

VGM AGTC Annual Convention 2016



US Exporter Disadvantaged and Disruption of US Export Commerce

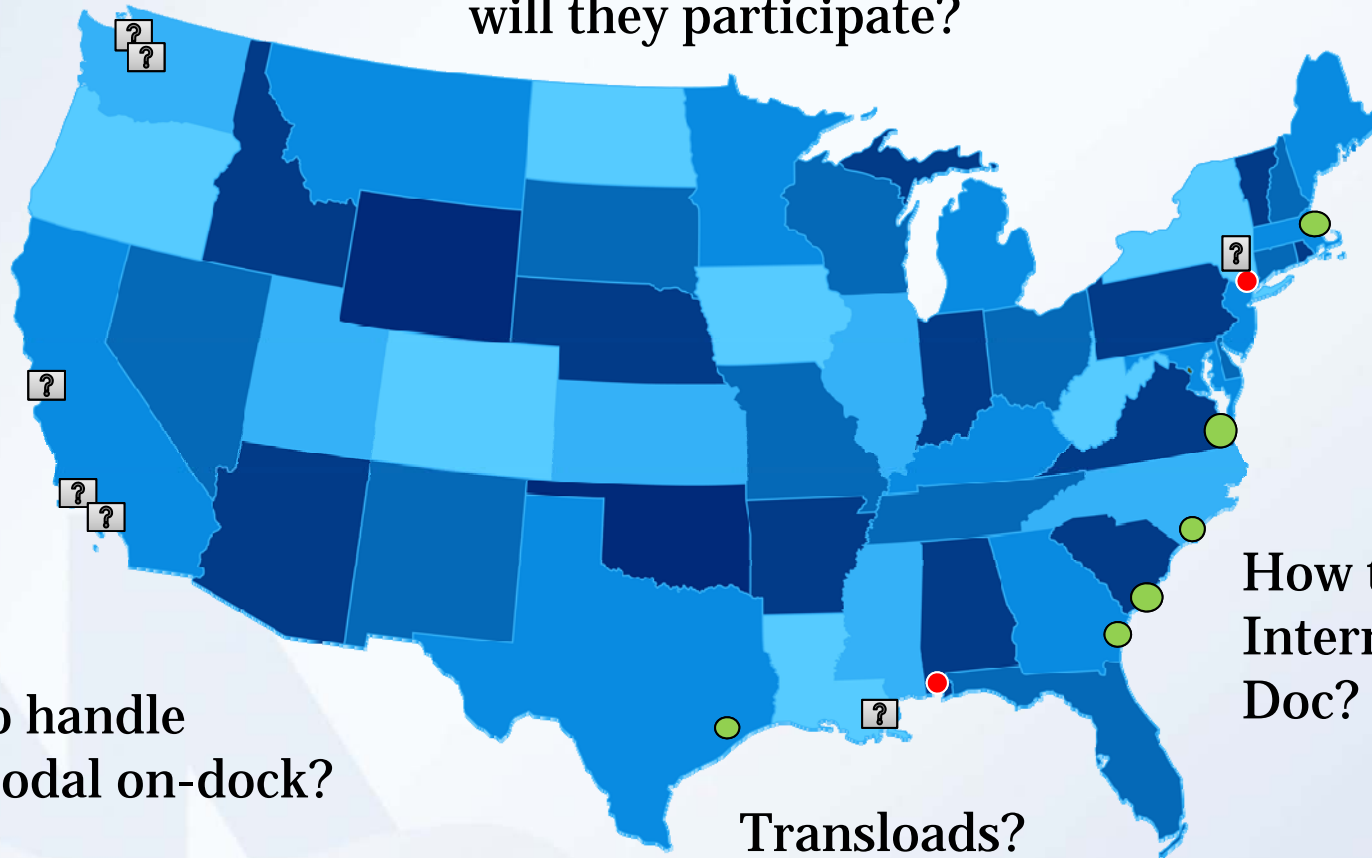
US agriculture and forest products compete with global markets. SOLAS VGM processes have no global consistency. Extra cost and time will disadvantage the US Exporter And threatens to disrupt export supply chains.



Method One: Scaling of Containers

Where are these scales?

Terminal weighing is approved by the USCG Equivalency Bulletin, but will they participate?



How to handle intermodal on-dock?

Transloads?

How to handle Intermodal near Doc?

Method Two: Gross Weight + Tare

Shipper weighs cargo, dunnage, and the tare weight of the container.

What's different with VGM vs Current process of reporting weights?

- **Currently, we send to the carrier gross and net weights and the tare weight is the responsibility of the carrier. This method is approved by the USCG**
- Method 2 Container tare weight variable is now the responsibility of the shipper. We do not own or lease this equipment...ocean carriers do.



Variance

- SOLAS amendment does not provide for a VGM weight tolerance as written.
- AG products and reefer equipment retain moisture.
- Equipment often does not match stenciled weights.
- A variance is acknowledged by OCEMA on behalf of the carriers, but no +/- given because we are told it may be too little or too much. There is some unwritten flexibility here.



Timeline for Doc Submission

No Doc No Load
Cut-off: When is VGM cut??



- Will the terminals accept cargo at the gate?
- How long will it take for the carrier to transmit VGM to the terminal?
- How many more days will the shipper lose?

Cost/Fees/Delays

\$ \$ Increased Supply Chain Costs

- Scaling: Fees?
- EDI Fees?
- Carrier Fees?
- Missed Letters of Credit/Missed Sailings
- Shipment Delays/Lost Shelf Life



US AGTC Position

- **USCG Equivalency Bulletin must be honored**

- **CG has the final word in the United States**

AGTC Supports the United States Coast Guard Equivalency Bulletin which **includes** the following flexible methods to obtain VGM:

1. The shipper and carrier reach agreement whereby the shipper verifies the weight of the cargo, dunnage, and other securing material reported in SLI and the container's tare weight is provided and verified by the carrier.
2. The terminal weighs the container, and when duly authorized, verifies the VGM on behalf of the shipper.
3. **“ Shippers, carriers, terminals, and maritime associations have multiple acceptable methods for providing verified gross mass (VGM)”**