



CONTAINER OWNERS ASSOCIATION

COA Members Newsletter: Issue 52, June 2011

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1. Container industry prepares to meet at 8th COA General Meeting in Shanghai

Final arrangements are now in place for the 8th COA General Meeting, taking place at the Jin Jiang Oriental Hotel, Shanghai Pudong on 20 & 21 June 2011. With a wide-ranging conference agenda focusing on key industry issues, the event will be a significant meeting for the container shipping business.

Over 110 delegates have already registered for the Event. In addition to plenary sessions on Monday 20 June, the Conference will include Break-out Sessions on Tuesday 21 June, featuring

- The launch of a COA Container Depot Division
- The establishment of a COA Suppliers Division
- A forum for shipping lines to investigate Alternative, Sustainable, Flooring
- A dedicated Flexitank Seminar

Further information about the Break-out Sessions can be found in Items 2, 3, 4 and 5 below.

The Meeting will commence with an optional visit to the 3M Technical Center in Shanghai on Sunday 19 June. This will be followed by the “Welcome to Shanghai” Reception, kindly sponsored by 3M China, taking place in the Jin Jiang Oriental Hotel.

After the first day of the Conference, on Monday 20 June, there will be an evening River-boat cruise with dinner. After the Working Group sessions on Tuesday 21 June, delegates will have the opportunity to visit a container factory in the afternoon.

To download the Event Programme, Registration Form, Hotel Details and Participants List, go to: www.containerownersassociation.org

2. COA Container Depot Division to be launched at Shanghai Meeting

The COA will be launching a new Container Depot Division at the forthcoming General Meeting in Shanghai. Mike Baldwin, President and CEO of ConGlobal Industries, Inc (a multi location owner and operator of Container Depot facilities throughout North America) has accepted an invitation to lead this project.

The aim is to provide a forum where Container Depots around the world are able to share and discuss issues of common interest, as well as propose solutions, ideas, and best practices.

From initial feedback, possible topics may include:

- Efficiency gains possible for depots (and the entire industry) by efforts to standardize:
 - Inspection and repair standards among container owners and operators
 - Depot/customer contract templates (including “standardized” items, such as depot insurance requirements etc)
 - Bi- directional (and standardized) EDI messaging protocol
 - Coding requirements of repair estimates (use and application of various coding methods)
 - Aftermarket container grading and classifying
 - Task time schedules and templates (and related logic in calculating same)

- Land issues:
 - Economic Difficulties of land retention for container storage, through demand cycles
 - Alternative use pressures
 - Environmental considerations (cost and risk) related to depot activities

- Non-land fixed costs
- Impacts of Volatile Fuel cost in fixed price business
- Introduction of new talent into the industry
- Technology (tracking and location systems for containers in depots)
- Positive impact of having a depot voice in the development of new or expanded cedex coding schemes.

Prior to the meeting in Shanghai, Mike Baldwin would be pleased to receive ideas and suggestions from COA members regarding the structure and topics for this Division. Please send these comments via the COA Secretariat (secretary@containerownersassociation.org)

The COA Container Depot Division Session will take place at the COA General Meeting on Tuesday 21 June, from 11:00 to 12:30.

3. COA to establish Suppliers Division at Shanghai Meeting

In addition to the Container Depot Division, the COA Directors have agreed to establish a COA Suppliers Division.

The aim of the COA Suppliers Division will be to permit suppliers of container equipment and services to discuss technical, environmental, regulatory and safety issues of common interest, in a dedicated forum.

The Suppliers Division will be launched at the COA General Meeting on Tuesday 21 June, from 09:00 to 10:30.

4. Shipping lines to investigate Alternative Flooring on Tuesday 21 June

The search for an alternative container floor material is the most important technical challenge presently facing container owners and users.

A number of possible new materials for flooring have been developed in recent years. But these products have yet to solve the problem that shipping lines are facing. And, with the variety of

materials and options being offered, the industry risks losing the benefits that standardisation has brought to it.

Clearly, the solution to this problem will only be successful if it is developed and accepted by the majority of the shipping lines and leasing companies in the industry. Container owners need to work together to find a solution which can both meet the anticipated demand for new containers and which is environmentally sustainable.

Recognising the scale and complexity of the issue, the COA Board of Directors have established a project to investigate and identify an industry-recognised, sustainable, container flooring solution to meet future demands. Earlier this year, the Directors asked Frank Nachbar, Director of Hapag-Lloyd's Container Division, to be the Chairman of a Committee to manage this project.

In view of the critical and industry-wide nature of this matter, the COA is inviting all container shipping lines (both COA Members and non-Members) to participate in a meeting in Shanghai on Tuesday 21 June, when the flooring issues can be reviewed, and the process to find a solution can be agreed.

The Shipping Line meeting on Container Flooring will take place at the COA General Meeting on Tuesday 21 June, from 09:00 to 10:30.

Please note: This session is for container shipping lines and container operators only.

Further information from secretary@containerownersassociation.org

5. COA Flexitank Division organises Flexitank Seminar on 21 June

The Container Owners Association is organising a dedicated Flexitank Seminar in Shanghai on Tuesday 21 June. The Seminar will focus on the COA Flexitank Code of Practice, updated delegates on Key Parts of the Code, including:

- Current Status of the Recommended Flexitank Code of Practice
- Introduction of a consistent international rail impact test criteria
- Establishment of a recommended Flexitank Materials Test Report procedure
- Revised incident management and insurance section
- Procedures for ensuring that incompatible products are not shipped in flexitanks
- Modelling possibilities for flexitanks
- Planned development of an internationally accepted standard
- Planned establishment of a dedicated Flexitank Division within the COA

The Seminar is part of the COA's 8th General Meeting in Shanghai. The complete Event Programme, which includes a wide range of container industry topics and a visit to a container factory, is attached.

