



Common Interchange Criteria

Open Forum

**Container Owners Association
Hamburg 4 December 2008**

Part 1: A Review of the Common Interchange Criteria (CIC)
Part 2: The Benefits of the CIC



Part 1:

A Review of the Common Interchange Criteria (CIC)

What is the Common Interchange Criteria?

CIC is an inspection standard for the interchange of dry van containers between shipping lines and between shipping lines and leasing companies.

It is not a shipping line in-service inspection standard.

It is an inspection standard that applies to measurable impact damage—dents, bends, bows, etc.

It is not an inspection standard for non-measurable criteria such as cleanliness, cosmetics, etc.

It is not a repair standard.

How was the Common Interchange Criteria developed?

It began as an attempt by three leasing companies to write an off-hire inspection standard that more closely matched the standards used by shipping lines in the operation of in-service containers.

The primary objectives were:

- Reduce operating costs for both container owners and users

- Move away from criteria based on dent depth to criteria based on maintaining the internal and external envelopes of the container

- Meet all safety, regulatory, and cargoworthy requirements

- Reduce the environmental impact of container operations

How was the Common Interchange Criteria developed?

The approach taken was to match UCIRC--the shipping line in-service inspection standard--unless there was reason to believe that a criterion would not be generally accepted for interchange on a worldwide basis.

Three leasing companies implemented the new standard on 01-Aug-07.

The standard was presented to the COA and was adopted by the COA as the Common Interchange Criteria (CIC) on 17-Jun-08

How is CIC different from other inspection standards?

CIC is slightly more conservative than UCIRC in areas that would cause on-hire problems with some carriers and shippers.

CIC and UCIRC differ in four areas:

1. Broken or cut parts
2. Intrusion into the cube
3. Panels outside the ISO envelope
4. Crossmember damage

DRY VAN INSPECTION CRITERIA: A COMPARISON of CIC to UCIRC and IICL-5

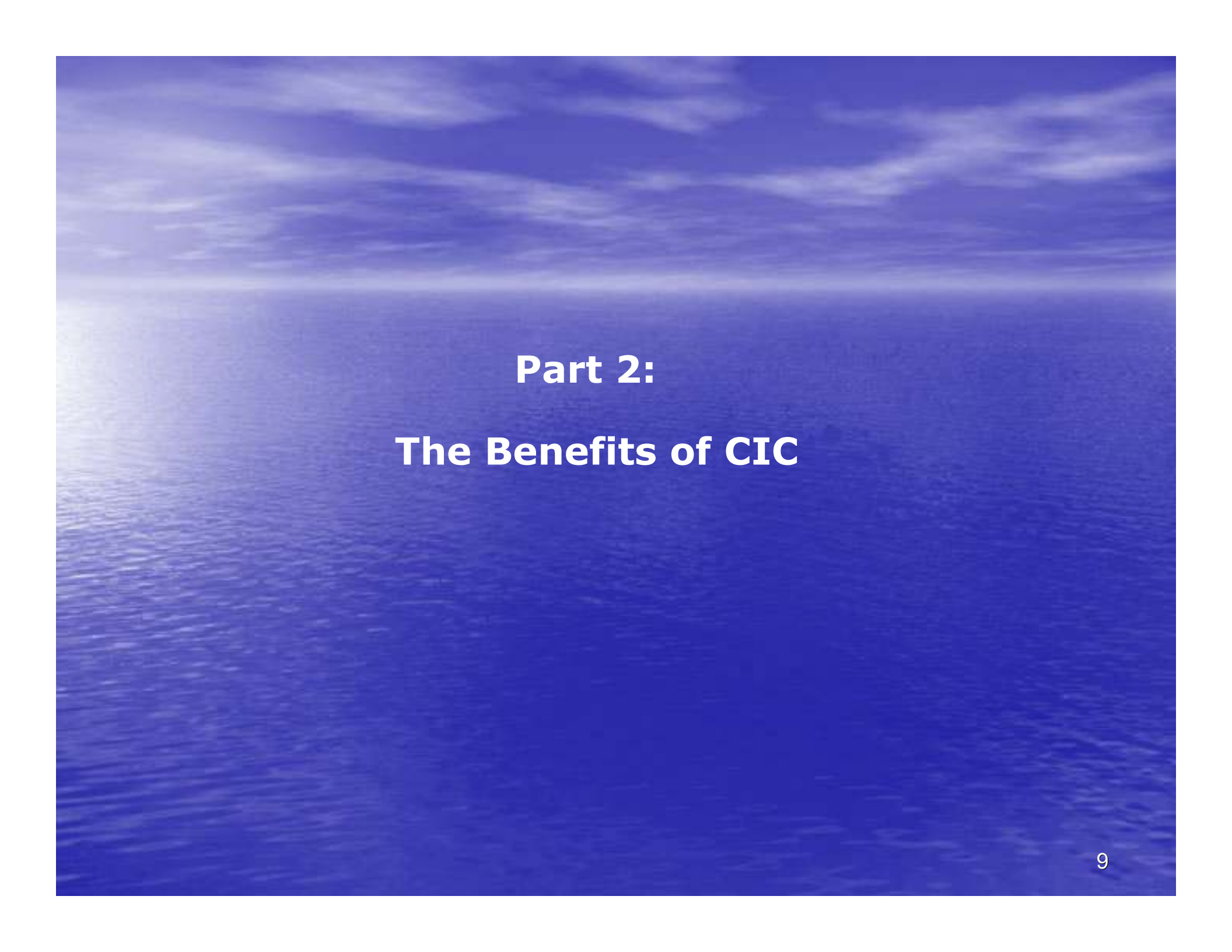
NOTE: ONLY CRITERIA THAT DIFFER ARE SHOWN

