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Refrigerated trucking fleets face new regulations that will tighten standards for their operations and increase the need for good communication with shippers, warehouses, and receivers. Learn more in the article, "The State of Temperature-Controlled Trucking," on page 14. (Photo courtesy of MTC Logistics.)





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### LEADOFF MESSAGES FROM GCCA LEADERS

## IRTA Delivering Cold Chain Transportation Solutions

ACH YEAR FOOD PROCESSORS are focusing more on the need for total logistics solutions, combining storage and transportation services to deliver their products from their facilities to their retail and foodservice customers. 2016 is no different.

Economic pressures are also paramount — customers continue to demand high-level service that is seamless to them, shortens their delivery time to market, and costs the same or less than it has in the past.

Through it all, cold chain companies — including warehouses and all types of transportation companies — are operating in an evolving regulatory environment governed by government agencies looking to protect food quality, food safety, and the safety of cold chain company employees and the public.

These challenges are not easy to address. But the International Refrigerated Transportation Association (IRTA), a GCCA Core Partner, is working on these issues and others to deliver value to its members and provide important resources for all members worldwide.

For example, the U.S. Food Safety Modernization Act (FSMA) now being implemented by the U.S. Food and Drug Administration (FDA) mandates new regulations for shippers, receivers, and carriers. The specific requirements of these new rules are not always clear, so IRTA has formed a task force to develop best practices in refrigerated transportation that we hope will promote clarity and compliance with FSMA for IRTA members.

In particular, carriers have never had to deal with FDA regulations before, so these best practices will be a critical resource for them and promote the value of IRTA membership. Watch for a report on this later this year.

IRTA is also a key player in the launch of the first-ever Global Cold Chain Expo (GCCE), June 20–22, 2016 in Chicago. This new event brings together the entire cold chain industry, linking innovation, education, and business-to-business networking with cold chain customers. Launched in partnership with the United Fresh Produce Association, it will be held concurrently with the United Fresh Show, the International Floriculture Expo, and the Food Marketing Institute Connect show.

Approximately 15,000 key decision makers from retail, foodservice, processing, production, distribution, logistics, and transportation will attend and more than 150 cold chain companies will exhibit at the Expo. Transportation education at the show will include topics such as the trucking capacity outlook, Sanitary Transportation of Food and FSMA, building an LTL consolidation program, building a transportation-friendly warehouse, benchmarking cold chain trucking key performance indicators, selecting a transportation management system, mitigating temperature variation during transport, and more.

Learn more about GCCE in the article, "New Global Cold Chain Expo Unites the Whole Cold Chain," on page 18 of this issue.

Other transportation-related articles in this issue include "The State of Temperature-Controlled Trucking" on page 14, "Strategic Cold Chain Investments Ahead" on page 22, and "Driver Coercion Rule In Effect" on page 30.

I encourage all of you to engage with IRTA throughout the year and look to us to help solve your transportation challenges.



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MATT LUCKAS Chair, IRTA

#### COLDFACTS

COLD FACTS magazine is published every other month by the **Global Cold Chain Alliance** (GCCA), an organization that unites partners to be innovative leaders in the temperature-controlled products industry. The GCCA Core Partners are:

The International Association of Refrigerated Warehouses (IARW), which promotes excellence in the global temperature-controlled warehouse and logistics industry.

#### The World Food Logistics Organization

(WFLO), which delivers education and research to the industry and empowers economic development by strengthening the global cold chain.

The International Refrigerated Transportation Association (IRTA), which cultivates, fosters and develops commercial and trade relations between all those engaged in the transportation and logistics of temperature-controlled commodities.

The International Association for Cold Storage Construction (IACSC), which provides a forum for innovative ideas, promotes standards of practice, and sponsors professional education programs for the cold storage construction industry.

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## EPA ISSUES PROPOSED RULE ON RMP

GCCA part of industry coalition concerned by suggested changes.

By Lowell Randel

he Environmental Protection Agency (EPA) published a proposed rule to modernize the Risk Management Program in the Federal Register on March 14, 2016. The rulemaking comes as a part of the Obama Administration's efforts to implement Executive Order 13650 — Improving Chemical Facility Safety and Security. The Executive Order was issued in response to an accident at a fertilizer plant in West, Texas in April 2013.

Since the Executive Order was signed, agencies including EPA, the Occupational Safety and Health Administration (OSHA) and the Department of Homeland Security (DHS) have been considering regulatory changes to their chemical safety and security programs. One of the first steps taken by EPA was a Request for Information (RFI) seeking input on 19 possible changes to RMP. GCCA led a coalition of industry partners in responding to the RFI and expressing concerns with the suggested changes to RMP.

After gathering input through the RFI process, EPA began developing a Proposed Rule to change RMP. Because of the significant impact the rule would have on regulated small businesses, EPA convened a Small Business Review Panel to gain insights from small businesses subject to RMP. GCCA had two representatives on the panel and actively participated in the process. EPA published the Proposed Rule shortly after the Small Business Review Panel completed its work.

In its Proposed Rule, EPA is proposing changes to RMP in the following areas:

- Root Cause Analysis
- Independent Third Party Audits
- Inherently Safer Technology
   Assessments
- Emergency Response Enhancements • Enhanced Availability of Information
- A summary of the proposed changes, along with some of the key industry concerns follows.

#### **Summary of Major Provisions**

#### **Root Cause Analysis**

The proposed rule would require all facilities with Program 2 or 3 processes to conduct a root cause analysis as part of an incident investigation of a catastrophic release or an incident that could have reasonably resulted in a catastrophic release (i.e., a near miss). Within 12 months, facilities must complete a root cause investigation (i.e. identifying the fundamental reason why an incident occurred and the correctable failures(s) in management systems) for all RMP reportable incidents and near miss incidents. This provision is intended to reduce the number of chemical accidents by requiring facilities to identify the underlying causes of an incident so that they may be addressed.

Industry Concerns:

- A clear definition of "near miss" is needed to ensure consistent application across regulated facilities.
  Flexibility and guidance on "root
- cause" analysis is needed.

#### **Independent Third Party Audits**

The proposed rule would require regulated facilities with Program 2 or 3 processes to contract with an independent third party to perform a compliance audit after the facility has a reportable release. Compliance audits are required under the existing rule, but are allowed to be self-audits (i.e., performed by the owner or operator of the regulated facility). This provision is intended to reduce the risk of future accidents by requiring an objective auditing process to determine whether the owner or operator of the facility is effectively complying with the accident prevention procedures and practices required under 40 CFR part 68.

The independent third party audits apply only to the first audit following an accident/ reportable incident. Independent auditors cannot be associated with the regulated facility or the parent company. They cannot serve as consultants or be used for matters other than auditing by the facility or parent company. Industry concerns:

- The agency has provided insufficient cost/benefit analysis for the audit restrictions and underestimates the cost burden on facilities.
- The assumption that non-associated audits are always better is not well founded in the available data.
- Restrictions on who can conduct audits may lead to problems with qualified auditor availability.
- All qualified auditors, regardless of current or prior connections with the facility or company should be allowed to conduct audits.

#### Inherently Safer Technology Assessments

The proposed rule would add an element to the process hazard analysis (PHA), which is updated every five years. Specifically, owners or operators of facilities with Program 3 regulated processes in North American Industrial Classification System (NAICS) codes 322 (paper manufacturing), 324 (petroleum and coal products manufacturing), and 325 (chemical manufacturing) would be required to conduct a safer technology and alternatives analysis (STAA) as part of their PHA, and to evaluate the feasibility of any inherently safer technology (IST) identified. **This provision would not apply to any GCCA members.** 

Industry Concerns:

• While this provision would not apply to GCCA members, the establishment of this precedent could lead to a slippery slope and future application to other industries. • Mandated alternatives analysis adds significant costs and the agency has not demonstrated sufficient costbenefit analysis.

#### **Emergency Response Enhancements**

The proposed rule would require owners or operators of all facilities with Program 2 or 3 processes to coordinate with the local emergency response agencies at least once a year to ensure that resources and capabilities are in place to respond to an accidental release of a regulated substance. As a result of improved coordination between facility owners and operators and local emergency response officials, EPA believes that some facilities that are currently designated as non-responding facilities may become responding facilities.

Additionally, all facilities with Program 2 or 3 processes would be required to conduct notification exercises annually to ensure that their emergency contact information is accurate and complete. This provision is intended to reduce the impact of accidents by ensuring that appropriate mechanisms and processes are in place to notify local responders when an accident occurs.





