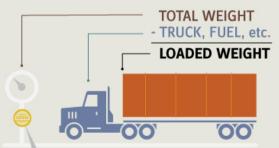
How to meet the container weight mandate

As a shipper, what are your options?

METHOD 1

Take a loaded container over a **weighbridge**, subtract the weight of the truck, chassis, and fuel to get the weight of the packed container.



Scales must be certified and calibrated in line with the national standards of the country where the weighing occurred and Method 2 is subject to national certification and approval.

METHOD 2

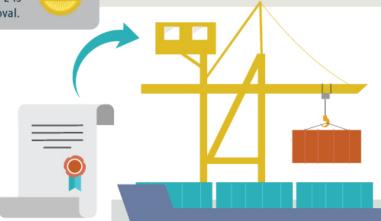
Weigh each item – including its packaging, palleting, dunnage and other packing and securing materials – going into the box.

Add that sum to the weight of the container to find the weight of the packed container.



What are you required to do?

Provide a document, paper or electronic, signed by the shipper to the shipping line and terminal declaring that the **shipper verified** the weight and that it was weighed properly.





The SOLAS amendment will be enforced by the coast guard or other agency responsible for SOLAS regulations in a given country and punishments for violations will vary by country.

What happens in the case of noncompliance?

There are all kind of possibilities for what could happen to the box that failed to provide the certified weight document but none are settled.





Terminals may choose to hold a container or send it back, but whatever happens, the ship will leave and the container will not.



Ocean Carrier Marine Terminal Shipper **Vessel Operator** (OC) (MTO) (VO) **Shipper** Determines **VO** Reviews & **Ocean Carrier MTO** Processes VGM For Loaded **Processes VGM VGM** into System **Approves Stow** Container (SOLAS Certification into Method 1 or 2) **OC System** MTO Uses VGM to **VO** Retains VGM Plan Vessel Stow for Transit **Shipper** Provides VGM **OC** EDIS VGM to Certification to OC By MTO **OC's Cutoff** MTO EDIS VGM to VO In Bay Plan

Standard VGM Cert Varies By OC

- EDI (VERMAS or other i.e. 304)
- Portal Services (INTTRA, Nexus, CargoSmart...)
- Ocean Carrier Web Portal
- Electronic Methods Preferred Alternative Methods TBD by OC

VGM Cutoff Provision by OCs

- For Close of Business (COB)
 Receiving Cutoff, VGM Cutoff Same
 Day Noon
- For non-COB Receiving Cutoff or Alternative VGM Communication Methods, VGM Cutoff TBD by OC
- Concept Similar to "No Docs No Load"

VGM Flow OC to MTO

- EDI Standard 301, 315 or COPRAR TBD
- VGM Value Only Transmitted, not VGM Certification
- Transmission to MTO by Time of Load List Cutoff

VGM Flow MTO to VO

EDI Standard BAPLIE

Loading To Vessel

 If No VGM is Received MTO Will Not Load Unit to Vessel

* OCEMA VGM Process Map

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.

FREQUENTLY ASKED QUESTIONS ABOUT CONTAINER WEIGHT

These FAQs relate to new mandatory rules that apply from 1 July 2016 concerning the requirement of shippers to verify the gross mass of a container carrying cargo. They have been prepared by a coalition of industry experts, jointly lead by the World Shipping Council (WSC), the TT Club (http://www.ttclub.com/), the International Container Handling and Coordination Association (ICHCA), (http://ichca.com/) and the Global Shippers Forum (GSF). (http://www.globalshippersforum.com/) They were developed in response to questions that have been raised by various stakeholders regarding the revised SOLAS regulation and the accompanying guidelines.

Without a verified gross mass, the packed container shall not be loaded aboard ship. The rules prescribe two methods by which the shipper may obtain the verified gross mass of a packed container. Under Method 1, upon conclusion of packing and sealing a container, the shipper may weigh, or have arranged for a third party to weigh, the packed container. Under Method 2, the shipper or, by arrangement of the shipper, a third party may weigh all packages and cargo items, including the mass of pallets, dunnage and other packing and securing material to be packed in the container, and add the tare mass of the container to the sum of the single masses of the container's contents. Under either Method 1 or 2, the weighing equipment used must meet the applicable accuracy standards and requirements of the State in which the equipment is being used.

The FAQs document is also available as a downloadable PDF file. These SOLAS amendments were adopted by the International Maritime Organization (IMO) in November 2014 and become mandatory on 1 July 2016. SOLAS itself has international legal status so there need not be any further implementing legislation for States that are party to the Convention. However, be advised that national rules and regulations may exist and stakeholders should engage with the relevant national Competent Authorities to obtain clarification on such national procedures.

