



# Shipping Container Institute

# NEWS

**May – June 2010**

## **SSCI NEWS**

### **SSCI MEMBERS ELECT 2010 OFFICERS**

Members of the Steel Shipping Container Institute (SSCI) at the group's recent annual meeting in Florida elected a new slate of officers for 2010. John Dergentis, Greif, Inc., was elected Institute chairman for 2010. Also elected were Leonard Berenfield, Berenfield Container, Inc., as vice chair, Terry Lynn, General Steel Drum Corp., as treasurer, and Earnest C. Beardsley, as secretary.

SSCI Board Member Christopher Lind, Mauser Group, now heads the SSCI's Technical Projects Committee.

### **SSCI RAMPS UP MARKETING, ADVERTISING PROGRAM**

At its April meeting in Hilton Head, South Carolina, and in a subsequent May teleconference, the SSCI's Board of Directors agreed on a plan to ramp up its promotion of the steel drum as the preferred packaging for the transport of highly dangerous chemical products and other commodities. This decision represents a renewal of a program initially launched in the fall of 2008, but suspended months later due to deteriorating business conditions and uncertainty about economy.

The program, funded mainly from the SSCI's investment reserve, is focused in four areas: advertising; marketing/promotion; advertorials/feature articles; and, expanded electronic visibility. Shortly, SSCI advertisements will appear in several industry publications targeted to readers who make packaging-related decisions for their firms. Initially, this effort will reprise three ads that

appeared in early 2009 that highlighted the safety, security, and sustainability of steel drums.

Also, working with a Washington-based marketing/public relations firm, the SSCI will be developing new print ads, updating its web site, rebranding its exhibition assets for future use at industry trade shows, and developing technical articles and advertorials for placement in numerous strategic publications. Also, the SSCI will be reaching out to its international partners in ICDM to encourage their participation in advertising in publications with international reach, and contacting the representatives of the American Iron and Steel Institute's Steel Market Development Institute to explore cooperative opportunities.

Several SSCI member manufacturers have volunteered to join with staff on a so-called Market Development Task Force as this program advances. If you want to volunteer to participate in this effort, contact John McQuaid in the SSCI's Arlington, Virginia office.

In the months ahead, look for further updates on this important SSCI initiative.

### **SSCI, RIPA TALK WITH PHMSA ABOUT MORE TOBYHANNA TESTING**

The SSCI's Executive Director, John A. McQuaid, and the president of the Reusable Industrial Packaging Association (RIPA), Paul Rankin, recently met with Anthony Lima, Packaging Program Manager in the Office of Hazardous Materials Safety at PHMSA, to discuss the idea of further testing of new and reconditioned/remanufactured steel drums at Tobyhanna. The U.S. Army logistics facility in Tobyhanna, PA, has an extensive packaging testing facility that is used

principally to test DOD-related packagings. However, under contract, it also conducts testing for PHMSA.

SSCI representatives have been to the Tobyhanna facility twice in the last decade to observe the testing of packages provided by its member manufacturers. The most recent visit followed the October 2007 Fall Conference. For the demonstration testing, the agency would purchase non-descript drums from a few SSCI and RIPA members.

The idea for further testing was raised by Mr. Lima to review certain laboratory practices that he observed can and should be followed so that testing results are considered consistent regardless of the testing location. His concerns have been raised after observing what he described as fundamental errors in performance testing procedures at recently-conducted Alternative Validation Testing (AVT) at separate facilities of a new steel drum manufacturer and a reconditioner.

Mr. Lima noted that the proposed open house at Tobyhanna for SSCI and RIPA primarily would be for package testing personnel. The idea, he explained, would be to spend one and one-half to two days at the Tobyhanna facility to observe laboratory using its equipment and procedures for drop, stack, vibration, leakproofness, and hydrostatic pressure testing for tight head and open head steel drums. He noted that Tobyhanna personnel would explain how testing protocols comply with HMR requirements and with industry recognized protocols. The open house visit would be an opportunity for the front-line testing staff to learn how the Tobyhanna program operates, Mr. Lima explained.

