

March 31st, 2016

IMO – SOLAS Amendment Chapter VI effective July 1 2016

Further to our announcement in early February, we are now in a position to provide an update on developments within the Contship Group, whilst we await the new guidelines from the Italian competent authority (being the Ministry of Infrastructure & Transport – General Command of the Coast Guard) based on the new SOLAS regulations that come in to effect, without exception, on 01-July, 2016.

What is happening in Italy?

- Official guidelines have NOT yet been formally published.
- Weights may only be measured using technology approved under existing legislation.
- Italian Terminal Operators are still waiting for the official guideline concerning weighing device accuracy and only after its publication will it be possible to determine which kind of devices will be permitted.
- Contship Italia, together with Associazione Italiana Terminalisti Portuali (Assiterminal) is strongly lobbying to obtain guidelines which will allow the use of different devices, included dynamic weighing devices that will have a neutral impact on the logistics chain.
- Similarly Contship Italia is further lobbying to seek clarification on transshipment containers loaded at origin before the July 1st but transshipping after this deadline, to help avoid congestion and disruption within hub-port terminals.
- The SOLAS Amendment mentions that individual States must implement the regulation based on their existing legislation. Within the EU (not just Italy) such legislation is not fit for this purpose and we therefore await the new guidelines.
- There will be a further institutional meeting in Rome in the near future, where the key issues will once again be reviewed, as well as the general level of supply chain readiness.

What does this mean for container terminal operations?

- If the VGM certificate is available prior to arrival at the terminal – no issues
- If the VGM certificate is not available prior to arrival at the terminal, decisions will have to be taken for:
 - a) Receiving or not, the container in yard
 - b) Subsequent weighing by existing certified technology (inside or outside the terminal)
 - c) Waiting for the VGM certificate to be provided prior to actual loading on the nominated ship
- The non-availability of a VGM certificate will therefore generate extreme disruption to the ability of marine terminals to perform efficiently, potentially congest the supply chain as well as generate additional costs.

What is Contship Group doing?

- ✓ Engagement with institutions for a common-sense approach – it seems inevitable that supply chain interruptions will occur, either prior to arrival at the terminal or after. In both cases such inconveniences will generate cost to the supply chain.
- ✓ EDI message testing with customers – we kindly remind and invite all customers who have not yet been in contact on this vital subject to do so without any further delay. Contact e-mail: editeam@contshipitalia
- ✓ Contship Italia Business Units (both Port & Inland) are testing dynamic weighing devices to be ready to consider and implement such technology should Italian guidelines allow.
- ✓ Ongoing review of processes and technology to help provide solutions for currently undefined comprehensive procedures and supply chain responsibilities

The following overview is from our previous customer advice on February 2nd and is updated where appropriate:



Cagliari International Container Terminal (CICT)

- ✓ No certified / calibrated capability available in the terminal
- ✓ Working with the Port Authority to re-activate two weighbridges by deadline



La Spezia Container Terminal (LSCT)

- ✓ Relocate two certified /calibrated weighbridges
- ✓ Weighing devices already mounted on three Rail Mounted Gantry (RMG) cranes.
- ✓ Database of registered external & internal truck users to be established



Medcenter Container Terminal (MCT)

- ✓ Two existing certified / calibrated weighbridges



Terminal Container Ravenna (TCR)

- ✓ Two existing certified / calibrated weighbridges
- ✓ Database of registered external & internal truck users established



Rail hub Milano (RHM)

- ✓ No certified / calibrated capability available yet within the rail-terminal
- ✓ Options being assessed to be operational by deadline