ZOCA Container Security

“Taking container security to the next level”

UNECE

TIR

June 15th, 2005
introduction
Jaap van den Hoek
Director

ZOCA Container Security BV
Executive Summary

About ZOCA Container Security:

- Founded in 2003 by 5 private investors
- Independent company, no links to government or industry
- Based in The Netherlands
- Iridium LLC Value Added Manufacturer
- Member of the Port Security Combination Netherlands
- Member of ISO TC 8 and ISO TC 104
- Member (affiliated) of Containers Owners Association
Market situation:

- Increase in theft by organised crime, piracy and pilferage
- Increase of smuggling people, narcotics, weapons and other illegal goods
- Cargo volumes still rising
- World wide > 171 million TEU (ISO 1999) in use, between 100 and 200 million movements per year
- Damages up to 50 Billion dollars worldwide
- Insurance companies: no longer willing to insure high risk cargo
Current locks and e-seals are imperfect:

- Locks are always positioned on the outside of the container
- Physical keys are required to access the container
- Container can still be opened with the actual lock on it (non tamper evident intrusion)
- Seals, like TIR or twist cables can easily be broken or copied
- E-seals do not use universal frequency or standard software code and platforms and require expensive technical infrastructure
ZOCA will offer the answer:

- Incorporated in today’s mode of transport (sea, land)
- Adapted to the millions of containers in use
- Fit in the accepted methods and procedures
- Operating the service is easy and fast
- Supports and strengthens existing seals and protocols
The ZOCA Container Security Service (world wide patent applies) consists of four major components:

- A strong mechanical lock situated inside the container
- Operated through a Mobile Device
- Mobile Device is operated in a “Geo Fenced Area” only
- All activities are managed by a central Global Processing Centre 24/7/365 (outsourced to BOSCH Communications Centre, ISO 9001 and VDS Security certified to German standards) including alarm follow up and technical assistance
“fixed data” (transmit)

- Data string indicator
- GPS data
- PIN code
- Mobile serial number
- Container ID
- Owner/recipient goods ID
- Menu choices
- Authentication code
- BoL number
- TIR number
ZOCA offers ease of use:
End user data entry is kept to a minimum:
Only PIN, menu choice and variable data to be entered by operator.

“fixed data” (transmit)
- Data string indicator
- GPS data
- PIN code
- Mobile serial number
- Container ID (TIR)
- Owner/recipient goods ID
- Menu choices
- Authentication code

“Variable” data
- Bill of Lading Number
- TIR Carnet number/
- TIR Consignment ID
- (or customer preference Like T -1 document number..)

“fixed data” (transmit)
- Data string indicator
- GPS data
- PIN code
- Mobile serial number
- Container ID (TIR)
- Owner/recipient goods ID
- Menu choices
- Authentication code
- BoL number
- TIR number
What do you need for the Service to be operational?

- Lock installed inside of the container
- Mobile Device at each point of interaction
- Subscription to the Service
What does it look like on the outside?

Tamper Proof Installation!
BOSCH Container Security Box solution deployed together with the ZOCA service.
BOSCH Container Security Box solution deployed together with the ZOCA service
Track & Trace options

MCs loaded: 2 (MCs on alarm: 1)

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Location:
- Longitude: 3° 2' 27.24"
- Latitude: 43° 20' 40.28"

Address: CBR (213)
- Rec/Rep cycle: 3690b/1440n
- UK phone: +4035117452612
- Emergency phone: Private phone

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ZOCA offers ease of use:
Control during the entire process including Track and Trace when
Used in combination with the Container Security Box
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Advantages & benefits for Customs, Shippers & Carriers:

- Audit trail on opening/closing and track&trace will decrease pilferage and insurance claims considerably for all parties involved.

- Audit trail available for Customs & Excise authorities real time.

- The offering will increase carriers share in customers transport contract, so customers will be able to negotiate with carriers for secure transport facilities.

- Provides high tech security service for high valuable shipments.
Advantages & benefits in general:

- Compliance with international rules & regulations for secure transport

- Improvement / add on to several protocols (TIR/BoL/CSI)

- Possibility to insure specific valuable cargo again (lower premiums)

- More efficient logistical process

- Customers are satisfied (got what they wanted, intact and in time!)
The ZOCA Business Case:

- Equipment is free for Shipper and Carrier

- Pricing is based on “per trip” basis, varying on frequency and number of containers used

- Possible premium for ZOCA if ROI / operational savings exceed expectations e.g. Insurance premium discount, decrease in pilferage
Executive Summary

The ZOCA Business Case – continued -

-Carry out feasibility study, business case, including cost/benefits analysis (include investment, depreciation, cost of security/ROI) will provide acceptable “price per trip” business model

*Products and documentation provided:*
- Business process impact review

- Minimum of 1 pilot project recommended (at no additional costs)
  - Evaluation Report

- Roll out strategy fit to customers needs
Executive Summary

Some of the highlights in 2004 & 2005

• Dutch customs technical company seal approval in March 2004

• ZOCA achieved IRIDIUM LLC Value Added Manufacturers status in June 2004

• Pilot successfully executed in July 2004 from Eastern Europe (Poland) to Eindhoven, Netherlands with Philips Consumer Electronics & APL

• New pilot in November 2004 – May 2005 with world leader in global liquor import / export company DIAGEO, deploying 20 containers from Glasgow - Madrid
Some of the highlights in 2004 & 2005 (Continued)

• ZOCA published articles on Container Security in Cargo Security International (February ’05 issue) and TransSec magazine (June ’05 issue) and Safety at Sea (Lloyd's, May)

• ZOCA and NEN (Dutch national normalisation institute) hosted ISO TC8 meeting in Delft, The Netherlands in April

• ZOCA invited by Dutch Ministry of Finance to participate in Green Lane trial with Philips Lighting and DHS end of April

• Met with US DHS Under Secretary McQueary (Technology & Science) at invitation at the Rotterdam Port Authority, 25th of May
ZOCA will align with new security initiatives:

- IMO ISPS
- American Customs CSI, CT-PAT (Green Lane pilot candidate)
- New EU legislation (EU 725/2004) and the (upcoming) directive
- New ISO guidelines for containers and safety management systems (technical committee 8 and 104) (ZOCA is a member of both committees since December 2004)
- ZOCA is an affiliate member of the Container Owners Association
- Possible back up for new TIR digital “carnet”, ZOCA will present its service to the TIR convention in Geneva in June 2005
Some of the highlights in 2004 & 2005 (Continued)

ZOCA is engaged in (commercial) negotiations with (amongst others):

- Imperial Tobacco (possible pilot project)
- BAT
- Intel (possible pilot project)
- Philips Lighting (possible “Green Lane” pilot project)
- TOYOTA
- Sony Logistics Europe
- AON (insurance)
- AIG (insurance)
- TAPA EMEA
- TNT/Wilson
- Evergreen
- K-Line
- APL
Some of the highlights in 2004 & 2005 (continued)

• ZOCA sponsors objective academic research on costing model for deployment

• ZOCA joins Port Security Combination NL (ISPS implementation)

• ZOCA joins ISO TC 8 & 104 in December 2004

• ZOCA demonstrated to CSI & US Department of Homeland Security in March 2005 as front running innovative marine security technology

• ZOCA will present to TIR Working Group on Transport meeting in Geneva on June 15th, 2005
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