



## MINUTES

### OPERATIONS COMMITTEE INTERMODAL ASSOCIATION OF NORTH AMERICA

WEDNESDAY, MAY 2, 2007  
3:30 p.m. - 5:30 p.m.

COURT F  
OAK BROOK HILLS MARRIOTT RESORT  
OAK BROOK, ILLINOIS

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Committee Chairman Bill Clement, CSX Intermodal, called the meeting to order at 3:31 p.m. He proceeded to conduct a safety briefing that outlined specific procedures to follow if an emergency would arise and advised that he was CPR certified. Tom Malloy, IANA staff, called the roll and advised a quorum was present allowing business to be conducted.

Vice-Chairman Ed McQuillan of Optimization Alternatives Ltd. reviewed the minutes and activities of the November 10, 2006 Operations Committee meeting in Fort Lauderdale, Florida. Highlights of that meeting included: a program presented by Dr. Stephan Roop of the Texas Transportation Institute to describe new technology that provides an environmentally friendly, cost-effective alternative for short-distance container transportation. Ted Prince of Kansas City Southern presented the findings of a survey of private equipment file information collected from carriers and leasing companies outside of the rail industry. The purpose was to determine the feasibility of developing a single, unified database for such equipment. There were no changes to the minutes as presented, and McQuillan requested a motion to approve. Jim Reo, CMA-CGM, made the motion, and Scott Smith, APL, seconded the motion and the minutes were unanimously approved.

Malloy introduced Tony Furst of the Federal Highway Administration (FHWA), who provided the Committee with an update on the Intermodal Freight Technology Working Group's (IFTWG) projects, which are designed to improve processes and advance the goal of stronger public-private partnerships. He said the Electronic Freight Management project is advancing to a test stage that will begin on May 29. The six-month test will track international sourcing from China to the Limited Brands distribution facility in Columbus, Ohio. Science Applications International Corp. will audit the results. In addition, Furst said that work continues on the Cross-Town Improvement Project in Kansas City, which is intended to improve intermodal efficiency, reduce diesel emissions, and cut down on traffic congestion, ~~and cause a decline in diesel emissions~~. Furst then presented the FHWA's Public Service Award to IFTWG co-chairman Ben Shelton of the Union Pacific Railroad in recognition of his efforts to encourage, develop and implement intermodal technology. Shelton thanked the IFTWG for the award and commended the organization for its efforts.

### Legislative/ Regulatory Update

Katie Manly of Chambers, Conlon & Hartwell, a member of IANA's federal relations consulting team, presented a briefing on pending federal legislation and regulations and illustrated the use of IANA's new Web-based searchable database that gives members up-to-date information on federal as well as state activities.

She demonstrated how information about pending legislation and regulations could be obtained through searchable keywords as well as clickable steps to view original legislative/regulatory documents. She advised that the site is updated weekly and would be launched on the IANA website shortly.

She stated that rail infrastructure tax credit legislation (S.1125) has been introduced in the Senate, and that implementation of the Transportation Worker Identification Credential (TWIC) program continues to be delayed by technology issues and almost certainly will not meet the July 1 implementation date at 10 highest-risk ports. Multiple bills regarding hours of service, rail safety and electronic on-board recorders are pending in Congress, she said.

Malloy then provided an update on state regulatory activities, using the Web site functionality. He then presented an update about roadability regulations, saying that the Federal Motor Carrier Safety Administration (FMCSA) had extended the comment period from the original March 21 deadline until May 21, 2007 in order to obtain more information. He reported on a "listening session" conducted by the agency on April 27, 2007 in Norfolk, Virginia. Two subsequent sessions were held on May 3 in Newark, New Jersey and May 18 in Long Beach, California. Malloy said attendance was sparse at the April 27 session. Those in attendance included representatives of Norfolk Southern, the Hampton Roads Chassis Pool II, American Trucking Associations and the Ocean Carrier Equipment Management Association. He reported that the FMCSA representatives at the meeting did not make any definitive statements about future roadability action or specific dates.

In response to a question from Bob Thull of Milestone Equipment Corp. about a timeline for roadability implementation, Malloy said that the agency representatives declined to provide details when they were asked that question at the April 27 meeting. Malloy said further that the agency representatives described three options: implement the rules substantially as proposed in the December 21 Notice of Proposed Rulemaking, propose substantial changes and conduct an additional comment period or withdraw the proposal altogether.

## **Task Force Update**

### **Terminal Efficiencies Task Force Union Pacific Presentation**

Ben Shelton, Task Force leader, reported on Union Pacific's planned introduction of Wide Span Gantry, ~~or~~ (WSG) cranes. He said that intermodal terminals become inefficient when reaching their safe operating capacity. The traditional response as capacity was reached was to add facilities. With the advent of increased environmental regulations and funding constraints, new designs such as WSG are being introduced that can double throughput per acre of terminal space and could replace diesel-powered Rubber Tire Gantry (RTG) equipment. The Wide Span Gantry, now used in Europe, can work six tracks, two truck lanes and 10 rows of stacked boxes. The WSG crane can eliminate chassis and hostler tractors, but it has not been introduced in the U.S. until now because in the past land has been plentiful and there was less concern about emissions. Cost also is an issue since a Rubber Tire Gantry crane costs between \$1 million and \$1.5 million, while the Wide Span Gantry models range between \$3.5 million and 5 million.