Facilities subject to the emergency response program requirements of the rule (or "responding facilities") would be required to conduct a full field exercise at least once every five years and one tabletop exercise annually in the other years. Responding facilities that have an RMP reportable accident would also have to conduct a full field exercise within a year of the accident. The purpose of this provision is to reduce the impact of accidents by ensuring that emergency response personnel understand their roles in the event of an incident, that local responders are familiar with the hazards at a facility, and that the emergency response plan is up-to-date. Improved coordination with emergency response personnel will better prepare responders to respond effectively to an incident and take steps to notify the community of appropriate actions, such as shelter-in-place or evacuation. Industry Concerns:

- A clear and consistent definition of "coordination" is needed.
- EPA should recognize facility due diligence to engage with responders, even when responders do not reciprocate.

- The change could lead to nonresponding facilities to become responding facilities.
- Costs associated with transitioning from non-responder to responder are significant and under-estimated.

#### **Enhanced Availability of Information**

The proposed rule would require all facilities to provide certain basic information to the public through easily accessible means such as a facility website. If no website exists, the owner or operator may provide the information at public libraries or government offices, or use other means appropriate for particular locations and facilities. In addition, a subset of facilities would be required, upon request, to provide the Local Emergency Planning Committee (LEPC), Tribal Emergency Planning Committee (TEPC)2 or other local emergency response agencies with summaries related to: their activities on compliance audits (facilities with Program 2 and Program 3 processes); emergency response exercises (facilities with Program 2 and Program 3 processes); accident history and investigation reports (all facilities that have had RMP reportable accidents); and



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swisslog inspired solutions any ISTs implemented at the facility (a subset of Program 3 processes).

The proposed rule would also require all facilities to hold a public meeting for the local community within a specified timeframe after an RMP reportable accident. This provision will ensure that first responders and members of the community have easier access to appropriate facility chemical hazard information, which can significantly improve emergency preparedness and their understanding of how the facility is addressing potential risks. Industry Concerns:

- Many LEPCs and responders are already spread thin. Providing too much additional information may overwhelm them or be seen as little value.
- Public meetings were required in the past and proved to provide little to no value. Questionable benefits do not justify the costs involved.
- The time period (30 days) to conduct a public meeting after an accident is insufficient.

EPA accepted public comments on the Proposed Rule through May 13, 2016. GCCA again led coalition efforts to send a strong message to EPA about industry concerns. The RMP rulemaking is a high priority for the Obama Administration, so it is expected that a Final Rule will be published before the end of 2016. **②** 

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## GCCA Hosts Webinar on RMP Rule

If you want to learn more about the recently released Proposed Rule to amend the Accidental Release **Prevention Requirements of Risk** Management Programs (RMP) under the Clean Air Act, GCCA is hosting a webinar on the topic on Tuesday, May 10, 2016 from 2:00-3:00 p.m. (Eastern). It's important for members to understand the regulatory changes being considered and be prepared to respond. Join this webinar, presented by Lowell Randel, Vice President of Government and Legal Affairs, to learn about the proposed revisions and what you can do now to prepare to comply.

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#### By Alexandra Walsh

## COVER STORY



(Photo courtesy of MTC Logistics.)



## **OF TEMPERATURE-CONTROLLED** TRUCKING

Food safety regulatory compliance top-of-mind for carriers.

> he refrigerated trucking industry hauled 520.1 million tons of freight in 2015, equaling 5 percent of all truck freight (10.35 billion tons), according to the American Truck Association's first Refrigerated Truck

#### Freight Market Analysis.

The recently released report, supported in part by GCCA, cited that refrigerated freight generated \$14.3 billion in revenue, equaling 1.9 percent of all truck revenue (\$748.9 billion). The research highlights the critical importance of the refrigerated trucking industry to both the U.S. trucking industry and the broader economy.

The contribution of refrigerated carriers, however, is doing little to allay their anxieties as carriers are facing a host of new food safety rules that went into effect in March 2016, as part of the Food Safety Modernization Act (FSMA).

#### **Regulatory Scene**

"It should be called the 'Food Safety Documentation Act' because there is nothing really new in it in terms of modernization," observes Don Durm, Director of Strategic Customer Solutions for PLM Trailer Leasing. "What it does do is involve the FDA (U.S. Food and Drug Administration) in the food supply chain as an enforcement agency."

Durm notes that while the rules are primarily intended to address the actions of shippers and receivers, refrigerated fleets are affected because the new rules require detailed written agreements that will be governed by the shippers' operational requirements for the carriers to execute, while imposing equipment and driving requirements as well.

"The final rules do give some flexibility over the proposed rules but refrigerated fleets will feel the impact on their operations because the rules will affect trailer designs, depending on shipper requirements, and tighten sanitary cleaning requirements of the trailers," Durm points out. "Shippers by written agreement will be the one entity that will determine pre-cool requirement, temperature tracking if needed as well as data exchange between the shipper and carrier, and finally, driver food safety training will be required with documentation of that training accessible upon request."

Refrigerated carriers should expect approximately a one-year compliance window with the rules. "Carriers should begin talking to shippers now about all the requirements that will be involved with the new rules," he advises.

Durm notes that the FDA will not require mandatory data tracking and storage for compliance, but shippers may require carriers to capture temperature data and provide proof



Computerized refrigeration units that can sense and record short cycling of improperly loaded trailers can identify stowage problems and corresponding high tempertures. (Photo courtesy of MTC Logistics.)

of sanitary food condition rules to meet their requirements for Preventative Controls. He notes that the FDA will not require real-time data; instead just mandating that carriers capture the data and provide it to the shipper. However, telematics will be the most reliable and cost-effective options currently available.

Another major hurdle for carriers, according to Durm, is that while the FDA mandates driver training regarding food safety and envisions a one-hour online course, no training guidelines have yet been released.

Bud Rodowick, Strategic Relations – Food Safety and OEMs, Thermo King, recently completed the Preventive Controls Qualified Individual (PCQI) prerequisite course required for completing a registered food facility's preventive controls Food Safety Plan.

By September 19, 2016, the majority of food processors need to have a Food Safety Plan that has been prepared by a PCQI. This means that companies need to have a PCQI in place quickly so they can prepare and implement the Food Safety Plan before the compliance date.

"From the production floor to the threshold of the warehouse door, this course curriculum addresses all of the compliance requirements of the Preventive Controls Rule for a preventive Food Safety Plan – in fact they do a thorough job with plenty of exercises and examples provided," says Rodowick. "What is totally absent from this course, however, is the critical part of transportation. From the staging area of a loading dock to the receiver's dock, you are clueless as to what to do for your plan."

Rodowick goes on to note that the entire manual only mentions "good transportation practices" a few times and as the course proceeds through a list of topics specific to the standard for PCQI qualification compliance. Nothing is mentioned as to how those topics apply to the transportation of food, refrigerated or otherwise.

"The total disregard and absence of transportation guidance should concern the refrigerated transportation industry," Rodowick warns.

Rodowick and other members of the International Refrigerated Transportation Association (IRTA), along with GCCA staff, are currently working to develop a resource that will help members better understand how the Preventive Controls Rule applies to carriers and give examples illustrating how different types of operations might comply with the rule.

Another regulatory concern keeping Rodowick up nights is the FMCSA (Federal Motor Carrier Safety Administration) mandated adoption of electronic logging devices (ELDS) in 2017. The ELD rule is intended to help create a safer work environment for drivers, and make it easier and faster to accurately track, manage, and share records of duty status (RODS) data. An ELD synchronizes with a vehicle engine to automatically record driving time for more accurate hours of service (HOS) recording.

"There are consequences of drivers no longer keeping manual records," Rodowick notes. "With an electronic system in the truck recording when the engine comes on or off, when the truck is idling, how long the driver is behind the wheel and how long the unit is running, drivers will be bound by truth now with no possibility of fudging or misrepresenting the truth.

"What's great about electronic logging is that all the facts are there – what's bad about electronic logging is that all the facts are there. The fallout will be utilization with carriers penalized for waiting to unload or stranded somewhere with a full or empty trailer."

John Larkin, Managing Director and Head of Transportation Capital Markets Research at Stifel Financial Corp., is on record as saying the trucking industry is expected to lose between 3 and 5 percent of its overall productivity when ELDs go into full effect – losses that may rise to between 6 and 10 percent among small carriers.

Larkin indicated that roughly half of the trucking industry has moved to ELDs at

this point, and the other has not, and that's especially pronounced among small carriers, many of which have not optimized their networks in the first place.

#### **Telematics Solutions for Compliance**

"How many reefer units are we going to buy is always the question, but I think a better question is, how do we establish a food safety program utilizing existing technology. There are tremendous opportunities available for integrating advanced truck trailer refrigeration technologies and telematics with food safety programs, and the computerized reefer system today is not being fully utilized," asserts Dr. Patrick Brecht, Founder and President of PEB Commodities, Inc. and a member of the WFLO Scientific Advisory Council (SAC) with expertise in reefer technology.

