

**COA project to analyze and compare CIC and IICL-5 repair costs at off hire - 31st August 2009**

**The objective was to control to some of the variables except the criteria and have the sample composed of units that represent the majority of off hires in the industry**

**Sample size and locations**

The targeted sample size was of 200 units (+ or - 10%) in each of the 3 regions ( Europe, Americas and Asia)  
The targeted sample was to be composed of 20ft and 40ft high cubes with a tentative mix of 50% of each ( no standard 40ft units)

In each region we have chosen 2 different depots to participate

Asia	Container System Hong Kong	and	OCWS Singapore
Europe	ACE & CCA Antwerp	and	Depot Remain Hamburg
Americas	Tesco ( Valparaiso - Chile )	and	Conglobal Chicago

**Actual source of sample used for analysis**

Count of Container ID (no prefix)		Equipment Type		
Port name	Depot name	D20	HC40	Grand Total
Antwerp	ACE	19		19
	CCA	30	38	68
Chicago	CONGLOBAL	51	51	102
Hamburg	REMAIN	62	38	100
Hong Kong	CSL	27	83	110
Singapore	OCWS	50	50	100
Valparaiso	TESCO S.A.	56	54	110
Grand Total		295	314	609

**Parameters used to select units for comparison**

No units that have been under 9 months of lease, preferably the lease period should be of approx. 3 years  
Only units from the top 25 shipping lines however no single line should have a sample volume exceeding 20% of the  
The same repair tariff must be applied for both estimates for the same container ( CIC and IICL-5 estimates )  
Except for those estimate line items related to measureable damages where IICL-5 and CIC differ, all other line items must be identical in all ways for both the IICL-5 and CIC estimates. Restated: the only line item cost differences between the two estimates should be for lines related to measurable damage where the inspection criteria differs between IICL-5 and CIC. In particular, gray area line items (e.g. glue and tape) must be inspected to the identical owner's criteria and priced identically.

**Data gathering and collection**

Data from participating depots was collected by the COA secretary  
Only data related to the repair of **"damage"** ( regardless whether covered by DPP or not) should be part of the  
Depots shall capture complete detailed repair estimates for both criteria for all units  
To enhance accuracy , depot surveyors were requested to carry a "CIC x IICL comparison summary" when performing the inspections  
No information on leasing companies were collected nor analyzed

**Variance between IICL-5 and CIC without taking into consideration industry off-hire pattern (this is done on the next chart below where we weight the results based on off-hire activity).**

