

# WHAT TO CONSIDER WHEN WORKING WITH AN ASSET-BASED INTERMODAL CARRIER

## WHAT IS AN ASSET-BASED INTERMODAL CARRIER?

Intermodal transportation is the movement of freight by combination of rail and road, requiring in addition to the tractor, shipping containers and chassis to complete the move.



Asset-based intermodal carriers purchase and maintain their own chassis, containers and tractors to support shipper freight. Non-asset carriers do not own their equipment and are dependent on others' equipment to move the freight they broker.

**Here are three best practices to ensure your freight keeps moving on owned, available and properly maintained equipment.**

### 1. WORK WITH AN INTERMODAL CARRIER THAT INVESTS IN COMPANY SHIPPING CONTAINERS

Intermodal freight is loaded into shipping containers, which are large, standardized boxes that can be easily moved between the chassis used with an over-the-road tractor and the intermodal train.

Historically, rail companies provided the containers, but now transportation providers are responsible for purchasing, maintaining and storing the majority of intermodal containers in the market. Unfortunately many providers – especially smaller ones that can't financially support a consistent purchase of equipment – stop buying containers when freight capacity is widely available. As a result, when capacity inevitably tightens again, their shippers find the provider is unable to deliver their freight on time.

“Rates began dropping in the second half of 2016, forcing intermodal carriers to suspend container purchases. This set up the tightest market I've seen in my career in the second half of 2017. As the transportation cycle went full circle, volume increased and intermodal carriers were not prepared to meet market demand. Customers that put the least pressure on rates in 2016 enjoyed the most access to capacity in 2017 and 2018. The transportation industry cycles oscillate more frequently than economic cycles, and intermodal carriers and shippers need to work together on both sides of the cycle for their mutual benefit.”

– JIM FILTER

SENIOR VICE PRESIDENT/GENERAL MANAGER, SCHNEIDER INTERMODAL

To avoid a capacity crunch when shipping via rail, shippers should align with providers that show a consistent history and ongoing intent of container purchases.

## 2. CONNECT WITH AN INTERMODAL CARRIER WITH COMPANY-OWNED AND MAINTAINED SHIPPING CHASSIS

Shipping chassis are wheeled steel structures designed to carry intermodal shipping containers.

While strategic providers purchase and maintain their own fleet of shipping chassis, others pull their equipment from a shared chassis pool (a collection of chassis that a provider can grab from rather than paying for, maintaining and storing its own). This is a red flag for shippers, as the chassis pool doesn't always have available chassis, or consistent weight, configurability and conditions.

Without any stake from providers, and with railroad companies not required to maintain a healthy chassis pool, chassis in the shared pool are not regularly maintained. Inconsistent maintenance can result in breakdowns, delivery delays and a dent in a shipper's bottom line.



It's best to work with a provider that has consistently invested in its own fleet of shipping chassis to ensure availability, reliability of specification and documented maintenance. This provides shippers with assurance that their shipments will keep moving without delay, as well as within budget.

## 3. TEAM UP WITH AN INTERMODAL CARRIER THAT GOES THE EXTRA MILE FOR ON-TIME DELIVERY

Only the most strategic providers understand the need for fast and supportive customer service and equipment maintenance. The right intermodal carrier will employ mobile service trucks and technicians at ramps. Doing so ensures shipping equipment is maintained and the shipper's supply chain is operating at peak performance.

It's vital to establish a long-term strategic game plan with an intermodal provider. Another great attribute to look for in an intermodal provider is if they have a dedicated intermodal onboarding team to set the business up for success from the start.

To learn more about how Schneider Intermodal provides the equipment needed to keep your freight moving despite the cycle of market demand, visit [Schneider.com/our-services/intermodal](https://www.schneider.com/our-services/intermodal).