"Computerized reefer units offer significant benefits to transportation companies, shippers and receivers who intend to implement HACCP (Hazard Analysis Critical Control Point) and HARPC (Hazard Analysis and Risk-based Preventive Control Solutions) for the sanitary transportation of food," Brecht says. "I envision utilizing and expanding on this existing technology, with new algorithms



or new iPhone apps, to come up with expert systems to limit human decision-making and intervene in food handling."

Brecht explains that the reefer's computerized temperature management system computer includes various levels of guarded access thereby protecting selected food safety related critical control limits from tampering and unwelcome changes. The computerized system also permits the operator to set up pre-determined temperature management and food safety conditions for various foods. The advanced microprocessors and air distribution systems available for refrigerated trucks and railcars offer transportation companies valuable "off-the-shelf" food safety, HACCP and HARPC plans.

Brecht offers examples of features from computerized truck trailer reefer units to demonstrate the benefits of these technologies for compliance to sanitary food transportation rules.

"Our investigations and studies have found that human error accounts for up to 80 percent of cargo losses during transportation," Brecht explains. "But microprocessor driven reefer units offer technological advances that can reduce human errors, driver decision making and driver intervention. Tasks like thermostat setting, upper and lower temperature limits, rate of temperature reduction, operating modes and defrost initiation can be pre-programmed and, as a result, made easier and simpler than ever for drivers and others."

Brecht also points to expert systems. "Trucks currently have expert systems, but a number of carriers just don't know how to fully use them. The computerized reefer units can be utilized to take complex commodity and food safety related decision making out of the hands of the driver and others by utilizing the expertise of engineers, scientists and food safety experts," he notes. "These experts assist the carrier in setting up custom tailored computerized expert systems in response to shipper and FDA specified requirements for the safe and sanitary transport of food."

When it comes to proper stowage, Brecht says computerized refrigeration units that can sense and record short cycling of improperly loaded trailers have immediate practical applications. They can identify likely stowage problems and corresponding high temperature-induced food safety compliance issues – but the technology is not routinely being utilized.

The start of trip feature is currently available on modern truck, rail and container refrigeration units and helps ensure that the time and date of a trip is properly entered and documented for future reference. "This is the beginning of a sanitary food transportation road map that can help memorialize when the accountability shifts from the shipper to the carrier to the receiver," Brecht explains.

Again available on modern reefer units, the computerized pre-trip can be incorporated directly into a sanitary food transportation plan and hazard analysis risk-based preventive controls. "It is a critical control point and significantly, pre-trips reportedly can identify in excess of 95 percent of the issues with a reefer unit," Brecht emphasizes. "Pre-tripping the reefer and documenting the time and date of a pre-trip is a key ingredient to a transportation food safety plan and to preventing losses and mitigating claims."

The refrigeration system's principal controlling and recording device is a computer or microprocessor that is sometimes referred to as a data management system or a data logger. Brecht points out that the data logger provides the required record keeping and verification that carriers can utilize for their HACCP and HARPC plans.

"In our industry, we're very reactive," Durm admits. "With lost product we fill out the paperwork and refuse the load. But with telematics, you manage the load in real time versus being reactive - it's eyes in the sky."

Durm explains that telematics allow carriers to manage by exception based on a personal profile set up within the system.

"You can see the asset anywhere through GPS and through cellular and you can monitor local conditions all along the route," Durm adds. "You can also set critical alarms for door openings, temperature status, driver behavior, and over the road haulers can measure dwell times – excellent for new recordkeeping rules. All these alerts are in real-time and codes can be cleared from a laptop allowing you to act on things that are important, and dismiss if not so important.

"In today's busy world we all have a need for real-time information – whether you are a business executive or a mom trying to manage the family activities – we all have smart phones on hand that we consider invaluable to navigate and manage our personal and professional lives in real time," Durm says. "Today's operators must adapt to the approach of building a 'SMART Trailer' with advanced monitoring systems that can substantially enhance their financial and operating performance. No longer is it a luxury to do a post-trip analysis of failures in order to remain competitive and in compliance of pending regulatory requirements. It is necessary to understand in real-time the load management to maximize your position in the marketplace."

"The writing is on the wall," Brecht says. "Government imposed food safety regulations and implementation of sanitary food transportation programs in some form, in addition to commercial, litigation and consumer pressures, will continue to drive the adoption of food safety plans by food transporters.

"As the food safety bar continues to be raised, food carriers will eventually need to include in their food safety program most, if not all, of the features now available in modern computerized refrigerated truck trailers, railcars and containers. Now is the time for carriers to explore their options and work in concert with shippers to develop, as appropriate, HACCP and HARPC programs for the sanitary transportation of food." @

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## NEW GLOBAL COLD CHAIN EXPO UNITES THE WHOLE COLD CHAIN

A one-stop-shop for cold chain innovation, education and business-to-business networking for the global food industry.

By Alexandra Walsh



The exhibit floor at the United Fresh trade show in 2015. This year's event will be co-located in Chicago with the Global Cold Chain Expo, a new trade show designed to feature companies involved in all aspects of the cold chain. (Photo courtesy of United Fresh Produce Association.)

or the first time ever, the Global Cold Chain Expo 2016 will bring together the fresh produce industry and the cold chain industry, linking innovation, education and businessto-business networking in one Expo. Occurring concurrently with the United Fresh Show, the International Floriculture Expo, and FMI Connect, the Global Cold Chain Expo will be held in Chicago, Illinois, June 20-22, 2016.

#### The Partners

It was one year ago at the annual IARW-WFLO Convention & Expo that industry leaders announced the impending launch of a three-year IARW-WFLO Strategic Plan, constructed around four "pillars" designed to move the association forward.

The partnership that has been forged with the United Fresh Produce Association (United Fresh) to co-host the new Global Cold Chain Expo is a giant step forward in driving that strategic plan, especially around the pillars of growing the industry and leading the cold chain.

Partnering with United Fresh to produce the Expo grows the temperature controlled logistics industry by providing GCCA member companies exposure to new product lines and a non-traditional customer - fresh produce being one - and subsequently, more revenue opportunities. Through networking opportunities with attendees from the fresh produce world, the floracultural marketplace and many others, plus the ability to exhibit at the trade show, GCCA member companies can gain new customers by demonstrating the comparative value of using third party logistics providers, and grow business by showing existing customers how 3PLs serve as a complete cold chain solution.

The new partnership between the GCCA and United Fresh leadership, and co-locating the Expo with FMI Connect, the International Floriculture Expo, and the United Fresh Show, also helps the industry progress towards the second pillar of the Strategic Plan – leading the cold chain.

## GCCE EDUCATION SESSIONS

ENGINEERING	TRANSPORTATION	COLD CHAIN SOLUTIONS	3PL OPERATIONS
Design Considerations for your Distribution Center	Trucking Capacity Outlook	Implementing GFSI Schemes into your Food Safety Program	Lessons Learned: Warehouse Legal Liability Cases
Impact of OSHA Regulations – PSM	Sanitary Transportation of Food and FSMA	Cold Chain Analytics – Impact of Out of Bounds Temperatures	Repack Operation Considerations
Developing an Energy Management Program	Building an LTL Consolidation Program	Engineering Labor Standards for Labor Management Success	Reducing Workers Compensation Claims
The Case for Automation: Voice Picking Technology	Load Rejection: Mitigating Temperature Variation During Transport	Prepare to Comply: Warehouse Compliance with FSMA	Developing Your Team: Utilizing 9-Box Grid for Career Development
Innovation in Refrigeration: Low Charge Systems	Cooperative Culture: Building a Transportation- Friendly Warehouse	Outsourcing Produce Distribution: HPP Systems & Repack Processing Equipment	Lessons Learned: Transportation Claims
Material Handling Equipment: Evaluating Technologies & Maintenance	Selecting a Transportation Management System (TMS)	Successfully Managing an OSHA Inspection	Customer Service Models in 3PLs

The Expo creates the most valuable business-to-business networking event serving the entire global cold chain – from producer to retailer – while providing an environment for members of the temperature controlled logistics industry to convene with stakeholders to lead the dialogue on issues impacting the cold chain, and achieve recognition as experts and innovators in the industry.

The Global Cold Chain Expo is also the perfect opportunity to articulate the critical role the cold chain plays in feeding the world's ever growing population by connecting each vital link – all while maintaining food safety and quality.

The event will attract more than 15,000 key decision makers from retail, foodservice, processing, production, distribution, logistics, and transportation. Attendees will represent frozen, refrigerated, ambient and fresh operations and include operations management, engineering, plant managers, transportation directors, and others who buy or lease cold chain services. Companies attending will include growers and other food producers who own or lease cooling equipment, cold storage or handling facilities; food manufacturers, fresh processors, wholesalers, distributors and retailers who own or lease frozen and/or temperature controlled logistics and facilities; retailers who own or lease refrigeration equipment for maintenance of the cold chain at pointof-sale; and all parties throughout the supply chain who specify refrigerated transportation services from local to global needs.