Port name	Depot name	Data	Equipment Type			Variance IICL x CIC	
			D20	HC40	Grand Total		
Antwerp	ACE	Count of Container ID (no prefix)	19		19	7.3%	
		Average of IICL amount in USD	\$723.94		\$723.94		
		Average of CIC amount in USD	\$671.38		\$671.38		
		Average of Variance in USD	\$52.55		\$52.55		
	CCA	Count of Container ID (no prefix)	30	38	68	16.4%	
		Average of IICL amount in USD	\$736.54	\$359.63	\$525.92		
		Average of CIC amount in USD	\$611.48	\$303.73	\$439.50		
		Average of Variance in USD	\$125.06	\$55.91	\$86.42		
Antwerp Count of Container ID (no prefix)			49	38	87		
Antwerp Average of IICL amount in USD			\$731.65	\$359.63	\$569.16		
Antwerp Average of CIC amount in USD			\$634.71	\$303.73	\$490.14		
Antwerp Average of Variance in USD			\$96.95	\$55.91	\$79.02	13.9%	
Chicago	CONGLOBAL	Count of Container ID (no prefix)	51	51	102	9.6%	
		Average of IICL amount in USD	\$458.63	\$272.11	\$365.37		
		Average of CIC amount in USD	\$426.06	\$234.68	\$330.37		
		Average of Variance in USD	\$32.57	\$37.42	\$35.00		
	Chicago Count of Container ID (no prefix)			51	51	102	
	Chicago Average of IICL amount in USD			\$458.63	\$272.11	\$365.37	
	Chicago Average of CIC amount in USD			\$426.06	\$234.68	\$330.37	
	Chicago Average of Variance in USD			\$32.57	\$37.42	\$35.00	9.6%
Hamburg	REMAIN	Count of Container ID (no prefix)	62	38	100	3.9%	
		Average of IICL amount in USD	\$397.36	\$528.07	\$447.03		
		Average of CIC amount in USD	\$384.97	\$502.81	\$429.75		
		Average of Variance in USD	\$12.39	\$25.26	\$17.28		
	Hamburg Count of Container ID (no prefix)			62	38	100	
	Hamburg Average of IICL amount in USD			\$397.36	\$528.07	\$447.03	
	Hamburg Average of CIC amount in USD			\$384.97	\$502.81	\$429.75	
	Hamburg Average of Variance in USD			\$12.39	\$25.26	\$17.28	3.9%
Hong Kong	CSL	Count of Container ID (no prefix)	27	83	110	9.8%	
		Average of IICL amount in USD	\$139.41	\$102.13	\$111.28		
		Average of CIC amount in USD	\$131.88	\$90.13	\$100.38		
		Average of Variance in USD	\$7.53	\$12.00	\$10.90		
	Hong Kong Count of Container ID (no prefix)			27	83	110	
	Hong Kong Average of IICL amount in USD			\$139.41	\$102.13	\$111.28	
	Hong Kong Average of CIC amount in USD			\$131.88	\$90.13	\$100.38	
	Hong Kong Average of Variance in USD			\$7.53	\$12.00	\$10.90	9.8%
Singapore	OCWS	Count of Container ID (no prefix)	50	50	100	17.5%	
		Average of IICL amount in USD	\$307.93	\$261.87	\$284.90		
		Average of CIC amount in USD	\$258.83	\$211.47	\$235.15		
		Average of Variance in USD	\$49.11	\$50.39	\$49.75		
	Singapore Count of Container ID (no prefix)			50	50	100	
	Singapore Average of IICL amount in USD			\$307.93	\$261.87	\$284.90	
	Singapore Average of CIC amount in USD			\$258.83	\$211.47	\$235.15	
	Singapore Average of Variance in USD			\$49.11	\$50.39	\$49.75	17.5%
Valparaiso	TESCO S.A.	Count of Container ID (no prefix)	56	54	110	25.4%	
		Average of IICL amount in USD	\$101.32	\$124.27	\$112.59		
		Average of CIC amount in USD	\$75.90	\$92.42	\$84.01		
		Average of Variance in USD	\$25.42	\$31.84	\$28.58		
	Valparaiso Count of Container ID (no prefix)			56	54	110	
	Valparaiso Average of IICL amount in USD			\$101.32	\$124.27	\$112.59	
	Valparaiso Average of CIC amount in USD			\$75.90	\$92.42	\$84.01	
	Valparaiso Average of Variance in USD			\$25.42	\$31.84	\$28.58	25.4%
Total Count of Container ID (no prefix)			295	314	609		
Total Average of IICL amount in USD			\$368.51	\$241.69	\$303.12		
Total Average of CIC amount in USD			\$330.34	\$209.12	\$267.84		
Total Average of Variance in USD			\$38.17	\$32.57	\$35.29	11.6%	

\*\* non-weighted variance between CIC and IICL-5

**Analysis based on increments of 3 years of float / stick**

Float / Lease period	Data	Equipment Type			Variance
		D20	HC40	Grand Total	
0-1065	Count of Container ID (no prefix)	35	28	63	
	Average of IICL amount in USD	\$215.22	\$206.04	\$211.14	
	Average of CIC amount in USD	\$184.73	\$185.78	\$185.20	
	Average of Variance in USD	\$30.49	\$20.26	\$25.94	12.3%
1066-2131	Count of Container ID (no prefix)	136	174	310	
	Average of IICL amount in USD	\$360.97	\$201.10	\$271.24	
	Average of CIC amount in USD	\$316.25	\$167.92	\$233.00	
	Average of Variance in USD	\$44.72	\$33.18	\$38.24	14.1%
2132-3197	Count of Container ID (no prefix)	100	92	192	
	Average of IICL amount in USD	\$371.45	\$304.22	\$339.24	
	Average of CIC amount in USD	\$340.14	\$266.87	\$305.03	
	Average of Variance in USD	\$31.31	\$37.35	\$34.21	10.1%
3198-4263	Count of Container ID (no prefix)	20	13	33	
	Average of IICL amount in USD	\$638.75	\$349.18	\$524.68	
	Average of CIC amount in USD	\$589.65	\$329.96	\$487.35	
	Average of Variance in USD	\$49.10	\$19.21	\$37.33	7.1%
4264-5329	Count of Container ID (no prefix)	3	5	8	
	Average of IICL amount in USD	\$650.93	\$219.85	\$381.51	
	Average of CIC amount in USD	\$650.93	\$192.84	\$364.62	
	Average of Variance in USD	\$0.00	\$27.01	\$16.88	4.4%
5330-6395	Count of Container ID (no prefix)	1	2	3	
	Average of IICL amount in USD	\$214.00	\$751.36	\$572.24	
	Average of CIC amount in USD	\$214.00	\$717.99	\$549.99	
	Average of Variance in USD	\$0.00	\$33.37	\$22.25	3.9%
Total Count of Container ID (no prefix)		295	314	609	
Total Average of IICL amount in USD		\$368.51	\$241.69	\$303.12	
Total Average of CIC amount in USD		\$330.34	\$209.12	\$267.84	
Total Average of Variance in USD		\$38.17	\$32.57	\$35.29	11.6% **

