
CANADIAN PROCEDURES FOR OBTAINING VERIFIED GROSS MASS (VGM) FOR CONTAINER EXPORTS

The International Maritime Organization (IMO) adopted amendments to [International Convention for the Safety of Life at Sea \(SOLAS\) Chapter VI, regulation 2](#) to:

- improve container safety;
- enhance maritime safety; and
- reduce the dangers to container ships, their crews and all involved in moving containers through the supply chain.

These new amendments come into force on **July 1st, 2016** under the auspices of the Canada Shipping Act, 2001 and section 104.(1) of the [Cargo, Fumigation and Tackle Regulations \(CFTR\)](#) and require the shipper of a packed container to provide the container's verified gross mass (VGM) to the ocean carrier prior to loading.

The shipper must determine VGM using one of two methods.

Method 1: Weigh the loaded container; or

Method 2: Weigh all the items loaded into the container (including dunnage, securing material, etc.) and add the tare mass of the container to the sum of those single masses.

Transport Canada has released [Ship Safety Bulletin 04/2016](#) and a guidance document, [TP-15330 Canadian Procedure for Verification of the Gross Mass of Packed Containers](#).

The following are Frequently Asked Questions that we have compiled to provide further guidance to shippers exporting cargo by containers in the Pacific Region.

FREQUENTLY ASKED QUESTIONS

1. When does the mandatory requirement take effect?

From July 1, 2016 vessels will not load any packed containers that have not provided a verified gross mass (VGM). This implies that containers scheduled to load on or after July 1st must provide a VGM to the ocean carrier and/or terminal prior to load. It is recommended that containers arriving at the terminal in June for vessels sailing on or after July 1 have a VGM that can be provided to the Ocean Carrier

2. Who is responsible for providing the VGM?

The shipper named on the ocean bill of lading is the party responsible for providing the ocean carrier with the VGM. While the shipper may not have control over key elements of the process by which VGM is determined, the shipper should be aware of their responsibilities and ensure that arrangements are in place to obtain a VGM in compliance with the [SOLAS VI Regulation 2](#) amendments included in section 104(1) the [Cargo, Fumigation and Tackle Regulations](#) under the *Canada Shipping Act*.

3. What is the Ocean Carrier's Responsibility?

The ocean carrier's responsibility is to ensure that every packed container loaded to the vessel has a VGM prior to the commencement of vessel operations at the terminal. The ocean carrier is obligated to advise the marine terminals of any containers that should not be loaded due to the lack of VGM information. Ultimately, the vessel master has discretion on what containers are to be loaded to the vessel.

4. What is the Marine Terminals Responsibility?

Upon timely notification from the ocean carrier, the marine terminal shall only load containers authorized by the ocean carrier. There is no requirement for the ocean carrier or terminal operator to weigh a packed container for which the shipper has already provided the VGM.

5. Do the VGM requirements apply to all laden import and export containers?

All containers that are to be loaded onto an international or domestic vessel (including barges) must comply with VGM requirements as per the *Cargo, Fumigation and Tackle Regulations*.

The only exception applies to containers on a chassis or trailer, and driven on or off a roll on / roll off vessel engaged on:

- an inland voyage,
- a sheltered water voyage,
- a near coastal voyage, or
- Class 2 and near coastal voyage, Class 1.

Containers loaded directly to a barge must comply with the VGM requirements. The operator of the barge or the master of a tug who takes charge of an unoccupied barge carrying packed containers is required to have the VGM for each container prior to loading.

6. Will the VGM requirements apply to containers that are loaded in the US and moved in-transit to Canada for loading to vessel?

The VGM requirement applies to all countries that are signatory to the SOLAS Convention and the US being one of those signatories, will have established acceptable methods for determining the VGM.

Carriers are to accept the VGM produced in another country and as per the [TP-15330](#) section titled, *Recommendation for Intermodal and/or International Movement*, the VGM provided to the next party shall be accepted for the purpose of loading the container onto vessels in Canadian ports.

Methods for obtaining VGM

7. What type of scale is accepted for use under Method 1?

Weighbridges or weighing systems used on lifting equipment certified and calibrated according to standards that meet the requirements of Weights and Measures Act and Regulations or the International Organization of Legal Metrology (IOLM) can provide VGM for packed containers. Authorized service providers for certifying and calibrating scales used under Method 1 can be found on [Industry Canada's website](#).

