

Statement of Steven R. Blust
USITC TBT Investigation-Preliminary Hearing
February 19, 2016

My name is Steven Blust, I am President of the Institute of International Container Lessors (IICL), the leading trade association of the international container and chassis leasing industry. The IICL's membership engages in leasing marine cargo containers and marine intermodal chassis to vessel operators, motor carriers and other organizations on a broad international basis.

The movement of cargo in shipping containers has revolutionized transportation around the world, as individual cargo packages are able to be packed into a container at the shipper's origin and remain intact in the same container until delivery to the consignee. The uniform designs of the container, as the cargo-carrying component allow them to be transported on different modes of conveyances such as vessels, railcars and marine intermodal chassis, that are the equivalent of detached undercarriage and wheels of trailers.

Today there are approximately 759,000 chassis in the United States (U.S.) intermodal fleet. IICL members own or manage a significant portion of the U.S. leased container fleet with more than a 90% (549,508) share of the U.S. marine intermodal chassis fleet that is focused on container sizes that regularly move on international containerhips.

Chassis are integral components of the road-based movement portion of supply chains utilizing shipping containers connecting inland origins and destinations with water and rail transportation services. Each container that moves in the U.S. is likely to use one or more chassis during the progression through the supply chain.

Chassis are operated in harsh marine terminal operating environments, with unique demands on the tires used. Chassis regularly have 40,000 pound loaded containers set upon them, are handled in and out of chassis stacks utilizing forklifts and are operated in confined spaces where the stress and damage to tires is significant. The largest single cost category for the IICL chassis members is the cost to replace and repair tires.

Today we would like to address the very specific and unique tires that are primarily used by the IICL's chassis members. Approximately 90% of IICL member marine intermodal chassis are equipped with 1000x20 bias ply tube-type tires on two-part rims. These tires have served the chassis leasing industry well, and while this type of tire dominates the marine intermodal chassis market, they have not been manufactured in the U.S. and offered for sale in the U.S. for decades. There are no known like-products manufactured in the U.S. that can be substituted for the bias ply tube-type design. IICL members therefore continue to

rely solely on imported bias ply tires to meet their current tire needs. We are unaware of any other significant users of this type of tire therefore it is believed that this unique product should be treated as a separate like product to properly assess if there is any injury to an industry which does not manufacture this type of tire.

Any increase in costs will adversely impact chassis lessors' operating costs, ultimately resulting in higher costs to the U.S. export market which is experiencing severe competitive challenges and to the U.S. consumers who purchase items transported on chassis and motor vehicles.

The next panelist is Mr. Bernard Vaughan of Flexi-Van Leasing Inc.