OCEMA Recommended Best Practice for the Acceptance and Transmission of Verified Gross Mass

Amendments to the International Convention for the Safety of Life at Sea ("SOLAS"), to which the U.S. is a signatory, will go into effect globally on July 1, 2016. In general, the amendments require shippers to provide the Verified Gross Mass ("VGM") of containers carrying cargo before those containers can be loaded aboard a vessel. Without a VGM, the amendments also prohibit the vessel operator from loading a packed container.

OCEMA recognizes that all members of the shipping community will be affected by this regulation. In an effort to facilitate and simplify compliance, OCEMA has developed a best practice for the receipt and forwarding of VGM. A key objective of the best practice is to develop processes that will have as small an impact as possible on all participants. The following describes the Best Practice as it applies to the:

- **Shipper** (The cargo owner, exporter, NVO, freight forwarder or agent that is making arrangements to stuff and/or transport the container.)
- **Ocean Carrier** (The steamship line with which the Shipper is contracting to transport the container.)
- **Marine Terminal Operator** (The operator of the facility where the container will be loaded aboard the vessel.)
- Vessel Operator (The steamship line whose vessel is actually transporting the
 container. This may be the same as the Ocean Carrier or, in the case of a move
 conducted under a vessel sharing agreement or space charter, it could be a different
 steamship line.)

The Best Practice, as described below, is further illustrated in the attached Process Map.

NOTE: This is a recommended best practice for general SOLAS VGM compliance. OCEMA members recognize that a particular move may not fit within a standard process. Accordingly, Shippers and Carriers are encouraged to work together in such cases to facilitate the timely availability of VGM. OCEMA also welcomes inquiries and comment from the shipping public. Comments and questions can be submitted through the OCEMA website, www.OCEMA.org.

OCEMA's VGM Best Practice

Shipper Responsibilities

Because the Shipper is uniquely situated to know and report the weight of the container, the Shipper determines the VGM for the loaded container using one of the two methods provided under SOLAS regulations.

- (1) Pursuant to the SOLAS regulations, the Shipper may calculate VGM by:
 - (i) weighing the packed container using calibrated and certified equipment; or
 - (ii) weighing all packages and cargo items, including the mass of pallets, dunnage and other securing material to be packed in the container and adding the tare mass of the container to the sum of the single masses, using a certified method approved by the competent authority of the State in which packing of the container was completed.

In accordance with SOLAS guidelines, if using method (ii), Shippers may use the container tare weight marked on the container. OCEMA's position on tare weights is consistent with that of the IMO in that a Shipper may rely on the tare weight printed on the container when using method (ii) to determine VGM.

To facilitate Shipper operations, some ocean carriers have indicated that they may provide a database of tare weights on their websites. However the tare weight is provided, it is acceptable for Shippers to rely upon the tare weight being made available by the Ocean Carrier. The Shipper would not be certifying the accuracy of the container tare weight printed on the container.

(2) A person duly authorized by the Shipper must certify the VGM by signing the shipping document and providing it to the Ocean Carrier by the VGM cut-off time or by providing VGM in electronic form with an electronic signature by the VGM cut-off time.

HOW to provide VGM to the Ocean Carrier?

In order to facilitate the provision of VGM and provide flexibility to the trade community, there are several methods for submission of VGM to Carriers. However, electronic provision is *preferred and will expedite transmission of data*. (Note: some Carriers may only accept VGM in electronic form. Please check with Carrier).

- ➤ EDI message (VERMAS, or for example a 304 message)
- ➤ Portal Service (INTTRA, Nexus, CargoSmart, other)
- ➤ Through the Ocean Carrier's web portal specifically designed to accept VGM
- ➤ Alternative methods to be determined by the Ocean Carrier

WHEN must VGM be received by Ocean Carrier ("VGM Cutoff")?

- ➤ For VGM submitted electronically: As a general practice, when the receiving cutoff time is determined to be at the close of the business day, VGM Cutoff will be at noon of that day. Regardless of the receiving cutoff time, Carrier will advise the Shipper of VGM Cutoff at time of booking.
- ➤ For VGM submitted through alternative methods, VGM Cutoff will be determined by the Ocean Carrier, but will typically be earlier than for electronic submissions to allow time for processing
- Similar to the concept of "No Docs/No Load" that is already in place, if the Ocean Carrier does not receive VGM prior to the VGM Cutoff time, the container cannot be loaded aboard the vessel. Instead, it will be sidelined until the next available sailing by which time the Shipper must have made arrangements for the provision of VGM. The treatment of any costs or other circumstances arising out of a Shipper's failure to timely provide VGM will be a matter for individual Ocean Carriers to determine in accordance with their applicable tariffs and service contracts.

Once the Ocean Carrier receives the VGM, the Shipper's responsibilities are complete.

Ocean Carriers

It then becomes the responsibility of the Ocean Carrier to forward the VGM to the Marine Terminal Operator (MTO) and/or the Vessel Operator.

The Ocean Carrier will provide VGM to the MTO in electronic format. Provision of VGM to the MTO in any format other than electronic will only be done on a case-by-case basis with the agreement of the MTO. There is no need to provide the actual signature certification to the MTO or Vessel Operator. Provision of a VGM by the Ocean Carrier indicates that it has been certified by the Shipper.

HOW to provide VGM to MTO?

➤ EDI Standard 301, 315 or COPRAR message set

WHEN must VGM be sent to the MTO?

➤ VGM must be provide to the MTO in time to develop the Load List

Marine Terminal Operator

The MTO will receive the VGM electronically and use it to develop the Vessel Stow Plan. The MTO will provide the VGM to the Vessel Operator through a standard BAPLIE message.

HOW to provide VGM to Vessel Operator?

> MTO to send VGM via Standard EDI BAPLIE

IF VGM IS NOT RECEIVED THE CONTAINER CANNOT BE LOADED ON TO THE VESSEL.

Vessel Operator

The Vessel Operator reviews and executes the Stow Plan as it normally would and retains the VGM for vessel transit and use at destination.

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OCEMA is an association of 18 major U.S. and foreign flag international ocean common carriers that provides a forum for its members to discuss and cooperate on operational, safety, and related matters pertaining to the transportation of international ocean freight within the U.S. OCEMA operates pursuant to authority set forth in an agreement filed with the Federal Maritime Commission. The foregoing is an OCEMA recommended best practice. Individual ocean carriers may deviate from this practice as they may deem appropriate to meet operational or other business requirements.