IPI slipped 0.3% to 358,180 TEUs. IPI, as a share of import volume fell to 63.7% from 66.2% while the transload share of imports declined to 8.7% in 1Q19 compared to 9.3% in 1Q18. It is unclear why imports continued to grow while inland flows of goods declined, but it may have been a function of severe winter weather, rather than any underlying weakness in demand for transportation.

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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