COMPONENT	CIC	UCIRC
1 Fork-lift pocket sides and gooseneck tunnel rails	No cuts allowed	Cuts up to 500 mm
2 Side panels--cube intrusion	35 mm	50 mm
3 Side panels--outward	ISO + 20 mm	ISO + 40 mm
4 Roof panel--inward	50 mm	70 mm
5 Roof panels--outward	ISO + 20 mm	Corner casting + 40 mm
6 Front panel--outward	Corner casting + 5 mm	Corner casting + 40 mm
7 Crossmember web	50 mm	75 mm

COMPONENT	CIC	IICL-5
1 Flat bar top side rail	30 mm	25 mm
2 Front headers	40 mm	25 mm
3 Rear headers	40 mm	35 mm
4 Front & rear corner posts	20 mm	25 mm single dent
	Any number of dents	Maximum 2 dents of 15 mm
5 All side & front panels	35 mm internal cube intrusion	35 mm dents
6 Door Panels	35 mm internal cube intrusion	35 mm dents
7 All roof panels	50 mm internal cube intrusion	35 mm dent
8 Flooring height difference	10 mm	5 mm
9 End frame components (corner posts, front panel, doors, headers, sills, corner castings) ISO tolerance	ISO + 5 mm on end faces ISO + 10 mm on side faces	ISO + 5 mm all faces
10 Entire container, EXCEPT end frame components ISO tolerance	As per below	ISO + 10 mm
Side panels--outward	ISO + 20 mm	ISO + 10 mm
Corner posts--end face outward	ISO + 5 mm	ISO + 5 mm
Corner posts--side face outward	ISO + 10 mm	ISO + 5 mm
Roof panels--upward	ISO + 20 mm	ISO + 10 mm
Crossmembers, outriggers, fork-lift pocket sides and gooseneck tunnel rails	No lower than the plane of the lower surfaces of the bottom corner castings	1 mm above plane of the lower surfaces of the bottom corner castings

Part 1: A Review of the Common Interchange Criteria (CIC)

Questions, Answers, and Discussion



Part 2:
The Benefits of CIC

What are the Benefits of CIC?

A single quality standard for interchanged equipment

Ease in training surveyors and depot estimators

More accurate estimates

Smaller estimates resulting in a reduced number of surveys--
approximately 15% fewer surveys

Smaller estimates resulting in reduced administration
for lessees, lessors, and depots

A reduced number of depot lifts to support surveying

What are the Benefits of CIC?

Shorter approval and repair turn-times—approximately a two day reduction in total turn-time

Reduction in the number of unnecessary repairs that compromise the original factory paint system and lead to premature corrosion.

A reduction in paint solvent emissions due to a reduced number of painted repairs

A reduction in diesel fuel emissions due to a reduced number of depot handling moves

A reduction in the use of replacement materials and their associated energy costs

What are the Benefits of CIC?

Interchangeable depot audit results

Interchangeable cost data

In general, a more efficient interchange process resulting in **reduced operating and overhead costs**, and...

...compared to IICL-5, a **10 to 15% reduction in off-hire impact damage costs.**

Savings on repair costs are needed to offset ongoing upward cost pressure:

Labor and material price increases—especially in North America and Europe

Upward price pressure on cleaning costs to meet water quality regulations

Fuel price increases driving up depot handling costs

Migration of leasing to long-term leases with their inherently higher damage costs due to longer service periods

Currency exchange rate fluctuations

To summarize...

CIC is an inspection standard that closely follows the standards used by shipping lines in operating their in-service containers and, at the same time...

meets the special requirements of interchanged equipment, and...

yields efficiencies that reduce operating and overhead costs, and...

eliminates unnecessary repairs reducing off-hire damage costs.

Where do we go next?

We suggest the COA sponsor a joint shipping line and leasing company working group with the objective of evolving the CIC concept to further increase the efficiency of the interchange process.

Some possible topics...

- Joint cost data analysis

- Alternative repair methods

- Sharing of best practices

- Joint depot audits

- Reducing environmental impact

Part 2: The Benefits of CIC & Next Steps

Questions, Answers, and Discussion

A blue-tinted photograph of a vast ocean under a cloudy sky. The text "Thank You" is centered in the middle of the image.

Thank You