The Global Cold Chain Expo also features a cutting-edge exposition of the tools, technologies and services needed by all partners throughout the cold chain, and an educational conference brings together innovators and experts with senior management and rising managers from all sectors of the industry. Differentiating itself from GCCA's previous trade show, the new Global Cold Chain Expo is tailored for mid-level managers of warehousing facilities that can also exhibit in Expo's trade show.

#### The Trade Show

The Global Cold Chain Expo is the first and only true cold chain event. With over 25,000 square feet of trade show space featuring hundreds of exhibitors from every sector of the cold chain, the event will be a one-stop-shop for all cold chain needs.

Designed to be a comprehensive event for cold chain procurement, the expo creates considerable time and cost savings for buyers. Food processors and manufacturers can meet all their cold chain logistics vendors at the trade show.

Exhibitors will include companies that provide services\*, equipment, tools, and technologies that support the infrastructure and operations of the global cold chain; design and build services for cold storage, warehouse and processing facilities; all forms of refrigerated transportation; import/export facilities and services; and companies that provide third-party cold storage and refrigeration logistics.

The Global Cold Chain Expo is a can'tmiss event for anyone involved in frozen, refrigerated, ambient and fresh operations. The 2016 Global Cold Chain Expo is on its way to becoming the premier industry event for general managers, facility managers, and supervisors of cold storage companies to come together in a space created just for them.

#### **Education Sessions**

With more than 10 hours of education, the Global Cold Chain Expo is the place for all sectors of the cold chain industry to learn about industry trends in the temperaturecontrolled supply chain.

There are two types of educational programming offered:



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- Education Sessions are 55-minute focused sessions based on the following four tracks: Operations, Transportation, Engineering, and 3PL Cold Chain.
- Show Floor Education highlights technology innovations in the cold chain and showcases new products and technologies that are impacting the future of the supply chain.

In addition, the World Food Logistics Organization (WFLO) will be co-locating its WFLO Graduate Institute program with the Global Cold Chain Expo. The WFLO Graduate Institute is a three-day, industryspecific program for professionals engaged in temperature-controlled logistics who have graduated from the WFLO Institute. The program incorporates two important components for success in the industry – responding to customer requests and developing leadership skills.

In the highly-interactive Case Study Sessions, participants take an active role in real-world case studies to solve a customer request – this year the expo show floor will be the gathering place for Graduate Institute participants to build and test their case studies. At the end of the two and a half day program, each group of participants presents their case study analysis on the show floor, receives feedback from industry experts, and shares best practices with their peers.

The Leadership Sessions highlight each participant's leadership potential by focusing on self-awareness, team building, results, growing others, and respect. Each participant completes Gallup Organization's Strengths-Finder Assessment to discover their own strengths and how to best utilize them in their careers.

The 2016 Global Cold Chain Expo is on its way to becoming the premier industry event for general managers, facility managers, and supervisors of cold storage companies to come together in a space created just for them. No where else will the mid-level managers in the temperature controlled logistics industry find educational programming on operational and technical subjects tailored so specifically to their needs, as well as the opportunity to visit so many exhibitors that serve their businesses, including those that have traditionally exhibited at the IARW-WFLO Convention. **@** 

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## STRATEGIC COLD CHAIN INVESTMENTS AHEAD

Fresh produce increasingly shipped in refrigerated containers managed by 3PLs.

By Karen E. Thuermer

he world offers a cornucopia of fresh produce, and as global trade continues to increase, so do opportunities to bring fresh commodities to consumers worldwide. Traditional markets continue to develop opportunities for cold chain exports while new countries and regions are increasing efforts and market share.

Included in a number of factors impacting increased opportunity for global trade of fresh commodities is the gradual shift by shippers and product receivers to refrigerated containerized shipping and the advent of third party logistics providers (3PLs) to help manage those shipments.

JD Schwefler, Vice President of Business Development in the Atlanta office of AGRO Merchants Group, explains that the shift of shipping produce on refrigerated containers (or reefers) is slowly transitioning from conventional reefers. He attributes this to a number of factors: location of harvest; commodity type; product temperature requirements; how well the commodity travels; how the commodity is packaged; region infrastructure, including cold storage facilities, roads and ports to/from which the product is being imported/exported; demand points; inventory ownership while product is being shipped; regulatory requirements within the importing/exporting country, and political implications.

"There're a lot of factors, including trade barriers," Schwefler says. "All come into play."

An increasing amount of produce that is shipped in reefers is being transported on smaller vessels. "This allows for more direct service compared to larger vessels that call to more ports and can take longer to arrive at destination ports," he explains. Consequently, shipping lines operating smaller vessels are being deployed for fresh produce since they can make those direct calls to seaports and thus do so more frequently.

"Shelf life is the key component within the fresh produce industry," Schwefler emphasizes. "Shippers are looking for solutions that will get product to market quicker."

#### **Investment Opportunities**

Inland infrastructure plays an important role, particularly in markets such as those in South America and Africa.

"The location of the facility depends on the region, and the flow of where product is harvested," Schwefler says.

As a result, small cold storage facilities are more prevalent in less developed markets than larger facilities. These are typically owned by the product owners – the farmers or the processors.

Schwefler points out that in the Southern Hemisphere, cold storage remains highly fragmented with a lot of smaller providers. "This is one of the areas where we, as a company, see a lot of opportunities to invest in larger,



Conventional reefer vessel unloading at the Port of Rotterdam. (Photo courtesy of AGRO Merchants Group.)

modern cold storage facilities."

AGRO Merchants is not in business to promote containerized shipping over conventional vessels. The company does work, however, with port authorities and regional authorities in emerging markets that it is evaluating for investment to help develop services or capabilities for efficient product flow through the port. This includes encouraging adequate shipping line services, port infrastructure such as ample reefer plugs, space for proper and easily managed container and documentation flow, and the ability to get trucks and ships in and out of the port efficiently.

"The ports that are willing and continuing to make investment in infrastructure, technology and processes to help promote efficient product flow are the ones that ultimately see growth over time," Schwefler observes.

Schwefler particularly notes that fresh product customers today are increasingly looking for integrated providers and integrated solutions that take product from the port, receive it into modern cold storage facilities, and provide value added services. This includes drayage from the port and delivery to customers as part of an end-to-end solution.

Depending upon the growing region and the product commodity, exporters particularly face a number of issues. These include how product is packaged, specific temperature requirements, and whether or not containers are loaded at the processing location wherever those farms are located. "Specifically, product either will be source loaded at the growing region or transported to a facility that can handle multiple products," Schwefler says.

AGRO Merchants especially sees opportunities for South American exports since shippers can benefit from the economies of scale offered by larger facilities where costs can be shared across multiple clients. While such 3PL services are relatively new in South America, Schwefler reports that they are increasingly in demand. Although shippers and third party cold chain providers historically have been regional in their thinking, and not acted or thought globally when it relates to their supply chain, Schwefler explains that more companies are considering how they can find efficiencies and improvements in their supply chain.

"A 3PL can offer flexibility to shippers that can utilize the space that they need so that they don't have to own and bear the full cost of a facility on their own," he says. "A 3PL also can offer support regarding different approaches to product flow."

For example, some customers may want to repack and do quality inspection services at origin, others at destination.

"Being able to perform these services at destination often gives customers a fresher pack-out and consumers a better quality product," Schwefler explains. "This also gives them more flexibility to alter pack size closer to the consumer."

In addition, a 3PL can offer technology that improves product tracking and tracing capabilities, expertise in quality systems management, a deeper knowledge of market or governmental requirements and how to manage product flow to reduce product losses



Customers seek integrated custom packaging solutions and execution at AGRO Merchants Lucca operation in Vineland, New Jersey. (Photo courtesy of AGRO Merchants Group.)

so that containers are not held at the port and inspections are preformed efficiently to release product. In addition, 3PLs provide best practices and know-how on managing multiple products within a facility, as well as an independent view of how shippers can optimize their supply chain.

"The company is built on the idea we would create this global network of cold chain services for freight loads of temperature controlled commodities," Schwefler says.

#### Fragmented But Growing Opportunities

Overall, AGRO Merchant sees the cold chain industry as highly fragmented. In particular, the demands for cold chain services are growing in emerging markets.

"Global trade and the related infrastructure that supports it will need to grow," he says. "There's a need for higher quality facilities and levels of services."

Consequently, AGRO Merchants is leveraging the relationships it has with companies that are part of its group to develop services on global basis.

"We will develop facilities and services in the major seaports that support major trade flows globally," Schwefler says. "Our strategy is to provide innovative cold chain solutions by partnering with the highest quality family businesses, create new and reliable integrated



Citrus repacking using automated equipment after importing through the Port of Philadelphia. (Photo courtesy of AGRO Merchants Group.)

trade networks to help our customers grow, and invest in modern assets and industry leading technology to offer value added services and ensure the highest quality supply chain standards."

