



## CONTAINER OWNERS ASSOCIATION

### **COA Members Newsletter: Issue 28 – July 2007**

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#### **1. COA Board of Directors: Appointment of Chairman and Officers**

At its Board Meeting at the end of June, the COA Board of Directors elected two new Officers and welcomed a new Director onto the Board.

Bernard Isoard (Logistics Manager, CMA CGM) was elected Chairman of the COA Board of Directors. Jim Brennan (President, Sea Box) was elected to the post of Vice-Chairman and Treasurer. Angus Frew (Chief Executive, GE SeaCo) joined the COA Board as GE SeaCo's nominated Director

The COA Board of Directors now comprises:

- **Bernard Isoard** (Logistics Manager, CMA CGM) – *Chairman*
- **Jim Brennan** (President, Sea Box) – *Vice-Chairman and Treasurer*
- **Michael Callus** (Vice-President Containers, United Arab Shipping Company)
- **Mike Downes** (Director, Global Equipment Maintenance and Repair, Maersk Line)
- **Claudio Paiva** (Vice-President, Operations and IT, Capital Lease)
- **Angus Frew** (Chief Executive, GE SeaCo)
- **Richard Sykes** (Director, SCF Containers)

In addition, three of the COA's Directors have now taken on specific responsibilities, to develop the COA's three main areas of activity:

- **Jim Brennan:** Development of COA Standards and Codes of Practice
- **Michael Callus:** Lobbying of National and International Regulatory Organisations; and Liaison with other International Associations and Institutes
- **Richard Sykes:** Membership Relations

#### **2. COA Technical Consultant/Project Manager**

As announced earlier this year, the COA is - to ensure its Working Group objectives are achieved - now employing specialist consultants on a contract basis, who will carry out specific research work and prepare technical reports (primarily, but not exclusively, technical projects).

Once a particular Working Group has agreed its requirements, these consultants will tender proposals for the contract to carry out the work; with the decision to proceed being taken by the Board in conjunction with the WG members

To manage these projects, a COA Project Manager will be appointed. The COA Project Manager will be employed on a 1-day per week basis, with the remit of managing WG Leaders and Consultants, reporting to the Board and to Members, and attending relevant meetings, where there is a need for a COA Technical representative

### **3. Report on 5<sup>th</sup> COA Members Meeting, Paris**

A total of 75 participants attended the 5<sup>th</sup> COA Meeting, which was successfully organised in Paris at the end of June.

Following a welcoming reception on the eve of the event, the Conference commenced with a series of Keynote Presentations covering a range of topical issues relevant to container owners.

#### ***Keynote Presentations***

Copies of the presentations are available to COA Members, and can be downloaded from the COA website ([www.containerownersassociation.org](http://www.containerownersassociation.org)). Speakers included:

- **David Tozer, Manager, Container Ships, Lloyd's Register** discussed “Design Challenges of Large Container Ships”
- **Capt. Herbert Soanes, Research & Strategic Planning, DVB Bank**, who reviewed the impact of trade development on the global container fleet size.
- **Robert Heap, President, Cambridge Refrigeration Technology**, who discussed developments in reefer container technology
- **Pierre-Jean Bordahandy, Lecturer at the Law School, University of Adelaide**, raised a number of important issues about the legal aspects of containers
- **Prof. Dr. Eric Van Hooydonk, Chairman of the European Institute of Maritime and Transport Law at the University of Antwerp**, presented two papers: the first (on behalf of **Patrick Verhoeven, Secretary-General of the European Sea Ports Organisation**) looked at: “Improving the Public Perception of the Ports and Shipping Industry”; while the second discussed “The Soft Values of Ports”

#### ***Working Group Meetings***

In the afternoon of Day 1, the Conference focused on the activities of the three current COA Working Groups – *Flooring, Coatings and Repair*. These sessions are reported in Item 4 (below)

#### ***Container Safety Seminar***

The *Container Safety Seminar* on Wednesday 27 June was run by the International Safety Panel of ICHCA International, with presentations from: **Mike Compton**, Chairman of the ISP; **Mike Bohlman**, Chairman of ISO TC/104 and a Deputy Chairman of ISP; and **George Fawcett**, Equipment Claims Director, TT Club and a former member of ISP,

Copies of these presentations are also available, on the COA website, to COA Members.