Noting that promoting consistency and repeatability for performance testing is a stated objective for the Performance Packaging Validation Testing Program, Mr. Lima observed that PHMSA is seeking to help develop consistent laboratory practices at all performance packaging testing facilities.

Near the end of the meeting with SSCI and RIPA representatives to discuss the specifics for the testing session as well as the logistics, Mr. Lima noted that the agency also is considering another option in its efforts to promote consistency and repeatability in performance testing. Recognizing the time and travel constraints associated with conducting several separate visits to Tobyhanna, Mr. Lima explained that the agency also is looking at the option of using video presentations to

demonstrate testing protocols to manufacturers, reconditioners, and other interested parties.

A decision on whether to proceed with on-site Tobyhanna demonstration performance testing or video will be forthcoming.

## **SSCI BOARD SETS CINCINNATI MEETING**

The SSCI Board of Directors will conduct its summer meeting at the Cincinnati Hilton Netherlands Plaza on Tuesday, July 13.

## **IPANA NEWS**

### **SSCI, IPANA FALL MEETINGS SET FOR OCT. 20-22, CONCURRENT WITH RIPA**

The Steel Shipping Container Institute (SSCI) will join with other independent affiliates of the Industrial Packaging Alliance of North America (IPANA) as the Alliance again conducts its Fall Conference concurrent with the Reusable Industrial Packaging Association's (RIPA) Annual Conference. The IPANA event will take place October 20-22 at The Ritz-Carlton Grande lakes, Orlando, Florida. A preliminary schedule of event and related information as well as conference and hotel registration information for the October 20-22 fall conference of the Alliance and its affiliates are in final review and will be circulated to all SSCI/IPANA members shortly.

IPANA's affiliates and RIPA, for the most part, again will conduct separate business-related sessions in Orlando. However, on Friday, October 22, a day-long schedule of plenary sessions will provide industrial packaging manufacturers, reconditioners and remanufacturers, and their supplier partners with numerous presentations of interest to all participants. Moreover, the members of both organizations will share networking time at scheduled Continental breakfasts, lunches, and two joint evening receptions during the course of their respective meetings. Also, a joint golf outing is planned.

Once again for 2010, RIPA and IPANA will charge separate registration fees for their respective events. It has been concluded that this is the best approach considering the concurrent meetings format. This means

that new industrial packaging manufacturers, who also have reconditioning operations, as well as suppliers to both industry segments who plan to attend both IPANA-related and RIPA conference sessions, will be required to pay separate registration fees to each organization.

On Friday, October 22, RIPA will conduct its suppliers' table-top exhibition. IPANA member suppliers who are not also RIPA members who may be interested in exhibiting at this event will be required to pay a separate fee for the privilege.

It is anticipated that the conference room block at The Ritz will sell out early this year. Therefore, as soon as members receive hotel reservation information, they are encouraged to book their hotel requirements at once.

Again, look for more details on the October 20-22 events soon.

## **REGULATORY NEWS**

### **PHMSA TO REORGANIZE IN FACE OF OIG, CONGRESSIONAL SCRUTINY**

Reports abound that the Pipeline and Hazardous Materials Safety Administration's Office of Hazardous Materials Safety (OHMS) is in the process of a substantial reorganization prompted by the recent findings and recommendations of a DOT Office of Inspector General (OIG) report as well as withering and ongoing criticism from the majority leadership and staff of the House Transportation and Infrastructure Committee.

The reorganization plan reportedly is under review by senior DOT officials and requires congressional approval because it entails permanent reprogramming of the OHMS's current staff structure as well as the justification for new staff positions. Already, in recent months, twelve new hires commenced employment in the OHMS – all assigned to enforcement functions.

Further details on the scope of the reorganization and its impact on industry will be shared as they become available.

Meanwhile, PHMSA Administrator Cynthia Quarterman at a recent industry meeting noted that the agency faces the prospect of losing many of its most senior employees in the ensuing months and years. Speaking at the Council for the Safe Transport of Hazardous Articles (COSTHA) annual forum, Ms.

