

2nd July 2021

MPI CRMS Compliance

Dear Valued Customers,

In 2018, New Zealand's Ministry for Primary Industry introduced legislation requiring operators of commercial vessels calling New Zealand ports to uphold the Craft Risk Management Standard (CRMS) for biofouling. This legislation was introduced to keep New Zealand waters safe from invasive species.

This standard requires vessel owners to:

- Develop and maintain Biofouling Management plans specific to each vessel.
- Keep records of biofouling management actions.
- Maintain coatings of antifouling paint.
- Perform regular inspections and cleaning of hulls

The industry practice calls to dock vessels every five years and applies new antifouling paint to the hull. In years one and two, the hull cleaning process is usually an annual event, and in years three to five the frequency of cleaning increases significantly. The industry practice outside of New Zealand allows vessel owners to use a purpose-built machine that can clean vessel hulls while the vessel is in port and collect and allow for the safe disposal of the residue.

However, under the CRM legislation, vessel owners are not permitted to perform hull cleaning in New Zealand waters and there is no dry dock available to take vessels over 120m in length in New Zealand. As a result, for those vessels that are operating regionally through New Zealand, the only option is to perform hull cleaning in open waters, which is weather dependent and risky for divers, or have divers perform hull cleaning at locations outside New Zealand, which can divert vessels and cause schedule disruption. We recognize that while these steps are costly, they are necessary to help keep New Zealand's ocean free from invasive marine species.

To maintain our level of service, we have made the difficult decision to recover the cost required to uphold the requirements of the CRM. As such, a hull cleaning surcharge of USD78 per TEU will be applied to vessels loading or discharging on New Zealand ports on or after the 2nd of August 2021.

We appreciate your understanding and continued business. Please do not hesitate to contact our team with any questions.

Sincerely,

Pacific Forum Line