The Seminar covered recent matters dealt with by ISP, and others planned, including: vertical tandem lifting, liftlocks, integrity of construction, recent damages found to corner castings, horizontal inter-box connectors; and handling containers in a low throughput situation.

Publications, current and planned, relating to freight container safety were reviewed, as well as an analysis of initiatives, including the MARIN Project, and concerns about packaged dangerous goods.

Mike Bohlman reported on recent changes to ISO standards relating to freight containers, including: ISO 3874 Handling and Securing of Freight Containers, security, 45ft boxes, inspection standards, seals, corner casting damage and the outcome of the TC/104 Plenary meeting in Korea in May.

George Fawcett reviewed the insurance aspects relating to the beaching of the containership *MSC Napoli*; and also gave delegates a report on issues relating to (a) alleged automatic twistlock damage to corner castings; and (b) information about flatrack and collapsible containers.

After a presentation of the video “Any fool can stuff a container”, the final session of the conference focused on international legislation, including recent concerns at IMO and recent actions at its DSC Sub Committee, including: criteria for declaring that a freight container is unsafe to be allowed to continue its journey; the development of an international standard for the safe securing of deck containers on purpose built container ships; and ACEPs.

The forthcoming meeting DSC/12 in London in September will be considering a number of freight container matters which will be of interest and relevance to COA members.

#### **4. Working Group Sessions: Coatings, Repair and Flooring**

##### **Container Coatings Working Group**

Approximately 35 members and/or interested parties attended the meeting. **Peter Morgan** (*Workgroup Task Leader*) presented an update on the progress of the group and outlined the relevant points raised during the recent audit visit undertaken in China during March 2007.

**Dr Peter Morris** gave an excellent presentation entitled “An Introduction to Solvent Emissions Regulations in the European Union” (*This presentation can be downloaded by Members from the COA Website*). Dr Morris is the UK Paint Makers Federation representative on the EU committee relating to drafting VOC (Volatile Organic Compound) emission regulations. He is also a Consultant on the subject of solvent emissions to the EU in Brussels.

**Chris Bates**, of Chemetall, discussed the merits of innovative surface pre-treatments that a) enhance adhesion of applied coatings and b) negated the use of abrasive blast cleaning. This was a direct follow on from the presentation given to the COA by his colleague Laurent Couvreur in the Singapore meeting in 2006.

The main issues that arose following the China visit were as follows

- a) Excessive use solvents that would be considered non compliant with current or pending EU and US - VOC legislation
- b) Lack of any material fingerprinting techniques to ensure product compliance
- c) Poor quality control in particular at the Dry Box plant
- d) Introduction of a formal paint inspector training programmes for QA/QC staff
- e) Tighter documentary control by the container manufacturer
- f) Lack of radiusing of steel and stripe coating prior to painting
- g) Poorly finished sub contract components delivered to the container manufacturer.
- h) Pressing damages to flat and pressed/formed plate
- i) Improvement to safety at the container manufacturer

Following the presentations a lively interactive discussion took place, with four important points being raised during this discussion:

- a) **Does a corrosion problem exist with the use of Corten® Steel?**

The consensus was that as steel replacement was negligible a corrosion problem does not exist. It was considered that the use of Corten® steel reduced corrosion.

It was further discussed that zinc coatings (zinc rich epoxy) was unable to perform adequately due to the low levels of zinc present in the coating. Virtually all agreed that the long-term appearance of the coatings was the root problem.

- b) **The COA and its members must be compliant with environmental issues and need to be fully supportive of reducing VOC emissions.**
- c) **The majority present agreed that funding for the work group proposals phase two and three should be found and the programme implemented.**
- d) **As an alternative to abrasive blast cleaning the use of surface pre-treatments should be investigated further**

A working committee comprising the following was proposed and adopted by the meeting

- A member of the COA Board
- Container owners
- Container leasing companies
- Container manufacturers
- Surface treatment suppliers
- Representatives of all container paint manufacturers.