8. What would be the process for shippers using Method 1 and truck scales?

The truck and chassis can be weighed on a truck scale prior to the container being loaded. Once the container has been packed the entire unit, truck, chassis and container are re-weighed and subtracted from the weight without the container.

If the weighing facility has the capability to lift off the container, the container can be lifted from the chassis and placed directly on a certified weighbridge to determine the VGM. Alternatively a facility may have the ability to weigh the container using certified load cells in their container lift equipment.

9. Will the container terminals have the ability to produce VGM to the ocean carriers via Method 1?

DP World – Vancouver and Prince Rupert - has implemented a weighbridge that meets the requirements set out by Transport Canada. The cost for this service is \$245 per container. DP World has indicated that containers must indicate at time of reservation when weighing services are required. GCT and Fraser Surrey Docks will not have scales on-site to produce the VGM.

10. Under Method 2, what options are available for weighing bulk or breakbulk commodities loaded into containers?

Transport Canada will accept the weight obtained via hopper scales or continuous action loaders, certified by Measurement Canada for the purpose of trade under the Weights and Measures Act and Regulations. Measurement Canada currently performs mandatory inspections in eight sectors: retail petroleum, wholesale petroleum, dairy, retail food, fishing, logging, grain and field crops, and mining. The majority of these inspections are performed by [authorized service providers](#).

11. Under Method 2, what options are available for standard units?

Transport Canada has defined “Predetermined Quantity Package” as any individual original manufacturer sealed package having its gross mass permanently marked on its surface. These weights are to be obtained by scales certified for trade under the *Weights and Measures Act*. The units as defined are not required to be re-weighed for VGM purposes. The number of packages multiplied by the weight of each package is sufficient for determining the weight of the goods. The VGM would be determined by adding the weight the packing material plus the tare weight of the container.

In the event the cargo weight may change between the time it was originally weighed and packaged to when it is loaded in the container, that package does not satisfy the definition of “Predetermined Quantity Package” as not performing its sealing function. Those packages are to be weighed on qualified weighing equipment before being loaded into a container.

It is the shipper’s responsibility for obtaining an accurate VGM using method 1 or 2.

12. Where can the shipper obtain the tare weight of the container?

The tare weight of an ISO compliant container shall be taken as marked on the doors of the container.

13. Will the ocean carriers provide access to the tare weights in advance through a web-portal or other means?

Some ocean carriers may have the ability to provide the tare weight of the individual containers in their inventory via web-portal access. Shippers should check with their ocean carrier to determine if this feature is available.

14. Are there any facilities or depots that will provide weighing services for containers packed under Method 1?

Aside from DP World's services at the container terminals, TDK Logistics has installed certified scaling system that will weigh containers by lifting the container from the chassis, obtaining the weight, and setting it back down on the chassis.

Three other facilities are in the process of having some manner of scaling systems installed: Cratex Industrial Packaging, Euro-Asia and Intact Logistics. Further details will be advised when available.

Transfer of VGM information

15. How can or should the VGM be communicated?

For export shipments moving through marine terminals in the Pacific Region the VGM should be communicated directly to the ocean carrier. The ocean carrier will communicate the VGM to the marine terminal. EDI message sets are being updated to include new VGM data fields.

Ocean carriers are beginning to advise customers on the various methods by which they will accept the VGM information to be transmitted. Different options may include the following:

- VGM EDI (VERMAS / XML)
- Shipping Instruction EDI with VGM (IFTMIN / 304)
- Email – using ocean carrier supplied template
- Ocean carrier Website

Most ocean carriers have advised that the Ocean Bills of Lading will not be amended to include VGM fields.

While some ocean carriers have sent out notices to their customers on their VGM Process, many are still finalizing the documents and hope to send out notification before the start of implementation.

16. What EDI message sets require updating?

The EDI 301 message set will be updated and is undergoing some testing with certain carriers in the region. The EDI 301 is the message set between the carriers and marine terminals. EDI 322 (terminal-rail) message is not expected to change.

