

PRESS RELEASE

COA & TT Club convene industry forum to resolve exploding reefer issue

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[Summary]

The Container Owners Association (COA) and the TT Club bring together practitioners and experts to debate ways to resolve the exploding reefer machinery issue following the introduction of counterfeit gas into the supply chain.

Key points include:

- Growing convergence towards a standardised test for gas bottles to prevent recurrence;
- Update on progress towards safe and certain testing of potentially contaminated reefer containers;
- Willingness to continue collaborating on these issues to restore safety and confidence through the transport industry.

[Full Story]

Not for the first time in 2011, interested parties in the liner shipping industry have met to seek resolution of safety issues. This time, the subject matter was the problem with reefer containers arising from contaminated refrigerant. This has caused explosion and fire in refrigeration machinery of some containers during the course of 2011. While only a very small number of incidents have occurred, thousands of reefers have been quarantined pending confirmation that they are unaffected by contaminated refrigerant.

A forum took place in London on 19 December 2011, under the neutral auspices of the Container Owners Association (COA) to review the findings to-date and to consider solutions. The gathering, comprised representatives from a number of the world's leading container carriers, container leasing companies, reefer service depots and reefer machinery manufacturers. In addition, a leading refrigerant manufacturer, being amongst those whose products have been counterfeited, was represented, together with forensic, refrigeration and machinery experts. The event was hosted by the TT Club, which insures approaching 80% of the global maritime container fleet.

Building on the response to the session at COA Members meeting in Hamburg on 28 November, this forum was initiated jointly by COA and the TT Club to bring together those most closely involved in order to identify common action steps to eradicate the problem. Specifically, the forum was intended to share information and assist in:

- protecting the safety of reefer service personnel, and others, involved in working with refrigerated containers in depots, in terminals, on vessels and on road vehicles;
- achieving safe and certain identification of contaminated refrigerant supply, and improving global maintenance and repair processes to prevent recurrence; and
- achieving safe and certain identification of unaffected units in order to return them to service.

The meeting proved extremely valuable in all these respects, although it was not conclusive. Participants intend to continue to interact on these safety issues and the COA is looking into effective ways to disseminate information through the container transport industry. It was recognised that the precise chemical reactions causing the explosion risk remain uncertain, although the experts - some of whom have been investigating similar issues in other industries - are broadly in agreement in terms of the essential cause and the risks involved.

It is fully clear that counterfeit gases have entered the disposable gas bottle supply chain. These gases have been created to mimic the thermodynamic properties of R134a (the most usual refrigerant in the container industry), using chlorine based gas. The introduction of contaminants has been found to be as much as 50% of the volume. This cocktail reacts with the aluminium parts of the reefer machinery, as well as lubricants, to create the dangers encountered.

Gas supply

Hearing from the experts and practitioners most actively involved in recent months, there is growing consensus concerning how to protect the industry in the future. While gas suppliers clearly intend to continue taking measures to limit the activity of counterfeiters, the reefer container industry is working towards a standardised test procedure to ensure that gas bottles in use at repair and service facilities, and on board ships are safely tested. One option is to use the simple and established halide flame test, with appropriate precautions to ensure that the minimum of gas is released and toxic fumes are removed. The occurrence of a green flame is a straight forward identifier of chlorine in the sample. This type of documented testing prior to use of gas in repair and maintenance activities is likely to become standard practice through the industry in due course.

Containers

Further work is being undertaken to ensure that potentially contaminated reefer containers can be tested effectively and safely. No single test methodology has been proven as yet, in part because all the container units subject to trials have turned out not to be contaminated – although itself positive in returning quarantined units to trade. Once this has been resolved, it is anticipated that testing will become a standard part of the Pre-Trip Inspection routine.

Participants at the forum were keen to continue to work on the issues identified and achieve convergence of practices to strengthen the safety regime. The forum can be judged a considerable success and has laid the foundation to establish sound and sustainable practices that should insulate the reefer container industry from recurrence.

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Note to Editors:

About the TT Club

The TT Club is the international transport and logistics industry's leading provider of insurance and related risk management services. Established in 1968, the Club's membership comprises ship operators, ports and terminals, road, rail and airfreight operators, logistics companies and container lessors. As a mutual insurer, the Club exists to provide its policyholders with benefits, which include specialist underwriting expertise, a world-wide office network providing claims management services, and first class risk management and loss prevention advice.

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About the COA

The Container Owners Association was established in November 2004 as an international organisation representing the common interests of all owners of freight containers.

The principle aims of the COA are to provide global expertise, to promote common standards and to facilitate international lobbying. The Association is also intended to enhance co-operation between its members and other associated industry bodies in a number of fields.

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