The meeting agreed that the COA Board should seek the required funding for this work group and move the project forward.

### **Container Repair Working Group Meeting**

The Container Repair Working Group meeting focused on two principal items

- Progress on Repair Standard Format and Messaging; and
- Discussion on the development of a Depot Code of Practice.

#### *Repair Standard Format and Messaging*

A presentation of the analysis of the repair data submitted to the COA was given, showing that nearly 80% of repair lines recorded by US repair group ConGlobal during 2005 and 2006 applied to just 39 different components. Furthermore, the top four components covered 55.69% of the reported repair lines.

Data has been collected from COA Members, listing their top repair combinations. Of those submitted, the top 25 combinations (component and repair code) covered 70.76% of those received.

Both the data from ConGlobal and COA Membership clearly indicates that there are a limited number of components that are regularly repaired.

When the combination of component and repair codes were analysed it was also clear that there were combinations that were duplicated by the use of either different component or repair codes. In order to validate this data, further members have offered to submit their data.

The meeting discussed the direction and scope of the future work. While some Members felt that it would be appropriate to cover all components for publication it was agreed that the COA would progress on those components highlighted in the above analysis. Work would however include all possible repair options.

The meeting discussed the nature of the information that should be included into the final document. There was a subsequent discussion concerning its contents. It was agreed that whatever form that the information is presented it should be kept as simple as possible.

**Jørn Heerulff** made a short presentation on the progress of amendments to ISO 9897. Committee drafts for the revised Standard had been circulated to National Standards Bodies with the original standard split into six parts:

- Part 1: General purpose containers
- Part 2: Refrigerated containers
- Part 3: Tank containers
- Part 4: Special purpose containers
- Part 5: Chassis
- Part 6 Message sets for data transfer between trading partners and systems

Parts 1, 2 and 6 had been circulated to the National Standards Bodies and their comments presented to the plenary meeting of ISO TC 104 in Korea during May 2007. Within those comments there were requests for additional fields to be included in the message header (WESTIM):

- Estimate Type (eg, in service, off-hire, emergency repair)
- Time of estimate HH/MM
- CSC-compliance Y/N/U
- Name of inspector
- Current container condition
- Container planned condition (eg Food-grade)
- Repair Duration (Estimation) (eg 3 days)
- Compressor serial number
- Controller serial number
- Modem serial number
- Main relay board serial number
- Spare part status - New, R+R, etc.

#### ***Depot Code of Practice***

The WG discussed the development of a Code of Practice (CoP) for Depot operations. Such a CoP could provide standard and world class processes and procedures which could then be consistently audited.

A number of the Members commented stating that they did not have any problems with their depots and they could see limited or no use for such a CoP. Other Members felt the opposite and that the CoP would provide a useful tool, especially for the less sophisticated depots.

There was a distinct split in the Members so they were asked whether the WG should continue and after a vote it was decided that the development of the CoP should be placed on hold until the remaining work had been completed. At that time the continuation of the development of the CoP could be debated within the Membership.

#### ***Agreed Actions***

It was agreed that the Working Group should:

- continue its work with the Standard Repair Messaging and that such work should focus on the most regularly repaired components
- develop a format that is simple to use and easy to extend
- include task times using the COA standard times as a starting position

The work agreed will have to include standard calculation formats so that task times can be completed but this will require additional analysis in due course. Additionally, it was noted that:

- the next TC 104/ SC4/WG3 meeting takes place at BIC's Paris office on 13 September
- additional non ISO experts (COA experts) will be invited to attend
- the main item of the agenda will be to: review and finalize the circulated WDs: CEDEX codes and message sets.

### ***Programme***

A draft of the component / repair combination document for the most frequently reported components will be circulated to Members by the early part of October 2007. TC 104/SC4/WG3 will continue its discussion between now and May 2008.