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Blueberry repacking and grading services at destination port facility. (Photo courtesy of AGRO Merchants Group.)

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Keeping the cold in and the heat out isn't necessarily easy, but Cascade Energy has helped hundreds of facilities reduce their energy use by as much as 50 percent. (Photo courtesy of Cascade Energy.)

## LEVERAGING UTILITY COMPANY INCENTIVES IMPROVES BOTTOM LINES

Three steps that can garner financial support for energy-efficient technology.

By Sheryl S. Jackson

ishing may not generate revenue for cold storage owners, but John Scherer, Manager of Engineering for Los Angeles Cold Storage Company, describes his company's 30-year history of leveraging utility company incentive programs to offset the costs of energy-efficient technology as a very successful fishing trip.



Improving performance of an existing refrigeration system can be done by optimizing or eliminating the liquid injection cooling on this compressor. (Photo courtesy of Cascade Energy.)

"You have to throw out a lot of hooks to catch as many fish as possible. If you do not put the lines out there in the first place, the fish – or in this case the incentive dollars – never gets hooked and always gets away," he explains.

Scherer says that his company has saved many hundreds of thousands of dollars through utility company relationships that include incentive programs, negotiated rates, and grants. That savings doesn't include the energy costs avoided over time as energy efficiency has created a steady drop in energy use for each facility, he adds.

Because incentive programs change according to the utility companies' needs, it is essential to monitor and evaluate available programs continuously, recommends Scherer. "We make it our business to always know what opportunities are available from energy and water utilities so we can evaluate potential benefits for new construction, expansions or retrofit projects," he says.

Recognize that not all incentives meet a cold storage owner's needs, suggests Paul G. Henningsen Jr., Chief Operating Officer of Henningsen Cold Storage Company. "We are always looking for ways to improve energy efficiency even though we currently report an energy consumption rate that is 40 percent of the industry standard," says Henningsen. This successful reduction in energy use followed a fiscally sound approach to new construction and renovations that includes utility company incentive programs. Flexibility and a willingness to wait until the combination of incentives and energy costs make the project fiscally viable are key, he says. "We may have six projects but some technologies make sense in only three."

Every state and every utility is different just as every cold storage facility is different, which means that incentives may not offset the cost of new technology enough to justify its implementation, Henningsen explains. "We had one facility in a state with low energy rates, so for a decade we could not financially justify implementing energy-efficient technology," he says. "Over time, energy rates increased and the utility company offered incentives to encourage high-energy users to reduce their consumption." Once the incentives were available, Henningsen retrofitted the facility with lighting upgrades and installation of variable-speed drives. "Although incentives do not usually reimburse the full difference in price for energy-efficient technology, they may offset enough of the cost to justify the decision to move forward," he notes.

"Utility companies offer rebates, incentive programs and grants for energy efficiency projects for a variety of reasons including regulatory requirements, or opportunities to serve customers better," says Josh Bachman, PE, Senior Engineer and Director of Customer Engagement for Cascade Energy. "Sometimes the offers are in response to a need to reduce the demand for energy – to enable utilities to meet demand without investing in building new plants. Utilities typically offer cash incentives and rebates that may be applied toward purchasing technology or equipment that reduces energy, or for improving operational practices that increase efficiency. These programs may fund some, or all of the costs associated with technical consulting for identifying and evaluating potential energy efficiency projects."

There are several different types of programs available:

- Prescriptive programs offer fixed rebates on simple, repeatable activities, such as retrofitting lighting systems to use LED lamps
- Custom programs for more complex, one-of-a-kind projects such as expansion of an existing warehouse that includes energy efficient technologies
- New construction for which there is no existing baseline of energy use
- Retrofit projects for which there is data to enable comparison of the new system's savings to the previous system, such as installation of variablefrequency drives

"While the incentive payments may be substantial, it is important to understand how programs work and to be sure that key steps in the process to apply and qualify for incentives are not missed," says Marcus Wilcox, PE, Chief Executive Officer of Cascade Energy. To avoid the mistakes that many people make, Wilcox has three recommendations.



## Engage the utility early in the process

Contact the utility company's incentive program representatives early in the project's development. Visit the utility's website to research programs and identify the appropriate contacts. Asking for the utility's input and advice at the outset of the project can save time and money because it ensures that everyone is working with the best information concerning costs, energy savings and the likelihood of incentive payments.

"Even if the project design is underway, definitely engage utility representatives before any purchasing decisions are made," points out Bachman. "Although your research may show the equipment qualifies for an incentive, it takes a while for the utility to review the request, so you need to allow them time to evaluate data and determine if the technology and savings will qualify."

## Thoroughly research incentive opportunities

"One common mistake people make is to review a utility company website, not see an incentive program and decide there is no applicable program," says Wilcox. "Or, they may decide the program's process is too complicated and not worth their time based on the incentive they may receive. This decision may be influenced by someone else's experience with the incentive process."

In both cases, people may have missed opportunities, says Wilcox. There may be incentive programs or resources for data gathering and processing applications that are not listed on the website, he adds. "It's important to remember that every project



is unique so results of one project do not necessarily predict the results of another.

"You don't walk away from valuable incentives. It's never a good idea to rely on one look at a website or a single conversation with a trusted colleague," recommends Wilcox. "Instead carefully research the options listed on a website and have conversations with utility representatives, or engage the services of third-party companies that specialize in identifying incentive opportunities."



A Cascade technician uses a laser thermometer to troubleshoot an evaporator coil float valve. (Photo courtesy of Cascade Energy.)

# Follow the rules of the program

"Each incentive program has specific rules regarding documentation, data and reporting requirements," says Wilcox. "These rules need to be followed to a T to ensure compensation," he explains. Invoices, energy-use data and cost documents that clearly identify energy efficient upgrades must be included exactly as the utility company specifies, he adds.

For complex, large projects or new construction, make sure all vendors and contractors understand the energy incentives you are pursuing, because they will need to plan time to provide the documentation that meets utility program rules, Wilcox advises.

While dollar amounts of some incentives may be substantial, Wilcox warns cold storage facility owners that "the owner assumes the financial risk associated with buying and implementing new technology. Utility companies pay after the fact – after energy-use savings is documented." This means an owner may invest \$200,000 with the expectation that the incentive will pay \$100,000, but if energy reduction is not at the predicted level, or if the owner doesn't document appropriately, the actual incentive amount can change.

Although staying up to date on current incentives and developing relationships with utility companies takes time, the savings realized through these efforts is worthwhile, says Scherer. "Opportunities to contract with utilities for lower rates based on demand reductions and to use incentive programs to reduce energy and water use generates savings that go straight to the bottom line." **@** 

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## DRIVER COERCION RULE IN EFFECT

Poses potential pitfalls for shippers, receivers and intermediaries as well as carriers.

By Prasad Sharma

otor carrier transportation is just one link – albeit at an important one – in a supply chain that includes shippers, receivers, and transportation intermediaries. In 2012, as part of the Moving Ahead for Progress in the 21st Century Act (MAP-21), United States Congress recognized the role that these other links in the supply chain play in highway safety and directed the Federal Motor Carrier Safety Administration (FMCSA) to promulgate regulations to ensure none of these links coerce drivers into violating certain safety regulations.

MAP-21 marked a significant expansion of FMCSA's jurisdiction to include shippers and receivers, dramatically changing the landscape for those that come into contact with drivers but do not employ them. A "receiver" or "consignee" is defined as a person who takes delivery from a driver of a commercial motor vehicle while a "shipper" is defined as a person who tenders property to such driver.

On November 30, 2015, FMCSA finalized the "coercion rule" (80 Fed. Reg. 74695) and on January 29, 2016, that rule went into effect. This article will describe the impact of the rule for motor carriers as well as for shippers, receivers, and intermediaries who may not have paid much attention, to date, to the implications of their interactions with drivers. Generally, the rule prohibits a motor carrier, shipper, receiver or intermediary from coercing a driver of a commercial motor vehicle to violate the Federal Motor Carrier Safety Regulations (FMCSRs), which notably include regulations on a driver's hours-of-service (HOS) and equipment standards. Specifically for motor carriers, the rule also prohibits coercing a driver to violate the commercial regulations (e.g., proper registration for authority or designation of process agents).

In order to constitute coercion, there must be a threat of, or actual: withholding of business; withholding employment or work opportunities; or taking or permitting any adverse employment action against the driver. However, before triggering the coercion rule, a driver must object and at least generally identify the covered rule that he/she would have to violate in the course of delivery. The driver's objection does not have to be in writing.

