

**MINUTES**  
**of**  
**the XXIV meeting of the Council of Directors for joint operation**  
**of Ilyichevsk – Varna ferry line**  
**and**  
**the XV meeting of the Council of Directors for joint operation**  
**of Varna-Poti/Batumi- Ilyichevsk ferry line**

**15-16 December 2011**

**Tbilisi**

The XXIV meeting of the Council of Directors for joint operation of Ilyichevsk-Varna ferry line and the XV meeting of the Council of Directors for joint operation of Varna-Poti/Batumi-Ilyichevsk ferry line were held on 15-16 December 2011 in Tbilisi in accordance with the agreement between the members of the Council of Directors.

**The meeting discussed a number of current issues, among which were the following:**

**Providing round-the-clock operation of Varna ferry complex.**

BDZ informed the Council of Directors that round-the-clock operation of Varna ferry complex cannot be ensured.

**Reduction of port charges for ferries in the port of Poti.**

Port of Poti informed the Council of Directors that the issue of reduction of port charges is currently being considered by the new port management and will be resolved soon. Shipping companies will be notified accordingly.

**Railcar allocation for timely and qualitative fulfillment of cargo owners' requests for freight ferry shipping.**

Sea carriers informed the Council members about the existing problems with providing shippers with Ukrainian railcars for freight ferry shipping to destinations in Georgia and Armenia. They suggested considering the issue of ensuring transportation by inventory railcars of the Georgian and South Caucasian Railway. Ukrferry Shipping Company also proposed to develop a procedure for targeted delivery of empty cars belonging to the inventory rolling stock of GR and SCR to shippers in Ukraine. GR and SCR reported their willingness to provide all necessary assistance to UZ.

UZ informed that providing Ukrainian shippers with cars is based on the availability of appropriate type of cars in Ukraine. Usage of third-party empty cars on the territory of UZ is only possible upon economic feasibility calculations in each particular case and with consent of UZ.

**Procedures for information exchange between GR and sea carriers on the availability of cars at the port stations and railcar supply plans.**

GR and Ukrferry agreed that GR, in exchange for information about ferry timetable, will provide information about the balance of cars available within GR network bound to ferry transportation. E-mail addresses for further information: Ukrferry dispatching office: [charter@ukrferry.com](mailto:charter@ukrferry.com), BMF AD: [ferry@navbul.com](mailto:ferry@navbul.com), GR: [levani@railway.ge](mailto:levani@railway.ge) and [jketiladze@railway.ge](mailto:jketiladze@railway.ge).

**Organization of ferry handling and railcar receipt and transfer in the ports of Poti and Batumi, in accordance with the regulation on direct international rail-ferry freight transportation.**

BMF AD, Ukrferry and GR agreed that delays in railcar unshipping due to the presence of cars not fit for further transportation via the railway network should be excluded. If the causes that prevent further

transportation cannot be eliminated, ferries will accept the return of such cars after drawing up respective reports, in accordance with the regulation on direct international rail-ferry freight transportation.

**Guaranteed supply of a certain minimum of empty covered cars destined to Bulgaria by Odessa railway upon request of BDZ EAD.**

In connection with the conversion of inventory railcars of UZ into their own rolling stock, dispatching box cars outside Ukraine has been restricted. To ensure the needs of Bulgarian imports a guaranteed minimum of empty box cars is required in order to preserve the cargo flow from Varna to Ilyichevsk. To date, the required guaranteed minimum amounts to 20 box cars in a month.

UZ informed that the transportation between BDZ EAD and UZ is performed in accordance with the current regulatory framework. The transfer of inventory rolling stock of UZ in their own is going on at the moment, and the transportation in own railcars will be carried out at appropriate conditions.

**Arrivals of defective GR cars at BDZ EAD.**

It should be noted that the GR railcars often come with defects, which are dominated by: lack of brake crank, air brake valve damage, defects of the roof, body and doors, deformations of front and side panels of box cars, the lack of front and side panels of platforms.

GR informed the Parties that malfunctions will be taken into account and addressed, so that defective railcars will not be delivered. BDZ EAD will formally report each case, specifying the railcar ID and the malfunction mode.

**Violations of the rules on direct international rail-ferry freight transportation, reasons for ferry handling delays at the stations of Batumi and Poti (incorrect processing of shipping documents and loading of goods into defective railcars; expired operation life of side bogie frames at UZ stations).**

GR informed the Council that the arrivals from the ferry of loaded at UZ stations (Lviv Railway, South Western Railway) gondola cars with oversized loads, both with I-II-III degrees of oversize and super-oversized, without specifying oversized load in transport documents, became more frequent. Passage of such railcars threatens transportation safety. Railcars with technical defects (mainly with expired side bogie frames) also arrive more often, the acceptance and further usage of such cars is dangerous for train operation. Georgian Railway, as the host Party, in each case requires from the delivering Party to eliminate the identified faults in accordance with the rail-ferry freight transportation rules, and the latter is obliged to do so. Otherwise, these cars must be returned back to the same ferry. Despite repeated requests by the GR, ferries refuse to take them back. All this is contrary to existing rail ferry regulations and results in slower loading and unloading of the ferry. GR asked UZ to oblige railways and departure stations to correctly fill in the shipping documents and submit railcars for loading in good technical condition ready for operations.

UZ took note of this information in order to take appropriate measures and simultaneously emphasized that it is necessary to inform of such facts not only departure stations, but also Ilyichevsk-Paromnaya and Odessa railway stations.

It was also agreed that the Councils would every six months participate in the LOGMOS meetings for the sake of monitoring the environment and increasing the competitiveness of railway ferry transportation.