### ***Working Group Members***

The following Members and guests will be invited to contribute to the next phase of the Working Group development of this project:

- Amficon (Robbie Burns, Technical Manager)  
BCSB/Hamburg Container Services (Dr Roland Karnbach, Member, Board of Management)
- Capital Lease (Erik Chatel, Manager, Technical Services)
- Carlisle Leasing (Eric Mosselaar, Global Director Ops/Tech)
- CIMC (David Wong, Senior Technical Advisor)
- Hamburg Süd (Martin Schoeler, Technical Director)
- International Asset Systems (Doug Owen, General Manager, EMEA)
- IICL (Gary Danback, Technical Director)
- OPDR (Horst Manthey)
- Waalhaven Terminal (Edwin Lammers, Commercial Manager)

### **Flooring**

#### *(a) Alternative Materials*

Marc Weidemann presented a second update to the Alternative Flooring Materials WG project. This has been published on the COA website

#### *(b) Biocides and AQIS*

A report on the status of the COA/AQIS project can be found on the COA website

## **5. Open Forum: Members discuss COA strategy**

The Members Forum at the end of Day 1 provided an opportunity for COA Members to discuss COA activities and communicate their ideas, view and opinions to the COA Board and fellow members on relevant issues. Subjects that were discussed included:

### **Proposed Change in Membership Structure**

There was some discussion about changing the Membership Structure, from “Full” and “Associate” Members into “Industry Sector” groupings. However, the consensus of the meeting that the original concept of the Association – that it is focused on “container owners” – should be maintained

### **Frequency and Format of COA Meetings**

Until now, there have been two major COA Meetings per year (one in Europe and one in Asia), with smaller regional and single-theme meetings also taking place. Members at the Forum indicated a preference for one main annual meeting, with more frequent one-day seminars taking place, subject to Working Group and Membership demand.

### **Working Group Remit and Reporting**

It was indicated by a number of members that Working Groups need to have a more clearly-defined structure and timetable; and that WG reporting to Members needs to be improved

### **PR and Communications**

It was also suggested that the COA could promote itself better to the general shipping community, through more press releases announcing its achievements, plans and initiatives.

## Questionnaire

As some Members wished to have more time to consider their feedback to the COA Board and to express their opinions, it was agreed that a Questionnaire would be sent to all Members. This is being prepared and will be sent out separately

## **6. COA joins ICHCA International: Benefits to COA Members**

The COA has joined ICHCA International as a Corporate Licensed Member. COA Members will now be able to benefit from a range of ICHCA International's technical publications and services, including:

- Access to Technical Enquiry Service – experienced technical support is available via the Registered Office to assist members with practical advice and assistance with problems and enquiries on all aspects of cargo handling and transportation, including regulatory issues, where applicable
- Access to International Panel of Experts on various aspects of cargo handling (eg safety)
- Representation and Participation in the work of numerous government and inter-governmental agencies and leading industry bodies, including: IMO, ILO, ISO and IAEA
- Discounts on all IMO publications, including the IMDG Code
- Discounts on all ILO publications, including the new Code of Practice on Safety & Health in Ports and the Code of Practice on Security
- IMDG Code (Dangerous Goods) Training Courses/Seminars
- Bi-monthly electronic newsletter giving full international updates/reports
- Annual 'Cargo World' publication
- Free subscription to Cargo Systems magazine
- Free subscription to Port Technology International magazine
- Information Papers – produced on an 'as and when' basis and generated to inform, consult and generally advise members on topical issues. All information papers are distributed electronically to ensure you receive information as quickly and efficiently as possible
- Technical Publications
  - International Safety Panel Briefing Pamphlets – a series of handy guides on various subjects relating to cargo operations, many of which will be of vital safety interest to all members. There are currently 25 publications available in this series, all produced by the respected International Safety Panel, with a further 12 in various stages of development
  - Research Papers - for example: Container Top Safety, Lashing and Other Related Matters, Fumes in Ships Holds and Safe Walkways in Port and Terminal Areas. There are 12 such papers with another 3 at various stages of development
  - Technical and Operational Advice series – this includes vertical tandem lifting
  - General series – includes advice to shippers of packaged dangerous goods regarding compliance with the IMDG Code. "Safety and security" and port and marine fire fighting and fire prevention are both in the course of development
  - Plasticised Pocket Cards – there are three (two on the IMDG Code and one on confined spaces). The first two have been translated into French, Spanish and Chinese. It is intended that other languages will follow.
  - In addition to the publications, ISP has adopted three statements on:
    - The use of mobile phones by terminal equipment operators
    - Maintenance of twistlocks on road vehicles
    - Availability and wearing of seat belts on terminal equipment
  - All are available on CD Rom at special rates for members