#### **Driver Objections**

Examples of objections necessary to trigger the rule include: objecting to a trip because of an HOS problem ("they told me to keep driving even when I hit 11 hours"), a maintenance issue ("the last inspection certificate was three years old"), or an equipment problem ("there was no tread on the front tires; I could see the ply in a couple of places").

For shippers, receivers, and intermediaries, the requirement to object is important, because it highlights there is no obligation on the part of shippers, receivers and intermediaries to inquire about a driver's ability to complete a trip in compliance with the covered regulations nor is there a duty to monitor a driver's compliance with the HOS rules or other covered regulations. Carriers, on the other hand, are already generally liable for their drivers' compliance with the FMCSRs.

#### **Universe of Threats**

Once the driver has made the objection, the next consideration is whether there has been an actual or implied threat. FMCSA's rule stated that merely asking a driver to make a trip that would violate a regulation would not constitute coercion because there is no threat.



(Photo courtesy of MTC Logistics.)

FMCSA goes on to state any conversation ensuing after a driver refuses to make that trip may or not cross the coercion line depending on the substance of the conversation and the existence of a threat, explicit or implied, to make the driver pay an economic price for refusing to violate an FMCSA regulation.

For shippers, receivers, and intermediaries, there is less potential to carry out an actual or implied threat. The rule clarifies that these parties should not be liable for withholding a load from a driver who has stated that he/she could not make the trip without violating the FMCSRs. As the rule notes, in such instance, both the driver and the shipper, receiver or intermediary, are acting appropriately.

The rule also clarifies that a frustrated shipper may, when faced with an instance where the driver says he/she cannot make the delivery without running out of hours, tell the driver that the shipper will not use the driver's motor carrier again. This instance is not actionable under the rule, because the rule only protects coercion against drivers – not motor carriers. As the rule notes:

> [The shipper] has not coerced the driver to violate the HOS rules, nor has it coerced [the carrier] to put pressure on the driver to violate the rules. It has simply decided not to use a carrier that does not dispatch drivers who can meet the agreed upon delivery schedule.

Based on the foregoing, it appears that for a shipper, receiver or intermediary, the threat would have to be directly against the driver and may include refusing to work with that driver ever again.

For carriers, the universe of threats or implied threats is far broader. Like for shippers, receivers, and intermediaries, it would not make sense to consider a carrier withholding a load from a driver who has stated that he/she could not make the trip without violating the FMCSRs to be coercion. However, other examples of likely prohibited conduct in response to an objection include: firing or laying off a driver; decreasing dispatch opportunities, reducing pay, or reducing hours; or reassigning the driver to less favorable shifts or routes. Reporting negative information in an employment history may also qualify as adverse employment action (though FMCSA recognized there will be significant evidentiary obstacles to making a coercion case by tying a negative report to the driver's refusal to be coerced).

#### **Complaint Filing**

To initiate enforcement of the rule, a driver must file a complaint with FMCSA in writing within 90 days of the alleged event of coercion. If FMCSA determines that the complaint is non-frivolous, it will investigate and notify the driver of the findings. If the investigation reveals a violation by either a motor carrier, or by a shipper, receiver, or intermediary, FMCSA can assess a Notice of Claim seeking a monetary penalty of up to \$16,000 per violation. The entity receiving the Notice of Claim will have 30 days to either pay the fine or file an appeal.

As should be evident, the coercion rule poses potential pitfalls, not only for carriers, but now also for shippers, receivers, and intermediaries. Training personnel that deal with drivers – and for shippers, receivers, and intermediaries, minimizing direct dealings with drivers – will take on heightened importance. Proper documentation of any dealings will be vital to a successful defense.

All links in the supply chain should review their practices now.  ${\color{red} {\mathfrak O}}$ 

PRASAD SHARMA is a Partner at Scopelitis, Garvin, Light, Hanson & Feary in Washington, D.C. The International Refrigerated Transportation Association (IRTA), a core partner of the Global Cold Chain Alliance, has established a relationship with Scopelitis Garvin Light Hanson & Feary (Scopelitis), a law firm specializing in transportation legal issues..

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## **JPL** ADDS HIGH PRESSURE PROCESSING SERVICES

Extending product shelf life while providing a total supply chain solution.

#### By Alexandra Walsh

ineage Logistics, a warehousing and logistics company with one of the largest facility networks in the United States, is one of the first third party providers to enter the cutting-edge, high-tech world of High Pressure Processing (HPP).

The addition of the technology to its Mira Loma, California, facility is not Lineage's first foray into HPP. The company has three machines in its Allentown, Pennsylvania warehouse that have been commercially viable since 2012. The Pennsylvania operation currently serves the protein and related markets.

Lineage's Southern California operation, on the other hand, is all about competing in the fresh press juice, salsa and related fresh product categories.

#### The Benefits of HPP

High Pressure Processing is a post-packaging, non-thermal pasteurization method of killing microorganisms.

Using elevated hydrostatic pressures of up to 87,000 psi, HPP drastically reduces overall microbiological contaminant flora and pathogens, such as Listeria, E. coli, Salmonella, lactic acid bacteria, yeast and mold.

It is a clean, natural, environmentally friendly process conducted at refrigerated temperatures. Packaged food products – retail-ready containers, plastic pouches, and food service bulk packs – are placed into an HPP cylinder and loaded into a high-pressure chamber, where water is pressurized and applied evenly in all directions simultaneously, allowing food and its package to retain their shape and functionality.

Not only does HPP help retain food quality – including nutritional value and natural freshness – it also extends the shelf life of the product, reducing retailers' shrink levels.

Consumers benefit from the increased shelf life, quality, and availability of valueadded products and new types of foods that are impossible to make using thermal processing methods.

HPP is suitable for both vacuum packed foods and modified atmosphere packaging and is most beneficial as a method of pasteurization for juices, dips, salsas, hummus, salads, salad dressings, dairy products, as well as meat and seafood products.

In general, HPP can provide shelf lives similar to thermal pasteurization. Pressure pasteurization kills vegetative bacteria and, unless the product is acidic, it requires refrigerated storage. For foods where thermal pasteurization is not an option (due to flavor, texture or color changes) HPP can extend the shelf life by two to three fold over a nonpasteurized counterpart, and improve food safety. As commercial products are developed, shelf life can be established based on microbiological and sensory testing.

HPP products currently marketed worldwide are primarily distributed refrigerated. In some cases this is necessary for safety (to prevent the growth of spores in low-acid foods). For acid foods, refrigeration is not a necessity for microbial stability, but is used to preserve flavor quality for extended periods of time.

"This is the perfect time for HPP technology as it helps to accommodate changing consumer preferences for fresh product on the perimeter of the grocery store," explains Tim Smith, Executive VP of Sales and Business Development, Lineage Logistics. "There is so much opportunity in the fresh produce space, and the HPP technology is a solution to the dynamic growth, particularly in fresh pressed juices, one of the fastest growing segments in the HPP business."

#### Lineage in the HPP Space

"In addition to our core service offering, we saw an opportunity to diversify and be open to emerging technologies and evolving shopping behavior," Smith acknowledges. "We looked at our relationships within our customer base and decided HPP was a good investment to provide more service for our existing customers, while also attracting new customers in need of HPP."

But getting into HPP, and stepping into the processing environment, required a totally different approach, Smith admits.



Lineage Logistics uses high pressure processing (HPP) to kill potentially harmful microorganisms in bottled coconut water at its Allentown, Pennsylvania plant. (Photo courtesy of Lineage Logistics.)

"To compete in this space, and leverage our cold chain expertise, we had to add manufacturing and processing expertise to ensure we had the right approach to running the operation."

Smith says Lineage first entered the HPP market in California because they won new business with a company that competes in the fresh press juice space – a beverage category for which they saw increasing market demand.

"Our first HPP customer in California was a QSR (Quick Service Restaurant) with a fresh juice product and we partnered with them to help get processing ramped up," Smith explains. "There was such strong demand for HPP, we wanted to get ahead of that demand with a service many companies needed."

That demand only continues to grow, evident by the second HPP machine Lineage has recently added to its California operation.

#### The Value Proposition

Smith says what differentiates Lineage from its competition is that the company can provide HPP for customers looking to extend the shelf life of their products as well as a total supply chain solution.

"What Lineage can offer produce and other food processors is a cost-effective solution under-one-roof," Smith notes. "We can store our customers' in-process product, run it through HPP, package and label it, prepare the paperwork, and store and distribute the finished product on behalf of our customers."

Smith says leveraging Lineage's logistical expertise to store, package and warehouse HPP product eliminates inefficiencies in the supply chain and that means the product gets on the shelf as quickly as possible, and by the most cost effective means.

"Using a HPP toller allows manufacturers to change fixed costs into variable costs, which releases capital for investment in other areas of their operation," Smith says. "Tolling also allows small and medium size companies to have the same HPP benefits as larger companies without making the upfront investment.