Quarterman noted that about 25% of PHMSA staff is currently eligible to retire and that 40% of the agency's staff will meet full retirement criteria within five years. Hence, PHMSA faces the challenge of regulating an increasingly complex industry while also endeavoring to hire new qualified staff to replace departing agency officials who take with them a vast amount of knowledge and experience in the hazardous materials regulatory arena.

### **PHMSA INCORPORATES CERTAIN SPECIAL PERMIT PROVISIONS INTO HMR**

The Pipeline and Hazardous Materials Safety Administration (PHMSA), in the May 14 *Federal Register*, announced it is amending the Hazardous Materials Regulations (HMR) to incorporate provisions contained in certain widely used or longstanding special permits that have an established safety record. Special permits allow a company or individual to package or ship a hazardous material in a manner that varies from the regulations so long as an equivalent level of safety is maintained.

The revisions in this final rule are intended to provide wider access to the regulatory flexibility offered in special permits and eliminate the need for numerous renewal requests, thus reducing paperwork burdens and facilitating commerce while maintaining an appropriate level of safety.

The effective date of these amendments is October 1, 2010; however, voluntary compliance with the provisions of this final rule is authorized June 14, 2010. The agency acted in Docket No. PHMSA-2009-0289 (RIN 2137-AE39), HM-233A.

### **PHMSA AMENDS HAZMAT REGISTRATION FEES**

The Pipeline and Hazardous Materials Safety Administration (PHMSA) recently published a final rule amending the statutorily mandated registration and fee assessment program for "persons who transport, or offer for transportation, certain categories and quantities of hazardous materials." For those not qualifying as small business or not for profit organizations, the fee is increasing from \$975 plus the \$25 administration fee to \$2575 plus a \$25 administration fee effective with Fiscal Year 2010 and following years.

The increase is necessary to fund the national Hazardous Materials Emergency Preparedness (HMEP) grants program at approximately \$28,300,000 in accordance with the Administration's Fiscal Year 2010 budget and proposed Fiscal Year 2011 budget.

## **OBAMA ADMINISTRATION STEPS UP ENFORCEMENT ACTIVITIES**

With the health care battle fading in its rear view mirror and heavy crude oil soiling the Gulf of Mexico as well as wetlands and beaches from Louisiana to Florida, the Obama Administration is turning the screws on regulatory activities in an effort to offset rising concerns of its ability to govern effectively. Even if the BP spill had not occurred, many observers of the Administration believed that regulatory efforts would ramp up following the "all hands" effort that was directed at enacting so-called health care reform.

In recent days, there have been stepped up enforcement activities at numerous agencies, including the Environmental Protection Administration (EPA) and the Occupational Safety and Health Administration (OSHA). U.S. Department of Labor, Hilda Solis, the head of the agency in which OSHA resides, has noted that the agency is acting like a "sheriff" now.

Increased enforcement by OSHA compels industry to be more resolute about compliance with workplace

regulations. Even requirements that do not have a direct relationship to injury or illness prevention, such as injury and illness recordkeeping, are being cited by OSHA enforcement staff at an increased rate with penalties as high as \$110,000 proposed for firms that continually fail to document and report employment injuries and illnesses.

Looking ahead, OSHA, in addition to adding more enforcement staff and conducting thorough inspections, is also changing the way it assess and reduces penalty amounts during the citation process. Historically, the agency has reduced penalties based on a firm's good history and good faith, resulting in initial penalty assessments of \$5,000 being reduced to only \$1,000. Under OSHA's revised policy the same \$5,000 penalty might be reduced to \$3,000.

In addition to these changes, OSHA also is launching a new enforcement program geared toward what the agency calls "severe violators." The program, known as SVEP, or Severe Violator enforcement Program, is intended to focus OSHA enforcement resources on "recalcitrant" employers who fail to meet their obligations under the Occupational Safety and Health Act. The program's elements include: (1) more mandatory inspection of an identified company; (2) mandatory follow-up inspections, including inspections at other locations of the same firm; and, (3) more intense examination of an employer's history to assess if there are systemic problems that would trigger additional mandatory inspections.