The Technical Publications will be posted on the COA website in the near future. Further information on ICHCA International can be found on: [www.ichcainternational.co.uk](http://www.ichcainternational.co.uk)

## **7. Flexitank Meeting – Paris, 28 June 2007: Working Group launched**

Some COA Members have been experiencing problems with the use of Flexitanks within their containers; consequently some Members have placed a moratorium on their use. Flexitank manufacturers are concerned that some shipping lines and ocean carriers are also preventing their use due to the weight of the loaded container.

The flexitank industry is a relatively young one, with no trade association, standards or consistent industry-wide operational instruction to assist the manufacturer, the user or the carrier.

Recognising the need for discussion between the flexitank industry and container operators, the COA approached Trans Ocean Distribution to make a presentation at its Members Meeting in Antwerp in June 2006 about flexitanks and their impact and effect on containers. This was followed up with a second presentation, in May 2007, by Braid at the Sydney meeting of the Australasian Regional Branch of the COA.

While these were useful presentations, it was clear that greater focus needed to be given to the subject, permitting all sectors of the industry to give their viewpoint and discuss what was needed. For this reason, as part of its recent Members Meeting in Paris in June, the COA organised an inaugural meeting of container owners, flexitank operators, flexitank manufacturers and flexitank service suppliers.

### ***Meeting Summary***

Following a short presentation about the COA, attendees were asked to identify their Aims and Objectives for the meeting, which were largely as follows:

*A. The development of a Code of Practice (CoP) to understand the common issues and beliefs of the industry with regard to:*

- The economics of flexitank use
- Operational issues
- Operation in certain container types
- Installation
- Damage control
- Safety control

*B. A “Route Map” to highlight the “Way Forward”*

*C. Standards with regard to:*

- The certification of the “Bag in Box”
- Operation
- Test and operation
- Carrier / Freight Forwarder / Manufacturer

*D. Sharing of market knowledge (non commercial) covering:*

- Container specifications with regard to build materials, specifications and testing
- Approved manufacturers

### ***“Problems”***

Hapag Lloyd made a presentation (which can be downloaded from the COA website [www.containerownersassociation.org](http://www.containerownersassociation.org)), highlighting some of its concerns. COA container-operator members also listed a number of other concerns with regard to the use of flexis:

- Distortion of side walls (10-15 mm out of ISO in normal static operation, greater under surge force)

- Permanent distortion of side walls
- Leaks causing loss of cargo and damage to other containers/cargo stowed below
- Taint to cargo from container side walls
- Temperature damage to cargo (over heating and freezing due to contact with side wall)
- Insurance losses
- Environmental concerns of disposal (especially multilayer/ barrier bags)
- Instability due to cargo surge during voyage
- Instability during trucking, unsuitable chassis and lack of training for drivers
- Markings and notification of cargo
- Container selection – fitness for purpose
- No certification scheme or ISO standard, (tests of flexi and containers as integral unit)
- Authorities might impose a certification scheme if industry does not initiate its own scheme
- Rail companies and some shipping lines reported ban flexi-tanks.

### ***Standard***

The meeting discussed the areas that any Standard should cover. There were three main areas, which were as follows:

- Operational requirements covering such features as tear strength and chafe resistance.
- Dimensional, volume and mass values which would be compatible with container type used and consideration for free surface effect on the tank and container.
- Cargo protection features

The meeting discussed whether the shape of the tank should be included within the Standard, but it was agreed that it should be omitted, mainly due to concerns that a standard defining the tank design may restrict development.

There was also a discussion about suitable marks to be used on the container to indicate that it contains bulk liquids. However, care must be taken that such marks should not advertise that the container is carrying valuable cargoes. Such marks could be included as part of the new flexitank Standard, the existing ISO standard on container marking ISO 6346 or within the CoP.