"We've been successful with HPP because it's a clean, natural, environment-friendly process for packaged foods that reduces the potential for spoilage and improves the quality of the product," Smith sums up. "We currently have customers using the solution for a variety of categories and expect demand for HPP to grow during the next several years.

Looking to the future, Smith says as fresh press juice makers expand production beyond California to other areas of the country, Lineage is prepared to evaluate adding additional HPP capacity to support the category. "We're choosing to invest in this business because it is so attractive to food processors and beverage companies. We would build a solution around where the product and raw materials are sourced and processed and then utilize our network of warehouses to satisfy demand in that market." @

*This article originally appeared in the March/ April 2016 issue of* Produce Processing.

**ALEXANDRA WALSH** is Vice President of Association Vision and a contributor to COLD FACTS.

EMAIL: awalsh@associationvision.com

### MEMBER NEWS NEWS FROM MEMBERS OF GCCA CORE PARTNERS

**BITZER** opened a 1,500-square-meter international training center in Rottenburg-Ergenzingen, Germany. It named the facility in honor of Peter Schaufler, the longtime owner of the firm who passed away recently.

**BROOKFIELD COLD STORAGE** appointed Ken Maclean as President. Ken has more than 20 years of experience as a leader in plant operations and warehousing. He joined the company in 2012, and as Vice President led the transition of Millard Refrigerated Services' Canadian assets to Brookfield Cold Storage and the integration of Nova Cold. Pierre McNeil remains CEO of Brookfield Cold Storage.

**ESI GROUP USA** is celebrating its 25th anniversary in 2016. Recent projects include a 272,000 square-foot greenfield distribution center in Mississippi, a new 83,000 square-foot -35 degree Celsius automated plasma storage, and

272,000 square-foot greenfield distribution center in Mississippi, a new 83,000 square-foot -35 degree Celsius automated plasma storage, and retrieval center in North Carolina, and a 119,000 square-foot dry storage addition to an ingredient processing plant in Wisconsin.

**FRIOPUERTO** opened a new facility in Sines, Portugal. The facility is one of five refrigerated installations owned and operated by the Spanish company, which also has facilities in Valencia, Veracruz, Sines, Tangier, and soon Montevideo.

•••

INTERNATIONAL ASSOCIATION OF

**REFRIGERATED WAREHOUSES** warehousing executive and former chairman Stanley Graner, 90, passed away on February 19, 2016. He served on the boards of The Refrigeration Research Foundation (now WFLO) and the National Frozen Food Association. He was also the first President of The World Group and chaired the Warehouse Committee of American Frozen Food Institute.

LINEAGE LOGISTICS, LLC announced that Greg Bryan has joined the company as Senior Vice President of Transportation Solutions. **PARTNER LOGISTICS** appointed Jolin Dophemont as Supply Chain Developer and Mark Knibbeler as Supply Chain Specialist to its team based at the head office in Bergen op Zoom, the Netherlands.

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PLUS LOCATION SYSTEMS is launching a multifaceted "Real-Time Location Tracking, Safety & Security Management System" at GCCE 2016 in Booth 1211. The PLUS active RTLS solution accurately tracks real time activities and utilization of vehicles, personnel and assets, and substantially improves many aspects of safety, security and compliance. The system substantially improves operational productivity, produces operational analytics and API data for various WMS/ERP and installed operating systems.

POLYGUARD PRODUCTS INC. announced that it has acquired the domain www.polyguardcom to merge with the domain www.polyguardproducts.com which it has owned since 1998. The change also affects all Polyguard emails, which will now also end in the suffix @polyguard.com. Polyguardproducts.com will continue to bring visitors to the official Polyguard website and all email addresses going to @polyguardproducts. com email suffixes will continue to direct users to the proper Polyguard employee or department.

**PREFERRED FREEZER SERVICES** is opening a new facility in Chicago, Illinois, scheduled to open in Spring 2017. It will cover 227,043 square feet and have a storage capacity of more than 32,000 pallets.

#### RYTEC HIGH PERFORMANCE DOORS

introduced a high-speed, highly insulated, singleslide door that is practically bullet-proof. The Turbo-Slide freezer door features closed-cell EVA foam panels that produce R-values ranging from R-17 (standard) up to R-40.

•••

**SPACESAVER** introduced a stainless steel compact storage system designed for environments below –4 degrees F. Compact storage eliminates

wasted aisle space, allowing cold storage facilities to store more stock without adding square footage. Stop by booth 727 at the Global Cold Chain Expo to learn more.

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VAPOR ARMOUR named Adam Brown, Tom Allen, Doug Brown, and Mike Spaniol as Regional Sales Representatives.

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#### UNITED INSULATED STRUCTURES CORP.

(UISC) is celebrating its 50th anniversary as a design/build contractor to the food industry. The company specializes in the design and construction of refrigerated warehouses and food processing plants. UISC President Larry Lantero, Jr., attributes the company's long history of success to "UISC's commitment to its clients to build the best facility possible at an economical cost. This has resulted in a base of client loyalty that includes United States Cold Storage (42 years), Kraft-Heinz (30 years), Koch Foods (16 years), and Prairie Farms Dairy (15 years). Together we look forward to another half century of industry excellence."

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VERSACOLD LOGISTIC SERVICES acquired the assets of Gary Heer Transport Ltd., a provider of refrigerated truckload cross-border transportation services between Western Canada and the United States. The acquisition marks VersaCold's entrance into the U.S. cross-border transportation market segment and will establish the company's newest subsidiary, VersaCold North America Transportation Solutions Limited (VNATS). The company has also entered an agreement to acquire Coastal Pacific Xpress, the largest refrigerated carrier in British Columbia, Canada, specializing in shipping of perishable and ambient products throughout Canada and the United States.



VIKING COLD SOLUTIONS completed another energy efficiency installation, helping Bermuda's largest food distributor, Butterfield & Vallis, reduce refrigeration storage costs by 40 percent. Viking Cold's thermal energy storage system uses phase change material that absorbs heat as it melts, allowing chillers to run less frequently. @

## SAC SOLUTIONS

#### ANSWER PROVIDED BY DR. MICHAEL JAHNCKE, VIRGINIA POLYTECHNIC UNIVERSITY & WFLO SCIENTIFIC ADVISORY COUNCIL (SAC) CHAIRMAN

## QUESTION:

Are there any written standards for the storage of organic frozen foods?

## **ANSWER:**

The cold storage industry merely holds, receives, and ships foods.

The responsibility of the cold storage industry is to ensure that organic products are stored at the proper temperature and humidity for the product type (the temperature and humidity requirements are no different than for similar type non-organic products), follow GMPs and good sanitation practices, and ensure proper separation so that that there is no accidental co-mingling with non-organic products.

The food processing industry is responsible for receiving raw food materials, processing them, packaging and labeling the finished products, and storing/shipping the packaged items to the marketplace. The food processing industry must adhere to all federal regulations concerning food safety and food labeling of foods in interstate commerce. The storage industry has no responsibility for the validity/ accuracy of labels on foods in interstate commerce; rather their responsibility is to assure that "organic foods" are stored in their facilities in such a fashion that they are not intermingled with so-called non-organic foods and are stored/shipped at appropriate temperature/humidity in adequately clean/ sanitized environment.

However, I can make the following recommendations:

• Do not store organic and non-organic products on the same racks. Keep them at least an aisle apart.

- Take the time to understand which products are being stored and how they are packaged, and make sure that your employees also have a good understanding on the importance of keeping these products separate.
- The likelihood of cross-contamination is minimized if products are well packaged.
- In addition, always think of the unexpected. You may want to use separate forklifts or at least clean them after non-organic use and before using them for organic products.
- Finally, keep in mind that certain cleaners and sanitizers are not approved for organic products.

Other than that, the recommended handling of products is the same regardless of whether they are organic or not. **②** 

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### ASSOCIATION NEWS NEWS ABOUT GCCA CORE PARTNERS

**GCCA** hosted the 19th European Cold Chain Conference March 6–8, 2016 in Amsterdam. The conference welcomed over 100 professionals from 17 countries (including China and Turkey) representing the warehousing, construction and transportation segments of the cold chain industry. Rated as a key venue for all cold chain stakeholders, the conference featured plenary sessions, breakout education presentations, networking events and a tabletop exhibition.

The IARW-WFLO celebrated its 125th Convention in April with over 400 senior level warehouse/3PL executives and associates. Keynote presenters covered topics such as growing your business, political trends, and the economy. Industry leaders conducted best practices sessions on human capital development, cost-savings and time-savings. The Peer-to-Peer Roundtables allowed industry executives to discuss solutions to key business challenges and opportunities. Attendees also participated in a variety of new and exciting social and business development experiences through networking receptions, the Supplier Showcase, and one-to-one meetings.

