

## HRCP – Option 2 Model

HRCP is the next generation of chassis asset management in a pool environment. The evolution to HRCP is in response to industry wide changes; specifically, the desire of Ship Lines to divest themselves of chassis ownership and to no longer provide chassis for the movement of cargo.

### Operations Model

Option #1- Ship Lines who are not ready to transition will be allowed to operate under the current business model as contributors to the pool and accepting all billing for usage of the asset.

Option #2 – HRCP becomes the sole provider for assets needed for pool operations that are no longer contributed by the ship lines. This can be achieved either through direct interchange from the CES (chassis equipment supplier) to HRCP, direct lease from CES to HRCP or lease of ship line owned assets to HRCP.

HRCP will be responsible for M & R of the chassis assets.

HRCP or its designated agent will be responsible for compliance to all applicable DOT/FMCSA requirements.

The main objective during this transition is to ensure that there isn't any disruption of service and that the operational efficiencies that have been gained by the marine terminals and motor carriers remain intact.

**It is important to understand that all chassis in HRCP are the same, whether or not a line chooses Option 1 (receiving all bills) or Option 2 (Carrier Haulage v. Merchant Haulage).**

### Options Available to Steam Ship Lines after October 1, 2012

1. Ship Line chooses to remain in Option 1, therefore they either directly own or lease the chassis and accept ALL INVOICES for chassis use.
2. Ship Line chooses to migrate to Option 2, they:
  - a. Must divest of all chassis assets in HRCP – they will either lease to HRCP or they will sell to a third party and then HRCP will lease from the 3<sup>rd</sup> Party.
  - b. Can receive billing for Carrier Haulage, while Merchant Haulage would go directly to the Trucker, trucker would then bill Customer for Merchant Haulage.
  - c. Could have all billing go to the Trucker, trucker would then bill Ship Line for Carrier Haulage and Customer for Merchant Haulage.