OCEMA

OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION

FOR IMMEDIATE RELEASE
March 21, 2016

OCEMA ADOPTS Verified Gross Mass (VGM) Best Practice and VGM Process Map

Washington, D.C. March 21, 2016 – In an effort to facilitate compliance with the IMO's Verified Gross Mass rule, OCEMA's 18 ocean carrier members have unanimously adopted a Recommended Best Practice for the Acceptance and Transmission of Verified Gross Mass. This is the first comprehensive "roadmap" adopted by any industry group. It represents five months of work by an OCEMA VGM working group, during which time OCEMA also conferred with industry stakeholders on various technical aspects of the Best Practice.

The IMO's container weight verification rule, issued pursuant to the International Convention for the Safety of Life at Sea (SOLAS) goes into effect on July 1, 2016. The U.S. is a party to the SOLAS treaty. The VGM rule is intended to provide a more reliable, verified container weight to reduce risk of injuries and loss of life to workers involved in loading and ocean transport operations.

"OCEMA members are committed to helping U.S. export stakeholders prepare for the implementation of the IMO SOLAS requirements for container weight verification, while meeting their own global commitments as carriers," said Frank Grossi, Chairman of OCEMA and Executive Vice President, COSCO Container Lines America, Inc. Mr. Grossi further stated, "Industry stakeholders have raised questions and asked for clarification of the VGM rules. OCEMA aims to address these questions with practical, common sense guidance as provided in the OCEMA Best Practice and its VGM Process Map."

The VGM Best Practice and Process Map were developed by OCEMA's Container Weight Committee and unanimously approved by senior executives of all 18 ocean carrier members of OCEMA. The Best Practice was designed to minimize burdens on shippers, carriers, terminals and others by providing a standardized U.S. framework for VGM compliance while making as few changes from present practices as possible. It also addresses concerns raised by export shippers regarding container tare weight, gate acceptance, and options for transmitting VGM to carriers.

"Once implemented, the VGM rules will provide for safer, more efficient transportation of containerized cargo. The new rules will require all industry participants to make some changes, but the OCEMA Best Practice is intended to make the process as painless as possible for all stakeholders," said Robert Cannizzaro, Vice President of Marine and Terminal Operations, Hamburg Süd, who chaired the OCEMA VGM special working group.

OCEMA

OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION

The OCEMA Best Practice addresses the technical and operational aspects of implementation of the VGM requirements in the U.S. Specifically, the Best Practice provides guidance as to how ocean carriers will receive VGM from their customers, allowing multiple options to provide data. If a shipper has a personal computer, tablet, or smart phone, there will be options to transmit VGM. The Best Practice also provides clarity on when that information needs to be submitted relative to vessel loading; and identifies how information will be shared with marine terminal operators and vessel operators to facilitate stowage planning.

The Best Practice clearly reaffirms what the IMO rule mandates for all international container vessels – that a container cannot be loaded aboard the vessel without the verified gross mass. "Carriers are faced with a clear legal obligation not to load a container aboard their vessels without the VGM as defined under the IMO rule. That said, OCEMA and its special working group want to do so with as little disruption to existing processes as possible." said Jeff Lawrence, OCEMA Executive Director, "We have 100 days until the rule goes into effect so we need to work together. The Best Practice will help the U.S. export industry and service providers reach the goal of efficient implementation of this important safety initiative."

OCEMA will continue to proactively collaborate with industry stakeholders, including shippers, marine terminal operators, and rail carriers to facilitate compliance with the IMO SOLAS VGM requirements and work to minimize any risk of disruptions in the supply chain. OCEMA's priority is to improve efficiencies at ports and inland facilities across the U.S. and ensure the safe and fluid movement of international ocean freight within the U.S. Information will be available on VGM on OCEMA's website: www.ocema.org. OCEMA welcomes inquiries from industry stakeholders seeking guidance on compliance with the VGM rule and the OCEMA Best Practice. A list of OCEMA members, the Best Practice and Process Map are attached.

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 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, which manages 140,000 chassis at over 200 U.S. intermodal locations.

-30-

FOR MORE INFORMATION, CONTACT:
Jeff Lawrence, OCEMA Executive Director, jlawrence@ocema.org, 202-463-2504
Stacey Normington, OCEMA Administrator, snormington@ocema.org, 202-912-4847

OCEMA

OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION

LIST OF OCEMA MEMBERS

American President Lines
Atlantic Container Line
CMA CGM
COSCO Container Lines
China Shipping Group
Evergreen Marine Corporation
Hamburg-Sud
Hapag-Lloyd
Hyundai Merchant Marine Co.
K Line
Maersk Line
Mediterranean Shipping Co.
Mitsui O.S.K. Lines
NYK Line
Orient Overseas Container Line
United Arab Shipping Company
Yang Ming Marine Transport Corp.
Zim Integrated Shipping Services