\*\* non-weighted variance between CIC and IICL-5

**Weighted variance between IICL-5 and CIC**

Equipment Type				
Region	Data	D20	HC40	Grand Total
Americas	Count of Container ID (no prefix)	107	105	212
	Average of IICL amount in USD	\$272	\$196	\$234
	Average of CIC amount in USD	\$243	\$162	\$203
	Average of Variance in USD	\$29	\$35	\$32
Europe	Count of Container ID (no prefix)	111	76	187
	Average of IICL amount in USD	\$545	\$444	\$504
	Average of CIC amount in USD	\$495	\$403	\$458
	Average of Variance in USD	\$50	\$41	\$46
Asia	Count of Container ID (no prefix)	77	133	210
	Average of IICL amount in USD	\$249	\$162	\$194
	Average of CIC amount in USD	\$214	\$136	\$165
	Average of Variance in USD	\$35	\$26	\$29
Total Count of Container ID (no prefix)		295	314	609
Total Average of IICL amount in USD		\$369	\$242	\$303
Total Average of CIC amount in USD		\$330	\$209	\$268
Total Average of Variance in USD		\$38	\$33	\$35

Variance	Weighted variance	Weighted average
	31	
	\$34.43	
	\$29.77	
13.5%	\$4.65	
	31	
	\$83.64	
	\$76.00	
9.1%	\$7.64	
	144	
	\$133.25	
	\$113.05	
15.2%	\$20.20	
	206	
	\$251.32	
	\$218.83	
11.6%	\$32.49	<b>12.9%</b>

Weight factors	
Americas	0.147
Europe	0.166
Asia	0.687
	1

\* weighted variance between CIC and IICL-5

\* The weight factors were introduced to adjust the global variance based on the average distribution of off hire volume between the regions.

**Origin of variance based on repair and component types**

Sum of Repair cost diff in USD Component and repair that caused repair cost difference	Equipment Type			Variance %
	D20	HC40	Grand Total	
Insert corner post	-\$144.11	\$113.11	-\$30.99	-0.1%
Insert crossmember	\$290.74	\$144.91	\$435.66	2.0%
Insert forklift pocket	\$40.91		\$40.91	0.2%
Insert header extension	\$47.18		\$47.18	0.2%
Insert outrigger		\$15.82	\$15.82	0.1%
Insert Rail	\$363.06	\$555.54	\$918.60	4.3%
Insert rail	\$30.94		\$30.94	0.1%
Patch panel	\$582.35	\$1,112.36	\$1,694.72	7.9%
Patching header	\$50.54		\$50.54	0.2%
Remove sharp edge - rail	\$4.30		\$4.30	0.0%
Replace corner protection plate	\$20.63		\$20.63	0.1%
Replace crossmember	\$2,462.56	\$596.56	\$3,059.12	14.2%
Replace doubler plate		\$37.35	\$37.35	0.2%
Replace forklift pocket	\$51.23		\$51.23	0.2%
Replace High Cube Stripes due to insert		\$23.30	\$23.30	0.1%
Replace owner's logo		\$7.67	\$7.67	0.0%
Replace rail reinforcement plate		\$17.19	\$17.19	0.1%
Replace rail-doubling plate	\$26.00		\$26.00	0.1%
Replace serial N° + check digit		\$6.60	\$6.60	0.0%
Section Rail	\$37.13	\$173.05	\$210.18	1.0%
Straighten and weld crossmember	\$20.28	\$10.14	\$30.43	0.1%
Straighten and weld rail	\$7.91	\$15.82	\$23.72	0.1%
Straighten Corner Post	-\$4.48	-\$18.45	-\$22.93	-0.1%
Straighten crossmember	\$409.74	\$89.47	\$499.21	2.3%
Straighten Fork Pocket	\$80.65		\$80.65	0.4%
Straighten Forklift Pocket	\$31.18		\$31.18	0.1%
Straighten J Bar	\$44.40		\$44.40	0.2%
Straighten Outrigger		\$23.80	\$23.80	0.1%
Straighten Panel	\$6,410.21	\$7,154.63	\$13,564.84	63.1%
Straighten Rail	\$398.21	\$29.19	\$427.40	2.0%
Straighten Tunnel Rail		\$120.10	\$120.10	0.6%
<b>Grand Total</b>	<b>\$11,261.57</b>	<b>\$10,228.17</b>	<b>\$21,489.73</b>	<b>100.0%</b>