

HAZARDOUS CARGO BULLETIN

September, 2003

Time for take-off?

The US market is renowned for its slow adaptation of tank container transport—a primary mode in most other parts of the world. But one bulk transloading and transportation company on the US West coast is betting that this is going to change soon, and it has launched the first of several planned tank container depots to back that up.

Earlier this year, Ventura Transfer Company (VTC), based in Long Beach, California, opened a new tank container depot in the busy port of Oakland, California. The opening is part of a broader plan by VTC to open other such depots, grounded in the belief that the US tank container market is heading for a surge.

This new full service facility—located at 402 Wright Avenue, Richmond, California—offers light and heavy lift, storage of 20-foot containers, maintenance, repair, tank cleaning and transport services utilizing custom 40-foot drop deck chassis.

“It is a full service ISO container depot for liquid bulk ISO containers, specializing in the handling of hazardous materials,” explains Galen Clifford, VTC’s director of marketing and sales. “We also do two- and five-year tank testing, steam heating and tank cleaning treatment.”

The new Oakland depot is VTC’s second full service ISO tank depot. The first was launched nearly ten years ago in Long Beach within minutes of the Long Beach and Los Angeles harbors. The company, which has a history dating back to 1869, offers an array of liquid and dry bulk transport and transloading services utilizing its fleet of stainless tank trailers as well as specially designed self-loading pneumatic

trailers. The company also has a network of nine railcar transfer terminals in California and Arizona, and two warehousing and packaging facilities in the Los Angeles area, all designed to handle plastics and specific liquid commodities including hazardous products.

“We are the only depot on the West coast that specializes in ISO containers,” says Charlie Ring, VTC’s business development manager. “We are providing a one-stop-shop for our shippers. For the Oakland facility, we started to look at that area about two years ago. Then last year, our customers came to us and pretty much



Ventura has extended its tank depot network in California



Rail cars are turned 'round quickly

demanded that we duplicate our services in Oakland because of a lack of these types of services in that area.”

Rise of the ISO tank?

Does VTC’s increasing development of its ISO tank depot services mean that the US may finally begin embracing intermodal transport?

“We feel there is a place for ISO tanks not only internationally but domestically,” says Clifford. “In the US and Canada shippers have been less receptive to ISO tanks than to traditional road transport,” acknowledges Ring. “In the early 80s, domestic US shippers saw ISO containers as an emerging market. But that slowed down in the early 90s primarily because of the weight factor.”

Given the weight restrictions that were in place, Ring explains, the higher weight of the containers and rail chassis combined meant that shippers couldn’t haul as much product by tank container as they could via traditional road transport. But in recent years, both the weight of the chassis and the tank containers has dropped, making this an attractive option for shippers.

“In the early 80s a standard ISO container was 10,000 lbs., now that’s down to 7,000 lbs.,” says Ring. “In the early 80s chassis were 10–11,000 lbs. Now they are down to 7,200 lbs. Because of the change in weight, we have seen over the last few years a real resurgence in the market. But it’s a re-education effort.”

Furthermore, Clifford points out, it used to take longer to move tank containers because the rail lines had few direct routes. But in recent years, in an effort to win more tank container business, rail lines are making their routes more efficient and becoming more competitive.

“What has also helped is that the railroads have begun putting together more attractive pricing structures for the tank container market,” says Clifford. “So they’ve been seducing the tank container market segment by both reducing travel time and reducing rates.”

One of the selling points VTC conveys to customers is that the use of tank containers allows rail cars to be shipped back immediately instead of being forced to function as storage containers themselves that must wait to be unloaded.

This allows tank cars to carry more loads. “They are also safer in our opinion than tank trailers and rail cars,” says Ring.

VTC says it expects five to seven per cent annual growth in tank container haulage in the domestic US market over the next few years, a growth rate the company considers “modest”. However, after a few years VTC expects a dramatic surge in the market.

Establishing the Oakland facility should further prepare VTC to benefit from that surge. Also, the company says that the Oakland facility is just a first step in what

will be a broader strategy to open additional tank container depots.

“We operate in 11 Western states and we’re looking at other markets, mainly on the West coast,” says Ring. “The next sites would likely be to the north or south of our current locations, maybe Seattle, Portland or Mexico. We think there is a viable market for ISO tanks nationally. Over the next three years we want to have another two depots, and we are we are doing some research into that now.”

A little bit of history

Founded in 1869, Ventura initially hauled freight from sailing vessels anchored in Ventura Harbor. It became one of the pioneers in the early days of California’s oil boom during the 1880s, transporting products first by horse-drawn teams, then by motor truck. In 1922, the company became the first to have tanks permanently mounted on motor vehicles for the sole purpose of transporting petroleum products in bulk.

The carriage of petroleum products continued until the 1960s when Ventura Transfer diversified into the hauling of plastic pellets and powders in dry bulk pneumatic trailers. In the 1970s the company phased out its petroleum business in favor of liquid specialty chemicals. In 1996, the company diversified once again to offer the services of intermodal transport, transloading, and maintenance and repair on containers.

Tel: (310) 549-1660

Fax: (310) 835-9175

www.ventura-lesbro.com