

# Memphis Pool of Choice - MPOC

## National Shipper Advisory Committee

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# NACPC

North American Chassis Pool Cooperative

# Why Create the Memphis Pool of Choice (MPOC)

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- Current interoperable pools managed to benefit owners of pool giving them a bad name
- Interoperable pools undeniably provide the most efficient use of chassis
  - Facility Operators – Any box on any chassis
  - Motor Carriers – Eliminates wasted time with searching for “right” chassis, flips, and bare chassis moves
  - Contributors – More use days on fewer chassis, greater chassis utilization
  - BCOs – Efficiency translates into greater availability with less cost
- Memphis Supply Chain lead by Commissioner Dye at FMC and composed of Memphis market participants concluded in 2019 all chassis in Memphis region needed to be interoperable
- NACPC’s vision of 21<sup>st</sup> century specs, adequate chassis supply, and pricing transparency is ideal for managing the multi contributor interoperable MPOC



# How Will MPOC Operate

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- Interoperable pool with multiple chassis contributors and open to all contributors
  - Pool rules will create fair rate of return for chassis providers for over use and under contribution of chassis.
  - Each chassis contributor will pay for the maintenance of their own chassis and any over use of another provider's chassis
- Users can choose the provider who will invoice them based on service, interchange terms, and price.
- Exercising choice for your provider will be simple for Users
- Pool rules approved by Market Participant Committee to MPOC. Committee will consist of market participants including BCOs, motor carriers, chassis contributors, and any other interested parties in the market.



# MPOC Operation (cont.)

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- Market Participant Committee will determine for MPOC the:
  - Target utilization – Which will drive the availability of chassis during peaks
  - Equipment Specs – Which will determine the quality of the chassis in the pool. All chassis in the pool will be required to meet these minimum specs.
  - Repositioning guidelines – Which will assure the availability of chassis when and where they are needed.
  - Out of Service targets – Which will also impact the availability of chassis
- Pool rules will allow NACPC to source additional chassis for the pool if the contributors fail to meet the need. The cost of the outsourced chassis will be paid by the contributors who use them.

# BENEFITS OF MPOC

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- Chassis Choice – User select chassis provider when paying for the chassis
- Interoperable/grey – Any chassis under any ocean carrier container even though there are multiple chassis contributors to the pool
- Chassis available when and where needed – Lower utilization target for pool, repositioning of chassis timely, maintenance and repair not deferred
- 21<sup>st</sup> century Premium chassis – Average age less than 10 years with radial tires, LED lights, and ABS
- Pool rules established by market participants

# Current Participants

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- Enthusiastic support from motor carriers in the market
- Serving all rails with footprint at UP and BNSF
- Enthusiastic BCO support for pool they have been seeking for years
- BCO interest in contributing their own chassis to MPOC. Daily use pricing is attractive.
- ONE lines has designated MPOC as its chassis provider in the Memphis market
- Milestone committed to adding chassis and interest from other chassis providers



# Next Steps

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- Continue education of motor carriers, BCOs, and 3 PLs of the availability of “Choice” utilizing MPOC
- Grow the Ocean Carrier support for MPOC as their chassis supplier with assistance from BCOs.
- Solicit chassis Use commitments and grow the pool size to support demand
- Prove this concept is successful in Memphis and rollout to other geographic locations

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# QUESTIONS?

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