



SEP 8 1999

EOD-53

United States
Department of
Agriculture

Commodity Credit
Corporation

1400 Independence
Avenue, SW
Stop 0551

Washington, DC
20250-0551

NOTICE TO THE TRADE VESSEL LOADING OBSERVATIONS

This is to advise steamship lines and other interested parties that the vessel loading observation (VLO) procedure will continue to be required for all shipments made under P.L. 480, Titles II & III, Section 416(b), and Food For Progress. Steamship lines are no longer responsible for reimbursing the Federal Grain Inspection Service (FGIS) for work performed under the VLO procedure. Until further notice, the invoicing and payment of VLO's will be directly administered by the Commodity Credit Corporation (CCC) in cooperation with the Agency for International Development and the Foreign Agricultural Service.

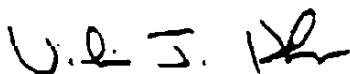
CCC is committed to ensuring the quality and safety of commodities provided under Government-sponsored foreign food assistance programs. The VLO procedure, where steamship, barge, and container loading operations are monitored by FGIS, has significantly reduced the levels of lost, damaged, and adulterated commodities that had been routinely delivered overseas. In addition, the VLO procedure has eliminated the incidence of catastrophic loss and damage to commodities due to substandard loading practices.

Steamship lines must contact FGIS prior to steamship/conveyance loading operations to ensure FGIS is present during the loadings. No loading of commodities into any ocean conveyance under P.L. 480, Titles II & III, Section 416(b), or Food For Progress is to commence without FGIS being present. The steamship line must provide as much assistance as necessary to expedite the vessel loading observations and must take such corrective actions as necessary to rectify any noted deficiencies. Steamship lines must designate, and make readily available to the FGIS inspector, an individual(s) at the loading location to ensure that the steamship line is made aware of, and corrects, any deficiencies or detrimental loading conditions observed by FGIS during the cargo loading operations.

FGIS and the steamship line, or its representative, must verify the amount of damage and co-sign the FGIS daily commodity loss/damage work record at the end of loading



operations every day. The steamship line must obtain a copy of the completed VLO - Commodity Inspection Certificate from FGIS and submit the certificate, as part of the invoice package for payment of ocean freight, to verify that the VLO was performed. Questions regarding this notice or the VLO procedure should be directed to the Kansas City Commodity Office (816/926-6045).



Vicki J. Hicks
Deputy Vice President
Commodity Credit Corporation



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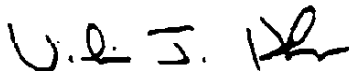
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