#### In collaboration with WFLO, the

International Trade Administration at the U.S. Department of Commerce launched a Cold Chain Assessment Initiative in Kenya. This collaboration led to the East Africa Cold Chain Symposium held in October 2015, which brought together approximately 100 government and private sector leaders engaged in cold chain activities across the East African region. As a follow-up to the Symposium, WFLO conducted an assessment of the cold chain infrastructure in Kenya. Titled Keeping it Cool: Assessing Cold Chain in Kenya, the assessment provides recommendations and interventions that support the development of cold chain drivers in the region and highlights ways to better support specific links within the cold chain from postharvest to retail.

#### $\bullet \bullet \bullet$

The newly announced **IACSC AWARD** recognizes a team made up of a contractor/ design-build company and a processor/ end-user/warehouse/third-party logistics company whose project moved the industry forward in regards to the design and construction of temperature-controlled facilities. This "Built by the Best" award recognizes not just the company who owns the facility but also the contractor/design build firm with whom they partnered to showcase industry-changing innovations, provide a positive impact on the cold chain, and contribute to the larger society through food safety, trade development, job creation, and more. More details on the award are available at www.gcca.org.

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The American Trucking Associations (ATA) recently released a Refrigerated Truck Freight Market Analysis supported in part by **IRTA**. The report models the estimated size of the refrigerated truck freight industry by tonnage, revenue, and tractor capacity. The data is reported by general commodity type for both for-hire and private refrigerated motor carriers. It is the first in a planned periodic calculation of the refrigerated truck freight industry. In the future, ATA hopes to provide historical data for time series comparisons as well as forecasts. **@** 

## 2016 CALENDAR

#### MAY 11-13, 2016

**IARW Pacific Chapter – Spring Meeting** Winthrop, Washington, United States

#### JUNE 19-22, 2016

**3rd WFLO Graduate Institute** Chicago, Illinois, United States

#### JUNE 20-22, 2016

**Global Cold Chain Expo** Presented by GCCA and United Fresh Chicago, Illinois, United States

#### JULY 11-13, 2016

**2016 WFLO Institute Latin America** Panama City, Panama

#### JULY 31-AUGUST 2, 2016

GCCA Assembly of Committees (AOC) Washington, D.C., United States

#### SEPTEMBER 1-4, 2016

Cold Chain Expo Eurasia Istanbul, Turkey

#### SEPTEMBER 21-23, 2016

IARW Pacific Chapter — Fall Meeting Bend, Oregon, United States

#### SEPTEMBER 18-20, 2016

IARW Southeastern Chapter Meeting New Orleans, Louisiana, United States

#### SEPTEMBER 26-27, 2016

IARW Heartland Chapter Meeting Chicago, Illinois, United States

#### NOVEMBER 10-12, 2016

**36th IACSC Conference & Expo** Ft. Lauderdale, Florida, United States

NOVEMBER 11–12, 2016 GCCA Latin America Congress Santiago, Chile

#### DECEMBER 16-17, 2016

**2016 Indian Cold Chain Expo (ICE)** Indore, Madhya Pradesh, India

## NEW MEMBER COMPANIES OF GCCA CORE PARTNERS



#### IARW-WFLO WAREHOUSES

Forte Frozen LLC Miami, Florida, United States

#### WFLO MEMBER

**Kajima Building & Design Group, Inc.** Atlanta, Georgia, United States

#### **IARW ASSOCIATES**

Cushman & Wakefield of GA, Inc. Atlanta, Georgia, United Sates

Ignite Consulting New Farm, Queensland, Australia

Kajima Building & Design Group, Inc. Atlanta, Georgia, United States

**Latus** Ascot Vale, Victoria, Australia

**LiftMaster** Elmhurst, Illinois, United States

**Officine Mario Dorin SPA** Fiesole, Firenze, Italy

**Refrisistemas Industriales** San Antonio de Belén, Costa Rica

Sealand Freezers Bedford, Nova Scotia, Canada

Schaefer Systems International Charlotte, North Carolina, United States

**Staff Australia** Mulgrave, Victoria, Australia

**Steelworks Manufacturing** Angier, North Carolina, United States

**TDDA Australia Pty Ltd.** Alexandria, New South Wales, Australia

**Thermal Mark Transport Refrigeration P/L** Seven Hills, New South Wales, Australia



Kajima Building & Design Group, Inc. Atlanta, Georgia, United States

#### IACSC SUPPLIER MEMBER

**Cushman & Wakefield of GA, Inc.** Atlanta, Georgia, United Sates



**Central Marketing Transport Services** Indianapolis, Indiana, United States

**Eskesen Advisory Group Supplier** Helsingør, Denmark

Freightstar Expedited LLC Elmhurst, Illinois, United States





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### COOL PEOPLE PROFILING INFLUENTIAL PEOPLE CONNECTED TO THE COLD CHAIN INDUSTRY



**BOB COSTELLO** Chief Economist & Senior Vice President American Trucking Associations

The American Trucking Associations' economics department, supported in part by GCCA, has just produced a Refrigerated Truck Freight Market Analysis. ATA's Bob Costello, Chief Economist & Senior Vice President and the primary author of the analysis, answers questions about this first comprehensive market analysis of the refrigerated truck market.

#### CF: (COLD FACTS) Why did ATA undertake this study and what was the mission of the research?

**BOB COSTELLO**: Because it was about time! The refrigerated and frozen trucking industry is a vital part of our economy and our quality of life so I thought we should know the size of this sector. We recently developed a modeling technic to quantify the size of various sectors within the broader trucking industry and we applied that to the refrigerated market. The warehousing sector can use the Refrigerated Truck Freight Market Analysis to determine if there are new products and customers to pursue."

#### CF: Why is it important to analyze the refrigerated truck market now?

**BC:** It has always been important, but we only recently developed a method to create such a report. I am hopeful that it will be a significant contribution to all those involved in refrigerated or frozen trucking, including fleets and industry suppliers.

## CF. What did the research highlight?

**BC:** Hopefully there is something in the report for everyone. It covers tonnage, revenue, and capacity requirements for forhire and private fleets by eight commodity groups. To our knowledge, this has never been done for the refrigerated truck market.

#### CF. Was there any one key finding that surprised you?

**BC:** I don't know about surprised, but there is an interesting mix of commodities moved by this sector, like raw or unprocessed foods, processed foods, bakery goods, pharmaceuticals, flowers, as well as the restaurant and grocery supply chain. There is also an interesting mix of freight between for-hire and private fleets within those and other commodity groups that may surprise some people.

#### CF: What do you consider the most valuable application of this research?

**CP**: I don't know if there is any one thing, but it has broad applications. Fleets can determine if there are new markets they should be pursuing. Industry suppliers can ascertain their penetration into the space and if there are markets they hadn't considered. Likewise, the warehousing sector can use it to determine if there are new products and customers to pursue.

## CF: Do you consider this research a benchmark? Does ATA intend to update it periodically?

**BC**: The hope is to update this research every other year. Additionally, we have the ability to provide historical data to see changes over time. Likewise, based on our economic forecasting capabilities, we can provide forecasts for the commodities. So the next edition will be even more comprehensive. **②** 

## **JAMISON: INDEPENDENT THIRD-PARTY TEST LAB RESULTS**

## The HCR Door results are in: 80% efficient in blocking air infiltration





Temp profile: air door off



HCR pioneered the air door market 37 years ago and now has over 4000 worldwide installations. Until recently there was no authoritative, independent third-party test lab data that documented the efficiency of the unique HCR air door. A three-month evaluation was recently completed, and those results are now available to the marketplace.



The HCR calorimetric environmental test chamber at CTS Labs in Urbana, IL

Creative Thermal Solutions (CTS) is a leading test lab for products in the HVAC and refrigeration industries. They test products that claim to offer increased energy efficiency, reduced energy consumption, and environmental sustainability. CTS labs recently conducted an extensive thermal performance analysis on HCR air doors. *The results verified that the HCR Model AC (Single Air Door) is 80% energy efficient\* when stopping air infiltration and energy transfer between rooms with different temperatures.* 

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HCR demonstrates the greatest energy efficiency for doorways with over 10% DOT (door-open time), and can represent considerable and even dramatic energy savings in the right application. In addition to energy savings, HCR significantly reduces moisture from entering the cold room, and prevents icing and condensation on floors, walls, and products. Reduced frosting of the refrigeration cooling coils will result in fewer defrost cycles.

For more details about the CTS test results, visit www.hcrairdoors.com

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\*For details and the lab performance report visit www.hcrairdoors.com, contact your Jamison or HCR representative, or call 800-326-7700. Request the White Paper on the Evaluation of Horizontal Recirculatory Air Curtain Efficiencies – Cooler to Conditioned Space, D. Rhyner, HCR, Inc.

Temp profile: air door on

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