

USA ADVISORY

Safety Of Life At Sea (SOLAS) - Update

USA Distribution - June 1, 2016

Dear USA Valued Customers,

Update to our May 9th USA SOLAS advisory.

Vanguard has conducted market research with its customers and has determined there is a preference for a single flat LCL charge for VGM related activity. As such Vanguard has elected to adopt a per Bill of Lading charge for LCL export cargo (as opposed to a previously communicated rate per 1000 kg/cubic meter). The amount of the revised fee will be US\$25 per Bill of Lading, which will be inclusive of administration fees.

For LCL cargo, Vanguard will not require a VGM submission. As always, we do expect an accurate cargo weight be submitted as part of the customary shipping documents. To clarify, there is no VGM for LCL cargo according to the SOLAS amendment and as such, requesting certification from shippers or their forwarders has no merit. SOLAS regulations apply only to the packed container which is tendered to the ocean Carrier. It is Vanguard's responsibility as the master consolidator to submit a VGM in a timely manner to ensure it meets SOLAS requirements and in order to maintain its schedule integrity.

For FCL cargo, Vanguard will assess a VGM Administration fee of US\$25 per container plus US\$10 for each additional container on the bill of lading. This will be regardless of which party obtains the VGM, the customer or Vanguard. Should Vanguard be requested to obtain the VGM, additional charges such as weigh ticket, driver waiting time, additional drayage(s), re-delivery, repositioning and any and all other applicable out of pocket expenses will apply.

VGM Fee(s):

LCL: \$25 per Bill of Lading

FCL: \$25 for 1st container, \$10 for each additional container on the same Bill of Lading.

We will continue to monitor developments and keep you informed through further updates.

Vanguard Logistics Services

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