Frequently Asked Questions about Container Weighing (last updated March 11, 2016)

Section A: General

Q: <u>Clearly responsibilities start with the shipper.</u> But who is 'the shipper' in the context of this new procedure?

Q: <u>Is there an agreed format to communicate verified gross mass?</u>

Q: Is there a deadline for when the information must be received by the carrier and

the terminal operator?

Q: If the shipper communicates the verified gross mass as required by this regulation, is there then an obligation under either Method 1 or Method 2 on the carrier (or terminal operator) to check the value given for that gross mass and report to the authorities any discrepancy that may be found?

Q: <u>Is the terminal operator required to obtain the VGM directly from the shipper, or can the carrier transmit the VGM to the terminal operator after the carrier receives it from the shipper?</u>

Q: If goods are put onto a feeder ship from, for example, Grangemouth (UK) that proceeds to Rotterdam (Netherlands), will verified gross mass have to be established in Grangemouth or Rotterdam or both places?

Q: The requirement is for accurate gross mass; is there a margin of error defined for this 'accuracy'?

Q: Given that there is no single international approval for weighing equipment, does this mean that different standards will be applied around the world, making it uncertain whether equipment can be approved internationally or whether values given will be accepted globally?

Q: <u>How accurate does the verified gross mass need to be considering</u> <u>environmental factors of influence such as humidity on wood (pallets), carton (if used as primary packaging), etc.?</u>

Q: <u>Will governments apply an enforcement tolerance threshold for determining compliance with the SOLAS requirements?</u>

Q: How will this be enforced and what will be the level of penalties imposed by an Administration if a container is delivered by a shipper to a carrier with a misdeclared gross mass or if a shipper does not provide the verified gross mass for a packed container?

Q: The SOLAS requirement derives from safety aspects. Cargo mass information may also be required for Customs purposes. If the verified gross mass declared for SOLAS purposes subsequently is amended, for example after actual weighing of the packed container, does Customs need to be informed?

Q: Should a 'pilot' scheme be set up by a carrier, shippers, port and competent

authority to test the system?

Q: <u>Simply knowing the verified gross mass is not sufficient to achieve safety</u>
<u>through the supply chain, since many incidents on the road and rail are caused by</u>
<u>improper load distribution and inadequate securing. What can be done about that?</u>

Section B: Method 1

Q: Where can we find a list of publically available weighbridges?

Q: <u>Some weighbridges don't produce tickets</u>. <u>Would a gross mass being written on driver's consignment note, signed and stamped by the load point be acceptable?</u>

Q: Where a third party (including potentially a port terminal) starts weighing freight containers (i.e. under Method 1) will it have to become a 'verified weigher' in order to issue a valid weight ticket?

Q: Port container handling equipment generally has on-board weighing technology ('PLCs') typically accurate to within 5% and designed to prevent overloading of the equipment. If such data are integrated into other relevant systems (including those used for ship stowage planning) is this likely to be acceptable for determining verified gross mass under Method 1?

Q: Who will pay for carrying out the weighing process for Method 1?

Section C: Method 2

Q: <u>Our company only ever provides part loads/less than container load (LCL), never a full container load (FCL) so what is our position?</u>

Q: Can I deliver freight to my freight forwarder without knowing the mass and ask them to weigh it and establish the verified gross mass of the cargo and issue the appropriate documents?

Q: <u>Is it permissible for a company to provide a service to weigh cargo under Method</u>

<u>2 and issue a 'Verified Gross Mass' certificate to a shipper? If so what criteria will</u>

<u>they have to meet?</u>

Q: If Method 2 is chosen and intercompany transactions take place (e.g. the producing / dispatching entity is based in UK while bill of lading is drawn up for export at a consolidation port such as Antwerp (Belgium) and a different legal entity

within a group of companies is the exporter of record) which legal entity should comply with any national rules and regulations regarding Method 2, the exporter of record or local UK entity actually packing the container and physically able to determine the relevant mass information?

Q: <u>For FCL shipments involving a freight forwarder there are two different scenarios:</u>

a. where the forwarder is agent (putting the carrier and shipper in a direct contractual arrangement); and b. where the freight forwarder acts as principal and issues a house bill of lading, being named as the 'shipper' on the maritime carrier's bill of lading/contract of carriage

In either scenario, can the freight forwarder rely on the mass provided by the forwarder's customer using Method 2?

Q: What if the Tare mass appearing on containers is lacking or inaccurate due to wear & tear, etc.? What remedy is available?

Q: We conclude that the four elements to be determined in order to declare the verified gross mass of a packed container under Method 2 are:

- a. the tare container mass,
- b. the mass of the product without any packaging,
- c. the mass of primary packaging (if any), and
- d. the mass of all other packaging, pallets, dunnage, space fillers and securing material

Is this correct?