



OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION

FOR IMMEDIATE RELEASE

April 26, 2016

OCEMA Supports Industry Cooperation to Tackle VGM

Washington, D.C. April 26, 2016 – OCEMA has placed a priority on working with other stakeholders to find operational solutions that will help U.S. exporters, carriers, and marine terminals prepare for the implementation of the SOLAS Verified Gross Mass (VGM) rule. Significant progress has been made to date.

The SOLAS VGM regulation is an important international safety initiative adopted by numerous governments acting through the IMO. The SOLAS VGM rule is intended to ensure the safety of vessels, their crews, terminal workers and others in the maritime industry. As of July 1, 2016 containerships cannot load containers that do not meet the SOLAS VGM requirement.

OCEMA is an association of 19 ocean carriers. The Association's focus has been to develop tools to facilitate compliance, which will avoid supply chain disruptions due to this change in law.

A special OCEMA working committee of nine experienced technical experts produced a Best Practice, issued by OCEMA on March 21. The Best Practice reflects inputs from numerous carriers, terminals and shippers. OCEMA's 19 member carriers, who will need to receive and assimilate millions of VGM filings each year, believe the Best Practice is a very effective, flexible and practical basis for compliance by the implementation date of July 1, 2016.

The U.S. has a large and fast-paced export container trade, often with containers meeting vessel cutoffs at deadlines. It is data driven, so like all processes in our modern economy, a common approach to compliance is essential to avoid disruption.

Shippers have asked for a standard VGM process. OCEMA has provided a common sense approach to the VGM process for use in the U.S.

The Chairman of the (AgTC) SOLAS working group, has previously stated in the JOC, "The primary concern is that there is no standard process that carriers are using to implement this regulation." Other shippers have also sought a common framework for compliance. There were 12 million U.S. export TEUs last year alone moving via dozens of terminals and thousands of shippers. Clearly, a common structure is essential.

OCEMA's Recommended Best Practice for the Acceptance and Transmission of VGM is a voluntary guideline that facilitates compliance with VGM requirements, while providing multiple ways for U.S. exporters to provide VGM to the ocean carrier. Anyone having a PC, laptop or smartphone can comply. For those who have concerns about the Best Practice because of unusual circumstances, OCEMA remains available to find solutions.



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Shippers should have no concerns with certifying the tare weight of containers they do not own. The Best Practice and IMO guidelines make clear they are not doing so by submitting a VGM.

Neither the regulation nor the OCEMA Best Practice requires shippers to “certify” the weight of the container. SOLAS provides two options for shipper VGM reporting. Under Method One, the shipper provides the total weight of the container being tendered to the carrier. Shipper groups proposed an alternate method, Method Two, which the IMO adopted: the shipper adds the verified weight of the cargo and packing materials to the tare weight printed on the container.

OCEMA’s Best Practice explicitly states that it is acceptable for shippers to rely upon the tare weight made available by the ocean carrier and that the shipper would not be certifying the accuracy of the container tare weight printed on the container. This is consistent with the IMO Guideline on VGM.

Container tare weights are required by U.S. and international law to be marked on the container and are clearly visible on the container door. Additional options are in process. Carriers are working on automating this process. Some OCEMA members are providing a database of their owned and leased containers on their web sites that will provide access to container tare weights. Other carrier members of OCEMA are developing automated or calculational capabilities on web portals.

The legal requirements for weight reporting have in fact changed and they are mandatory for cargo loading on vessels calling U.S. ports.

The rules have changed. Carriers cannot load containers without VGM. The Coast Guard agrees there will be a need for shippers submitting weight data to provide a verified gross mass weight report before a container can be loaded aboard a vessel. Coast Guard officials have expressed the view that there are several paths to compliance. OCEMA agrees with this and its members are using this flexibility to develop innovative means to harness technology to make compliance more efficient. However, the reality we face is that either the shipper provides the electronic VGM or the data transmission will be slowed and cargoes will be delayed and sailings missed.

OCEMA urges stakeholders to work now to meet the approaching deadline.

Implementation of SOLAS is just around the corner. Many shippers have found the OCEMA Best Practice easily workable for its cargoes. A common approach and some standardization benefits all stakeholders by allowing predictability and simplicity in data transmission amongst service providers and customers. In order for the U.S. export supply chain to continue to work efficiently, each participant cannot take a “do it yourself” approach to VGM. This will yield chaos.

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What we are doing.

OCEMA members are committed to working to have a smooth transition on July 1st and will continue to work with other supply chain participants to find workable solutions where operational obstacles to compliance exist. OCEMA technical committees are working on technical and operational issues raised by other stakeholders. The Best Practice is one major result of these efforts which for the first time provides some structure to the process so that dozens of carriers and thousands of shippers will have a common approach. Also, as noted above, in response to concerns about entering tare weight data raised in the last few months, OCEMA members are developing technology solutions to make tare weights available for shipper VGM reporting on carrier web sites.

The time is short. There is much to do. OCEMA urges all companies in the export logistics process to get down to the detailed work of developing workable processes for VGM for their companies. As shown by the Best Practice, this requires attention, but it need not be difficult. If focus is on efficient compliance, we can have a soft landing on July 1.

OCEMA is an association of 19 major U.S. and foreign flag international ocean common carriers that provides a forum for its members to discuss operational, safety, and related matters pertaining to the intermodal transportation of ocean freight within the U.S. Included in its scope are equipment-related operational, safety, and regulatory activities. OCEMA also operates the CCM chassis pool system of 140,000 chassis, at over 200 U.S. intermodal locations, which has been an essential tool in providing rail and marine terminal fluidity and efficiency.

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