17. Is the VGM required in order for the container to be accepted into the marine terminals?

No, export containers arriving at the marine terminals by truck in the Pacific Region will be accepted into the terminal as long as a weight has been pre-advised on the reservation. The weight can be a declared weight if the VGM is not yet available. The terminals will co-ordinate with the ocean carriers for receiving the VGM by the vessel cut-off time.

GCT Global Terminals have advised that they will be able to receive the VGM via EDI from Ocean Carriers that are capable of sending by July 1 2016. Those carriers that are unable to send the VGM by EDI will be required to update the VGM using Webforms. DP World have advised that they will be working with the Ocean Carriers to receive a Flat File until such time they are able to receive EDI which is currently estimated to be in September 2016. FSD (to be updated).

18. When is the latest that the VGM can be transmitted?

The VGM can be declared at time of cargo booking and any time after that prior to ocean carrier's documentation cut-off. Exceptions might be granted for just-in-time cargo, allowing the VGM to be provided upon arrival at the terminal. Each ocean carrier will need to advise the shipper what the VGM cut-off will be for the vessel. In general this will most likely be the same as the documentation cut-off. The ocean carrier will then work directly with the terminal on when the VGM is required for vessel cut-off.

EDI updates are automated to transmit on a frequent basis (less than 15 minute intervals). Until the EDI messages sets are place, each ocean carrier will advise of when the VGM cut-off will be and this may be determined by how the VGM information is provided.

19. Is the VGM required in order for the container to be accepted into the CP or CN Rail Ramps?

Both CP and CN Rail have indicated that they will not require a VGM prior to the loaded container being in-gated at a rail ramp. However, a declared weight will still be required at the rail ramp as per standard procedure.

20. What are the consequences if a shipper fails to provide a VGM prior to vessel cut-off?

Shippers will be subject to any demurrage and re-handling charges assessed by the terminal operators. If the container needs to be removed for weighing purposes arrangements must be coordinated with the ocean carrier.

21. For what time period must the shipper retain the documents proving the calculation the VGM?

A Minimum of 3 months

Enforcement

22. Will Transport Canada conduct random audits of vessels to ensure that a VGM has been provided for each container?

Transport Canada has stated that this is not their intention to carry out any special VGM inspections. TC will continue to conduct on spot inspections of packed containers as part of the existing Port State Control inspection program and Containerized Dangerous Goods inspection program.

23. Will Transport Canada be increasing the level of inspections at the marine terminals?

The enforcement program will be combined with the TC's dangerous goods inspection regime as no new inspectors will be assigned specifically for the new SOLAS requirements initially. This may

change if there is significant level of non-compliance. TC has indicated that it will act upon any complaints or discrepancies that are brought to their attention.

24. What tolerance will be acceptable for the VGM?

The tolerance for determining VGM is limited to the accuracy of the weighing equipment required under the Measurement Canada Regulations. Transport Canada will apply a compliance and enforcement criterion of 5% from the VGM provided up to a maximum of 500kg.

25. What penalties are associated for non-compliance?

Shippers that fail to provide a valid VGM prior to loading will be deemed non-compliant. Penalties will be levied against the shipper and will range between \$600 and \$12,000. Application of penalties will be considered on a case-by-case basis. Transport Canada will not be issuing penalties against the carrier or vessel master for loading containers without a VGM under the [Cargo Fumigation Tackle Regulations](#). Other contraventions under the CFTR may apply to the vessel operator.

26. What are considered “sufficient grounds” for contesting the VGM and the process to establishing the correct VGM?

Any discrepancy between the declared VGM and the actual weight reported to TC may provide sufficient grounds for further inspection by TC although in most cases the 5% criterion will be applied. Transport Canada will begin by checking the documentation, the contents, and if the inspector is not satisfied with how the VGM has been derived, then the re-weighing may be required at the shipper's cost.

27. Are shippers liable for a discrepancy due to an inaccurate tare weight?

Transport Canada has advised that shippers providing VGM under Method 2 will not be held liable for discrepancies attributed to the incorrect tare weight marked on an ISO compliant container.

28. Are the Canadian procedures and enforcement activities harmonized with the US?

The US policy remains unclear at this time.