

Ruj. Tuan:
Ruj. Kami: LPK: JOSC/100-6/2/9 Jld. 4 (2)
Tarikh : 3 June 2016

Dear Sir,

RE: IMPLEMENTATION OF SOLAS VI AMENDMENT ON VERIFIED GROSS MASS (VGM)

We refer to the Circular sent out to all Terminal Operators with regards to the above subject.

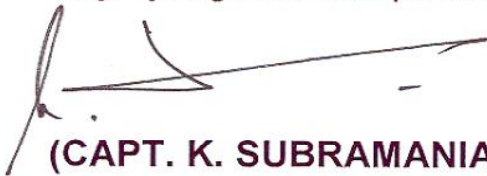
2. We are pleased to inform that Port Klang Authority has deliberated with Northport (M) Berhad and Westports (Malaysia) Sdn Bhd on the arising matters in relation to the Implementation of VGM in Port Klang.

3. Please find enclosed herewith our feedback, for your kind attention

Thank you.

'BERKHIDMAT UNTUK NEGARA'

Saya yang menurut perintah,



(CAPT. K. SUBRAMANIAM)

Assistant General Manager (Operations & Regulatory)
Port Klang Authority

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c.c Northport (M) Bhd.
Jalan Pelabuhan, Pelabuhan Utara
42000 PELABUHAN KLANG
(Att: PN. NORZALINDA MOHAMED)

Westports (Malaysia) Sdn. Bhd.
P.O. Box 266, Pelabuhan Barat
Pulau Indah
42009 PELABUHAN KLANG
(Att: MR. PADMAKUMAR RAMACHANDRAN)

DISTRIBUTION LIST:

- 1. COSCO SHIPPING LINES CO. LTD**
c/o Coscon (M) Sdn Bhd
19.03 & 19.04B, The Pinnacle
Persiaran Lagoon, Bandar Sunway
46150 PETALING JAYA
- 2. CMA CGM MALAYSIA SDN BHD**
A-33A-11 Level 33A Menara UOA Bangsar
No. 5 Jlan Bangsar Utama 1
59000 KUALA LUMPUR
- 3. HAMBURG-SUDAMERIKANISCHE DAMPFSCHIFFFAHRTS-GESELLSCHAFT KG
(HAMBURG SUD)**
c/o Ben Line Agencies (Malaysia) Sdn Bhd
Unit 3.4, 3rd Floor Block B, Wisma PTP
Jalan Pelabuhan Tanjung Pelepas
81560 GELANG PATAH
- 4. HANJIN SHIPPING LINE (M) SDN BHD**
No. 2 Jalan SS 16/4
47500 SUBANG JAYA
- 5. HAPAG-LLOYD (MALAYSIA) SDN BHD**
45th Floor North Wing
Menara TM
59200 KUALA LUMPUR
- 6. KAWASAKI KISEN KAISHA LTD**
c/o K Line Maritime (Malaysia) Sdn Bhd
Level 15-02 Plaza Masalam
Jalan Tengku Ampuan Zabedah E9/E, Section 9
40100 SHAH ALAM
- 7. MAERSK LINE A/S**
c/o Maersk Malaysia Sdn Bhd
Suite C5-8 & D5-8 Level 6
Sky Park @ One City
Jalan USJ 25/1
47650 SUBANG JAYA
- 8. MEDITERRANEAN SHIPPING COMPANY (M) SDN BHD**
No. 1, 2nd Floor Lorong Tiara 1B
Bandar Baru Klang
41150 KLANG

9. MITSUI OSK LINES (MALAYSIA) SDN BHD

Suite A-06-01 Level 6 Empire Tower 1

Empire Subang

Jalan SS 16

47500 SUBANG JAYA

10. ORIENT OVERSEAS CONTAINER LINE (M) SDN BHD

Unit 10.2 Level 10 Menara Axis

No. 2 Jalan 51A/223

46100 PETALING JAYA

11. UNITED ARAB SHIPPING AGENCY COMPANY (M) SDN BHD

Suite 6.01 Level 6 IMS2

No. 88 Jalan Batai Laut 4

Taman Intan

41300 KLANG

12. X-PRESS FEEDER

c/o Sea Consortium Sdn Bhd

Persiaran Sukan, Section 13

40100 SHAH ALAM

13. YANG MING MARINE TRANSPORT CORPORATION

c/o Yang Ming Line (M) Sdn Bhd

Suite 12.01 Level 12 Menara Trend

No. 68 Jalan Batai Laut 4

Taman Intan

41300 KLANG



RE: IMPLEMENTATION OF SOLAS VI AMENDMENT ON VERIFIED GROSS MASS (VGM)

No-Reweighing

For now, PKA has instructed the Terminal Operators to reweigh (verify) all containers coming into the terminal, including the containers with VGM's obtained outside the port. This is to ensure that there are no discrepancies on the VGM submitted so that the accuracy and credibility are not called into question by the Shipping Lines, should there be any incident.

Reporting in Case of Weight Discrepancies

It was agreed by SAM at the PKA meeting that in cases of discrepancy beyond the $\pm 5\%$ variance between the Shipper VGM and terminal weighing, the Terminal Operator's VGM will be adopted and will be revised accordingly.

In cases where the verified weight is discovered to be above the maximum gross weight (MGW) of the container, a rejection is done at the Gate.

The above differs from the 1 tonne variance the letter stipulates, which was never discussed not agreed by any parties.

Gate Procedures

Terminal Operators will not allow any container without a valid VGM to enter the terminal. This is controlled by the Port Klang Net system where all containers must be declared by the Shipper or his Forwarding Agent with VGM or with the instruction to request for "port terminal to weigh".

This pre-requisite would allow the Terminal Operator gates to manage the entry of every container. As verification or weighing will be done at the Gate and not after gate-in at the Container Yard (CY), allowing verification or weighing to take place after gate-in will simply create yard congestion.

As for the Terminal Operator, the pre-requisite is in the Haulage Pre-Arrival Booking System.

Transshipment Units and Units Discharged from Feeder Carriers

For transshipment containers, the onus is on the loading ports to provide the SOLAS declaration details through the first Carriers or his Shipping Agents. We will upgrade our existing BAPLIE EDI to version 2.2 to support the transmission of this info from the previous port of call and vessel operators.

VGM Data Flow

Carriers need not take any action here. In Port Klang, the Shippers or Forwarding Agents will be declaring the SOLAS details in Port Klang Net online system and data from here will be transmitted seamlessly (by VERMAS) to the Terminal Operator. The COPARN method suggested in the letter will not work for Port Klang as more often the Liners provide the EDI as an open booking to the Terminal Operator without container numbers being nominated.

Data Flow from Terminal Operator to Carriers

Terminal Operators will make available the VERMAS EDI to Liners upon container gate-in. The Terminal Operators will also enhance the existing CODECO and COARRI EDIs to carry the VGM weight for SOLAS related containers instead of the booking estimated weight. BAPLIE OUT EDI version 2.2 will also be made available by the Terminal Operators.

Tolerance and Accuracy

All parties will strive to provide accurate weights in accordance to accuracy levels set by the Malaysian Government. The Ministry of Transport has allowed a tolerance level of $\pm 5\%$ of the submitted VGM for the time being so as not to disrupt the logistics flow. It is the objective of the Government to reduce the tolerance levels gradually and eventually comply with the calibration accuracy levels prescribed.

The SOLAS process flow for Port Klang has now been finalized by PKA through several meetings with the industry players including SAM members and these SOPs have been approved by the Ministry of Transport.

Attached herewith is the Standard Operating Procedure (SOP) for SOLAS-VGM proposed for Port Klang.