Because it is electrically operated, the Wide Span Gantry Crane gives off no emissions at the terminal. The crane moves back and forth on a cabled reel. The WSG can be configured in multiple sections, allowing for different configurations of train, truck and container operations that can be aligned with optimal operations requirements. The electric-powered WSG crane is quieter and more precise than RTG cranes and should result in fewer injuries, improved environmental benefits, increased capacity and reduced need for terminal acreage.

### **Future Task Force Activity Discussion**

Bill Clement initiated a discussion of the Committee's future activities and task forces, especially with regard to the TWIC program because CSX believes that implementation of the program at inland terminals could be challenging. James Shondel of Nascent Technology said that IANA's Intermodal Driver Database (IDD) could assist in the TWIC implementation process and that adoption of best practices should be encouraged. Malloy then described what information has been collected from 64,500 motor carriers and how the database can identify each driver and which Motor Carrier who he works for as individual equipment is taken in and out of terminals. Malloy also commented that based on information obtained at a Transportation Research Board panel, where he was a presenter, and in press reports that there have been significant delays in the implementation of TWIC, which was supposed to have been operational implemented initially at 10 major U.S. ports by the summer of 2007. Scott Smith of APL said there was a demonstrable need for IANA to establish best practices for the TWIC implementation process because of concern about potential driver loss during background checks and a cumbersome enrollment process. Clement requested volunteers to participate in a TWIC task force, and James Shondel offered to serve as task force leader.

### **CCM Chassis Pool Update**

Scott Smith provided an update on the Consolidated Chassis Management (CCM), LLC chassis pool program that is composed of Ocean Carrier Equipment Management Association members. Of the 850,000 chassis in the U.S., 700,000 are controlled by water carriers. OCEMA is authorized by the Federal Maritime Commission to own and manage pools. Four of those pools are active now, in addition to the Hampton Roads Chassis Pool II that was developed by Virginia International Terminals. Smith reported that the Midsouth, South Atlantic, Denver and Florida pools now are being operated by CCM. The Hampton Roads pool now uses about 15,000 chassis to handle approximately the same volume moved by 24,000 chassis before the pool was formed. Smith said CCM hopes to improve the utilization rate in Denver and that operations are being upgraded through the Midsouth (17,000 chassis) and South Atlantic (23,000 chassis) pools. The next pool to be formed will be St. Louis and Kansas City, followed by Houston, Dallas and San Antonio, Texas. Both are expected to begin operations later this year, Smith said.

Ed McQuillan asked whether pool operators have considered initiation of operations in Chicago. Smith responded that Chicago is being reviewed internally. Chicago may be too large and complex to form a pool or pools at this time. Smith said the pool operators want to be sure that the South Atlantic pool is operating efficiently before larger projects are developed. Bob Thull asked how many of the 700,000 ocean carrier chassis would be operating in three to four years if pool operations continued to expand, and Smith informed the group that CCM believes that number could reach 600,000. A 20 percent reduction in pool chassis could sustain current international cargo volume, he said.

## Association of American Railroads (AAR) Intermodal Operations Subcommittee Update

Paul Dean of Norfolk Southern and vice chairman of the AAR Intermodal Operations Subcommittee gave a progress report on the subcommittee's efforts. The interchange rules revisions were approved on January 1, 2007, and they are now posted on the Chicago Car Interchange Bureau Web site, at [www.theccib.com](http://www.theccib.com). The rules also can be accessed through the AAR Website, [www.aar.org](http://www.aar.org) though they are easier to locate on the Chicago Car Interchange Bureau site. Dean advised that the Interchange Bureau now is the keeper of the interchange records, and a process has been established for review and comment during a 30-day period if subsequent changes to the rules are expected to have an economic impact. The IOSC will vote on revisions, a circular will be issued, and subscribers will be advised of future changes, he said. The CCIB Web site includes both the latest updates and a feedback form to provide comments about the rules, he reported. The IOSC has nearly completed work on the M930 domestic container standards. The committee is continuing to analyze Peck & Hale's PH 2004 interbox connectors.

### Next Meeting/ Adjourn

As it was concluded that there was no further business to be discussed, Bill Clement said the next Committee meeting would be on November 9, 2007 in Atlanta. Clement made a motion to adjourn. McQuillan seconded the motion. The meeting was adjourned at 5:05 p.m.

### Operations Committee

#### Action Items

May 2, 2007

Subject	Item Description	Name	Date
TWIC Implementation Task Force	Develop and establish Best Practices for implementation of the Transportation Worker Identification Credential.	James Shondel	November, 2007