### ***Code of Practice***

The meeting discussed the contents of a CoP for flexitank operation and use. While the actual contents of such a document were not agreed, certain features were considered as important:

- Filling procedures and the need to ensure that the flexitank is filled to the correct capacity, this would therefore include some process / procedure for the selection of the right size of tank.
- The location of containers fitted with flexitanks with particular reference to hold and internal temperatures.
- Cargo information / detail reporting procedures

The development of the CoP could be expedited by bringing together individual manufacturers' operational instructions

Part of the current “problems” associated with flexitanks may be attributed to current operational procedures, so it is important that during the development of a CoP there should be opportunities for development both prior to the formulation of the draft and once the CoP has been published. In the same way as other COA documents are seen as “live”, so would this CoP – so, should improvements be made to processes, procedures or instructions, then these would be incorporated into a revised document.

### ***Agreed Actions***

It was agreed that the Working Group should:

- develop a standard for flexitank manufacture and testing to ensure compatibility with ISO containers
- develop a Code of Practice that would assist manufacturers, freight forwarders, shippers, ocean carriers, shippers and consignees
- consider developing a certification scheme linking flexitanks within standard ISO containers

### ***Programme***

It was agreed that a target date for the completion of a draft for the Standard would be the middle of October. This would allow the circulation of the information to the Membership with the aim of organising another one day event, probably in Hamburg, during November.

It was also agreed that a CoP could be formulated, based on information already available from the Flexitank container manufacturers present at the WG meeting in Paris.

It was proposed that the Working Group would be circulated with a draft Terms of Reference (ToR) for the Project which would outline its scope, the method of communication, WG participation and time line. Members of the WG would be permitted to make amendments to the draft ToR before the final draft is submitted to the COA Board for approval.

### ***Working Group Members***

Participants at the Paris WG meeting were invited to join the COA and it was agreed that those persons who will form the WG should all be Full or Associate Members. The following persons have indicated their intention to participate in the Working Group:

- Jim Chubb, BMT Marine & Offshore Survey
- Bernd Büscherhoff, Büscherhoff
- William Beckman, Environmental Packaging Technologies
- Greg Comer, Global Flexi Systems
- Thomas Reid, Hamburg Sud North America
- Hans-Joachim Grasshoff, Hapag-Lloyd
- Graeme Egan, Hoyer Global Transport
- Rolf Schueler, Kuehne + Nagel
- Andrew Tisi, Philton Polythene Converters
- Frank Brouwer, Progeco Holland
- Ad van Hoff, Progeco Holland
- Marjus van Dee, RMI Flexitanks
- Mark Page, Scholle Europe
- Chris Trett, Stolt-Nielsen Transportation
- Alex McAndrew, Trans Ocean Distribution

## **8. COA Environmental Awareness Seminar: Dubai, 29/30 October 2007**

As announced last year, the next COA Meeting will take place in Dubai on 29/30 October.

Environmental awareness is becoming increasingly relevant to the container shipping industry, and the COA Board has agreed that the Dubai meeting will be organised as a “**COA Environmental Awareness**” conference, focusing on issues relating to container shipping, ports and the environment. The proposed format would be as follows:

### **Monday 29<sup>th</sup> October**

Full day conference covering Environmental Issues relating to container shipping, container industry, ports, logistics and inland transport

### **Tuesday 30<sup>th</sup> October**

Technical site visits to the Dubai container port, shipyard and a container repair facility

**At the end of the meeting, it is intended to draw up a resolution to develop a COA Environmental Policy, and an agreement of how to chart the way ahead for the industry**

*Further information will be published in the COA's August 2007 Newsletter*

**9. New Member**

The COA is pleased to welcome the following new member to the Association:

- Cointra, Argentina ([www.cointra.com.ar](http://www.cointra.com.ar)) – Designers and manufacturers of flexitanks

**10. Further Information**

For further information about anything in this newsletter, or if you would like to contribute to the next issue (August 2007), contact Patrick Hicks – [secretary@containerownersassociation.org](mailto:secretary@containerownersassociation.org)