



10 June 2016

**CPA Administrative Order No. 01 – 2016
Series of 2016**

**TO : All CPA Department & Division Heads
Shipping Lines/Companies
Cargo Handling Service Providers
Logistics Companies
Exporters/Shippers and Others Concerned**

**SUBJECT : Policy and Guidelines on the Mandatory Submission of the
Verified Gross Mass (VGM) of Packed Outbound Foreign
Containers and the Validation Thereof**

Pursuant to Sections 7 and 9 of RA 7621 and CPA Board Resolution No. 464 – 2016 adopted during the 95th Regular Board Meeting of the Cebu Port Commission held on 10 June 2016; CPA Administrative Order 01 – 2000 (CPA General Port Rules and Regulations), and Administrative Order No. 01 – 2008 (Series of 2008) directing the mandatory weighing of outbound foreign container vans to be loaded at the Cebu International Port (CIP); and in compliance with the amendment made by the International Maritime Organization (IMO) on Chapter VI, Part A, Regulation 2 of the Safety of Life at Sea Convention (SOLAS) mandating that effective on 01 July 2016, a packed container must have a verified gross weight as a condition for the loading thereof onto a ship for export, the following policy and guidelines are hereby prescribed:

Section 1. Statement of Policy. – It is the declared policy of the Authority to maintain safety and efficiency in port operation and to comply with International Maritime Organization (IMO) policies and rules and regulations, especially on the Safety of Life at Sea (SOLAS) as regards packed containers that are loaded onto ships for export. These policy and guidelines are prescribed to outline the procedure in determining the Verified Gross Mass (VGM), its submission to the Shipping Lines as well as to the Cargo Handling Service Providers (CHSP) servicing foreign cargoes at the CIP or at any port under the regulation of the Authority, the validation thereof and the gate-in procedure at the port for export containers.



Section 2. Coverage. – This Administrative Order shall apply to all packed containers for export that are loaded onto ships at the CIP and to all ships that carry containers for export whether or not docked at the CIP but in ports located within the territorial jurisdiction of the Authority.

Section 3. Definition of Terms –

- a) **Authority or CPA** – refers to the Cebu Port Authority.
- b) **Cargo Handling Service Provider (CHSP)** – the cargo handling service provider (CHSP) authorized by the Authority by virtue of a cargo handling contract or a permit/accreditation, as the case may be.
- c) **CIP** – refers to the Cebu International Port located at the North Reclamation Area, Cebu City.
- d) **Container** – shall refer to or shall have the same meaning as the term “container” defined in the Container Safety Convention (CSC). Under this policy, a container also means a demountable body as defined in the European Union (EU) standards, or other large sized unit load which can be handled similarly to a container, which is on a flat and which the Carrier has accepted to transport.
- e) **Container Operator** – a person (natural or juridical) providing international transportation of containerized goods.
- f) **Declared VGM** – refers to the VGM of packed containers for export as provided/communicated by the Shippers to the Shipping Lines through the use of the appropriate shipping document/s.
- g) **IMO** – refers to the International Maritime Organization.
- h) **Shipper** – the person (natural or juridical) named or appearing on the bill of lading or the transport document deemed as the actual shipper who will be legally responsible for the declaration of the Verified Gross Mass (VGM) of the loaded container.
- i) **Shipping Lines** – a business that transports cargo aboard ships.
- j) **Truck Scale** – set of scales, usually mounted permanently on a concrete foundation that is used to weigh an entire rail or road vehicles and their contents. By weighing the vehicle both empty and when loaded, the load carried by the vehicle can be calculated.
- k) **Verified Gross Mass (VGM)** – the total gross mass of a packed container including the tare (weight when empty) of the container.

Section 4. Basic Principles. –

- 4.1 The responsibility for obtaining and documenting the Verified Gross Mass (VGM) of a packed container lies with the Shipper.
- 4.2 A container packed with packages and cargo items should not be loaded onto a ship to which the SOLAS regulations apply unless the Master of the ship or his representative and the CHSP have been provided with, in advance of vessel loading, the actual Verified Gross Mass of the container.
- 4.3 The purpose of this SOLAS regulation is to obtain an accurate gross mass of packed containers that are moved through the supply chain prior to loading aboard a ship.

