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QUESTIONS & ANSWERS

With Phil Behenna International Asset Systems

Phil Behenna is senior vice president for business development at International Asset Systems (IAS), which provides a container-reservation system and "street turn" tool known as InterBox for asset owners and truckers. Before joining IAS five years ago, Behenna held positions at P&O Containers and P&O Nedlloyd, including general manager of the line's Asian-based trades.

Q. How does IAS's street turn technology help shipping lines, motor carriers and intermodal marketing companies achieve better asset utilization while reducing congestion at rail ramps and marine terminals?

A. So far, our street turn product has been deployed mostly in the U.S. Midwest to reduce the movement of empty containers between consignee premises and intermodal points. In the majority of cases, a container is unloaded at the consignee's warehouse and returned empty to the trucker's yard or rail ramp. That need not happen if the container operator can share information about the container size and type, location and availability with a pool of potential users. The InterBox street turn tool brings visibility and optimization to the process. With IAS involved in the loop, the information becomes available to potential users (ocean carrier dispatch, exporters, intermodal marketing companies, other trucking companies) so the empty container can be loaded with export or domestic cargo. Event-capture capability makes this sharing of information possible.

Q. Congestion at marine terminals has made ports a chokepoint in the international supply chain. Please walk us through a typical scenario involving an import at a busy port complex such as Los Angeles-Long Beach and how the street turn tool can help reduce terminal congestion.

A. Let's say an imported container is trucked from the port to a consignee in a location where there is a mix of import and export facilities. Today, most containers are unloaded and drayed back to the harbor. That means the empty container moves 15 to 20 miles back to the terminal, creating a gate move. If the container is subsequently needed by an exporter, the box is trucked out empty and a second gate move is created. However, there are likely exporters within range of the importer's warehouse who could use that container. Using the street turn tool, the empty box is drayed to the exporter, loaded and trucked to the marine terminal. The asset owner, trucker and marine terminal all benefit from the increased efficiency. It's a win-win situation.

Q. How much money can be saved in such a triangulated move versus returning the empty container to the marine terminal?

A. Our experience in the Midwest indicates that a typical street turn generates savings of between \$100 and \$250. If the move also leads to reduced empty positioning on the U.S. rail system, the savings can be even higher.

Q. While this scenario sounds simple, in reality it is quite complex when issues such as sharing containers among different truckers and possible detention charges are factored into the equation.

A. Because of the way things work in this industry, progress is most easily made in bite-size chunks. Initially, street turns are carried out by a single trucking company (that is, the trucking company performing the import move also performs the export move). We can then gradually progress to establishing contractual relationships among a pool of truckers. Event capture lets us know when trucker "A" releases the container and trucker "B" picks it up. The street turn tool also lets the driver document the condition of the container at the time of any interchange, similar to the walk-around one would do at a car rental agency. As for equipment-detention charges, event capture records when the container stops being an import and then restarts the clock when it becomes an export.

Q. With the 2-to-1 imbalance of imports to exports, what percentage of matches can be made between inbound and outbound moves at West Coast ports?

A. With no technology being utilized today, approximately 2 percent of the inbound containers that are unloaded in Southern California are matched with export loads. In the right markets, during the initial stages of street turn deployment (where the moves are confined to a single carrier or merchant-controlled trucker), an achievable percentage could be around 10 to 15 percent. When the loop is opened to include a pool of truckers, perhaps 15 to 20 percent of inbound container can be matched with an export load.

Q. How are users of the street turn tool charged?

A. They are charged on a transaction basis. That is, they pay if they use the service to complete a street turn. If they use the service, they are saving money.

— Bill Mongelluzzo

