

SAFETY OF LIFE AT SEA – SOLAS 1974

IMO (International Maritime Organization) is the Agency of the United Nations that is responsible for the safety of navigation as well as the prevention of marine pollution by ships.

SOLAS, which stands for Security of Life At Sea, is an international convention of IMO aimed at protecting the safety of merchant shipping with explicit reference to the preservation of human life.

As of 1 July 2016 the amendments to the SOLAS Convention will be operative: shipping lines will no more be allowed to board containers without the gross mass weight verified = VGM (Verified Gross Mass).

Gross mass means the weight of the goods including the dunnage material, lashing, etc + the weight of the empty container (tare).

The new rules give two methods by which the shipper can get the VGM of a packed container (loaded and closed):

Method 1: After container is loaded, closed and sealed, the shipper can weight it or make it weight to third parties.

Method 2: the shipper or a third party (on their behalf) can weight all packages / cargo, dunnage and lashing materials and add to these weights the tare weight of the container. **(Combimar & Agemar decided to proceed by applying method 2)**

Measuring instruments ("calibrated and certified equipments") used for both method 1 and method 2 must be approved and must satisfy the regulations of the State in which they are used (in our case see D.D.447 / 2016)

The General Command of the Harbour is the authority named by the Italian State, as responsible for the monitoring and enforcement of this regulation and allows the use of method 2 to those companies which are certified as per AEO / ISO9001 or 28000 provided that the weighing procedures are part of the certification itself. A transitional period is allowed until 1 January 2017 when the company AEO or ISO certified, without a specific procedure for weighing, are authorized for weight certification VGM using method 2, as long as they prove that they have placed "the weighing process under the supervision of the certification party". The requirements of the company, as provided by section 4 of the DD 447/2016 shall be communicated to the PEC mail of General Command of the Harbour – Uff.2, Sect. **3 (Combimar & Agemar has already updated its certified operating procedure by introducing the procedure for weighing. This procedure has been filed through the certification society. The inspector in charge of ISO sets the inspection in our cfs on July 7th 2016. Once inspection ends positively and the certification is completed and certified procedure is available, we will transmit the required documents to the Harbour, which is already aware of our intention to weight cargo following the method 2).**

The party responsible to provide the declaration of the weight certificate (VGM) to the shipping company is the shipper: this means the one who appears as shipper on the bill of lading and / or the party on whom or on behalf or on behalf of whom a transport contract with the shipping line has been taken. In this regard, specifically the shipping companies that act as loaders / NVOCC: this term is used to identify those shipping companies which issue their own bills of lading. In issuing this document these companies act as

contractual carriers towards the customer and at the same time they are shippers towards Shipping Line. The amendment to the SOLAS Convention applies because the NVOCC acts as shipper in the bill of lading issued by the shipping company. So NVOCC is the responsible party to give VGM to Shipping line and NVOCC is responsible for the information given.

The amendments to the SOLAS Convention refer to packed container: In other words they do not apply to the various LCL shippers in case of consolidated shipments. In fact, the consolidator who packs and closes the container, is the final responsible for its weighing and for the declaration as per SOLAS purposes. But it is quite clear that inaccurate weights declared by LCL shippers may have serious consequences in terms of additional costs and delays, so we expect correctness and precision by the whole chain.

Combimar & Agemar in the contractual relationship with its customer, intends to require a document certifying the weight certificate of the booked shipment, verifying that the conditions necessary for the company to be authorized to issue such certificate, exist. Otherwise we will ask to customer a mandate to proceed with the weighing of goods with the possibility, in this case, to provide the certificate of weight for each single shipment.

Therefore mentioned document must include at least the following information:

- company name
- Number of booking
- VGM expressed in KG
- Date of declaration
- Name and surname of the authorized person
- Signature of authorized person

The amendments to the SOLAS Convention does not provide for a specific format for the VGM statement, they do not provide margins of error in weighing as well; precision is required. However, taking into account possible variations of weight that some types of goods suffer due to several factors, the authorities in charge in various states, agreed to accept a tolerance in control tests. However, it was not possible to implement a regulation valid among the countries of the European Community: the most various tolerance percentages has been given. The Authorities in Italy decided to authorize the +/- 3% tolerance. It should be specified that the data VGM has an independent information for the purpose of safety of navigation and therefore must be kept completely separate from other weight data that appears in the accompanying documents or customs documents. The VGM will be reported on a specific document, to be used only for the vessel loading plan purposes. Shipping companies will continue to issue its own bills of lading bearing the gross weight of goods. The weights shown in the bill of lading will also appears in the manifest and documents used for destination customs purposes. In fact there is no link between the VGM given at origin before loading on board vessels and the data contained in bills of lading / manifest. (Combimar & Agemar in its procedure however aims to inform customers about the weight found at its cfs for the single shipment feeling with this operation to provide a valuable service to all exporters unable to certify the weight of cargo that leaves their company and allow them to update data in many cases very old and far from reality).

Contrary to what seems to happen in the main ports of Northern Europe, which allow the gate in of containers without the VGM but not the on board until receipt of the same, in Italy terminal operators have

been very clear , and, to date, to avoid congestion on the access roads and docks, they decided NO VGM = NO GATE

Following to what above stated, please find below the costs that we intend to charge:

1) Solas Administration / Weighing Fee: Eur 15,00 per shipment.

The price includes the email communication of weight measured in our cfs through approved and certified weighing instruments , the issuing of the certificate will be only on request and charged separately. **

2) Solas Administration Fee: Eur 7.50 per shipment for shipments already accompanied by VGM certificate. The SOLAS Convention requires that the process of weighing pkgs is certified and approved by the competent authority. Combimar & Agemar then will verify that those companies who issue VGM in these cases own a valid AEO/ ISO certification, including the weighing process.

3) Issuing Certificate VGM Eur 10,00 only if required. **

** We are updating our systems in order to issue the above mentioned documents which will be available as soon as possible. Will follow with official communication for the actual implementation. This will not interfere with the process of the VGM notice to the shipping line that will take place in the time and manner as per regulation.

We remain at your disposal for any clarification.

Regards

Combimar Agemar & Spa