Section 5. Determination of the VGM. – Under Chapter VI, Part A, Regulation 2 of the Safety of Life at Sea Convention (SOLAS), the VGM of a packed container shall be determined by the Shipper through either of the following methods:

- a. Weighing – After it is packed and sealed, the container can be weighed; or
- b. Calculating – Packages and cargo items may be individually packed and weighed and added to the tare of the container.

Section 6. Submission of the Container's VGM by the Shipper to the Shipping Lines. – The VGM of the packed container for export shall then be communicated by the Shipper to the Shipping lines in a shipping document duly signed by the Shipper or his/her/its authorized representative.

Section 7. Mandatory Submission of the Shipper-Declared VGM of Packed Containers by the Shipping Lines to the CHSP Servicing Foreign Cargoes at CIP. – The Shipper-declared VGM of the packed outbound foreign containers shall thereafter be submitted by the Shipping Lines to the CHSP servicing foreign cargoes at the CIP in advance of ship loading, otherwise, packed containers for export without a declared VGM duly submitted in accordance with herein provision shall be refused gate-in or entrance into the CIP.

Section 8. Validation of the Shipper-Declared VGM of Packed Containers for Export by the Cargo Handling Operator. – Upon delivery of the Shipper's packed outbound container to the CIP for receiving/gate-in, the same shall undergo mandatory weighing in accordance with and for the purposes mentioned in CPA Administrative Order No. 01-2008 (Policy and Guidelines for Mandatory Weighing of Loaded Outbound Foreign Container Vans) dated 28 February 2008, by the Truck Scale Facility/ies of the aforementioned CHSP which is/are duly

authorized by the Authority. Additionally, the weighing of the subject container shall also be used in validating the Shipper-declared VGM submitted to the said CHSP in accordance with Section 7 hereof.

Section 9. Discrepancies in Gross Mass; Consequences. – In case there is inconsistency/discrepancy between the Shipper-declared VGM of the subject containers (as provided to the CHSP by the Shipping Lines in accordance with Section 7 hereof) and the VGM of these containers obtained under Section 8 hereof by the CHSP, the latter shall prevail. After the validation of a container's declared VGM by the CHSP, the guidelines shall be as follows:

9.1 The validated VGM shall be considered the final VGM of the subject container to be used for stowage purposes by the Shipping Lines and the CHSP. Thus, the validated VGM shall be made available by the CHSP to the Shipping Lines.

9.2 When the declared VGM differs with the validated VGM beyond the tolerable margin of error as specified in Section 10 hereof, the amendment of the appropriate shipping document/s by the Shipper may be required by the Shipping Lines to effect the correction of the declared VGM in accordance with the procedures established by them.

Section 10. Tolerable Margin of VGM. – A margin of error of plus (+) or minus (-) one (1) ton of a packed container's declared VGM with that of its validated VGM, shall be considered tolerable for the purpose of this policy.

Section 11. Posting of the Validated VGM. – The validated VGM of a packed outbound foreign container shall visually appear on an all-weather heavy-duty sticker on the container duly signed by the Shipper or his/her/its authorized representative.

Section 12. Payment of Container Weighing Fee and Sticker. – The cost of the weighing of a packed container for VGM validation as established in Section 8 hereof, including the cost of the all-weather heavy-duty sticker to be provided by the authorized weighing facility/ies at the CIP or at any port under the regulation of the Authority, shall be on the Shipper's account.

Section 13. Supplementary Guidelines. – The General Manager of the Authority shall issue supplementary guidelines as may be necessary for the effective implementation of this Order or as may be necessary to comply with relevant IMO standards and requirements.

Section 14. Penalty for Violation. – Without prejudice to the other legal remedies available to the Authority, persons or entities found in violation of any

provision of this Order who have been issued permits/accreditation by the Authority shall suffer the penalty of suspension or revocation of such permit/accreditation, without need of judicial proceedings, after due notice and hearing.

Section 15. Separability Clause. – Any provision of this Order that may be declared unlawful by a competent court shall not affect the other provisions to which such declaration does not apply and will continue to be in full force and effect.

Section 16. Repealing Clause. – All orders, circulars and other issuances inconsistent with the provisions hereof are hereby repealed or modified accordingly.

Section 17. Effectivity. – This Order shall take effect on 01 July 2016 after two (2) publications in a newspaper of general circulation and three (3) copies thereof submitted to the UP Law Center.

APPROVED.

VADM EDMUND C TAN PCG (Ret)
CPA General Manager & CPC Vice Chair