Further information from Chris Thornton, the COA Flexitank Manager on: flexitanks@containerownersassociation.org. To register for the Conference, please complete and return the registration form which can be downloaded from the COA website.

The COA Flexitank Meeting will take place at the COA General Meeting on Tuesday 21 June, from 09:00 to 12:30.

6. COA Container Inspection Criteria Training Courses: Hamburg Training Courses

The COA Container Inspection Criteria Course has been established for individuals working in the container shipping industry who need to understand the different container interchange

inspection criteria that are presently being used. The Course is intended for individuals working in shipping lines, leasing companies, repair/storage depots and inspection/surveying companies.

The Course comprises classroom and container-based sessions. It begins with a short introduction to the three interchange standards that presently exist: the Common Interchange Criteria (CIC), IICL 5 and UCIRC. It then provides a technical review of CIC and UCIRC standards and measurements, followed by an explanation of the CIC & UCIRC “envelope” concept, together with a discussion on ISO criteria and how to properly measure components.

After lunch, there is an outdoor “Field Session”, during which damaged containers will be inspected, permitting a practical explanation of the topics under discussion in the morning.

The Course concludes with a question/answer session, enabling participants to clarify points that had been raised in the presentations during the day.

All participants will be provided with COA-branded inspection tools (Damage Scale and Reference Line).

Hamburg Courses

The next Courses take place in Hamburg. The German-language Course on Thursday 9 June is now full, so an additional German-language Course is being arranged on Friday 10 June. In addition, an English language course is being organised on Wednesday 8 June 2011

Further Course Information, Timetable, Practical Arrangements and Registration Form are now available on the COA Website (www.containerownersassociation.org). Further details from: secretary@containerownersassociation.org

To give participants an indication of the Training Course, a short film of the pilot Course in Antwerp has been prepared. To view the video, click on: <http://youtu.be/zOfdmGy6Fgk>

7. CINS (Cargo Incident Notification System): Project Update

The COA has recently taken on the management of a new project being developed by a number of major container shipping lines. Designated the CINS (Cargo Incident Notification System), it will be launched in September 2011.

The CINS project has been developed in order to analyse global operational information on cargo and container related accidents. The intention is to allow seaborne carriers to share data in order to establish areas of concern and to review trends, in order to improve safety in the transport chain. CINS will be held on a dedicated website.

Its purpose is to collect information on operational accidents and incidents - excluding any commercial information supplied by the seaborne carriers. This will be done by means of a database which will be managed through the COA. Access will be limited to participating carriers, P&I Clubs and the TT Club.

The aim is to highlight risks posed by certain cargoes and/or packing failures in order to improve safety in the liner shipping industry. This will be done by analysing the database and looking for specific incidents which may require immediate action or assessing incident trends.

The scope will be: reported incidents and will be defined as any incident which causes or has potential to cause: Injury or loss of life; loss or serious damage of assets; and environmental concerns.

The Founder-Members of CINS are: Mediterranean Shipping Company (Chairman), Maersk Line, CMA CGM, Hapag Lloyd and Evergreen.

Other shipping lines are now invited to join the CINS network. For further information, please Dirk Vande Velde, Chairman CINS, on DVandeVelde@medlogbe.mscgva.ch

8. Progress made on key Flexitank issues at 5th COA Flexitank Meeting

The 5th COA Flexitank Meeting took place in London Docklands on Thursday 19 May 2011. Over 70 delegates participated in the Meeting.

Key themes included:

- Current status of Rail Impact Test and submission of COA Standard Test Report Forms
- Harmonisation of Rail Impact Test Criteria: Status report
- Review of the recommended Materials Testing Procedure in the Code of Practice
- Code of Practice Review: Incident Management, Insurance and Responsibilities
- Controlling the Cargoes that are Shipped in Flexitanks: Ensuring that hazardous or unsuitable materials are not shipped in flexitanks
- Approaches in simulating Flexitank/Container interaction: The use of modelling to simulate flexitank/container impact tests
- Process to establish an international standard for flexitanks carried in containers

COA Members can download PDFs of the presentations that were given at the Conference.

Model-scale flexitank test and simulation

During the Conference, one of the presentations included a video of a model-scale flexitank test and simulation. This can be viewed on:

http://tu-dresden.de/die_tu_dresden/fakultaeten/vkw/sft/forschung/container

9. Free Offer: Journal of Commerce Daily Newsletter to COA Members

The Journal of Commerce has extended a free online subscription offer to all COA members. The JOC Daily Newswire provides comprehensive shipping news and analysis, as well as industry research. To sign up for your free subscription, go to: www.joc.com/newsletters

10. Intermodal Europe 2011: COA Container Pavilion and 9th General Meeting

The COA will once again be organising its Container Pavilion at the Intermodal Europe 2011 exhibition in Hamburg (29 November to 1 December 2011). Further information about this year's Event can be found on: www.intermodal-events.com

As in previous years, an attractive package will be available to COA Members wishing to sponsor the Container Pavilion. Further information will be published on 1 July 2011.

In addition, the COA will be organising its 9th General Meeting in Hamburg on Monday 28 November (the day before the exhibition).

11. New Members

The COA is pleased to welcome the following New Members to the Association:

- **China Shipping Container Line (www.cnshipping.com)**
Shipping conglomerate offering global container liner services
- **Clasquin (www.clasquin.com)**
International freight management and overseas logistics services provider

- **Shanghai Xinfan Container Fittings (www.xfseal.com)**
Container security seals manufacturer and supplier
- **WEC Lines (www.weclines.com)**
Provider of deep-sea and short-sea container shipping line services