Container Weight Verification

FIATA MTI
Zurich

SOLAS Amendment
State of Play

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SOLAS – who decided?

FIATA has no official status with the IMO
FIATA lobbying was limited to written submission
….our input should have gotten more attention by the IMO

SOLAS refers to Safety Of Life At Sea
but… the amendment has a serious impact on operational practices between various parties involved in the supply chain…… on shore.

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Deadline….July 1st, 2016

In less than 4 month from now……it will be illegal for shipping lines to ship a container without a Verified Gross Mass (VGM).

Many questions still remain unanswered …widespread frustration about lack of information from key parties such as shipping lines, terminals and government agencies.
World Shipping Council FAQ

The WSC FAQ documentation is nice and comprehensive

But absolutely no proposals or solutions how the trade is going to deal with it practically in its day to day operation.

Shipping Lines have no answers and their head offices do not provide any guidelines either.
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Global mess of information

Also.....

rules and legal enforcement are likely to vary among countries, ocean carriers and marine terminals.....

...making this rule potentially a big headache for the trade to comply with.
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Who is ready?

less than 4 months to go
no single country or port that seems ready
no clear guidelines on how to deal with it.

Countries of the European Community take a different approach
making it even more difficult for the trade to deal with it.

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Feasibility of enforcement date: July 1\textsuperscript{st}, 2016

Stakeholders do not seem to be ready

China? India?

Can SOLAS be introduced without seriously disrupt trade?

....???????????
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Issues for discussion

- Forwarders acting as Carrier
- Consolidators
- Loading List (VGM data) / Manifest (BL data)
- Margin of Error (Accuracy)
- Documentation / Transmission of the VGM
- Tare weight of the Container
- Certification Programs
- Container Terminals / Shipping Lines
- Legal enforcement
- Options for delay

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Forwarder acting as Carrier

FIATA Information Paper.

Document that was drafted by this working group -
- excellent document
- highly used and appreciated by Members
- recognised also outside FIATA
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Forwarder acting as Carrier

common practise for Forwarder
issue own B/L
acting as carrier
….and consequently as shipper in the OBL

But
the Forwarder may not load the container
actual shipper may have M2 VGM
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Forwarder acting as Carrier

VGM: M1 for Forwarder plus M2 done by Shipper

- extra costs and handling
- pressure on already strained infrastructure
- commercial disadvantage of the Forwarders.
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Forwarder acting as Carrier

FIATA strongly recommends that procedures are identified for the forwarder acting as carrier to create a separate document that follows the verified weight as provided by the actual shipper.
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Forwarder acting as Consolidator

- even more complex
- LCL Shipper does not fall under SOLAS
- it is the Consolidator who packs the container
- not practical to weight each LCL piece

FIATA proposal:
Consolidators to issue their own VGMs
allowed to work on procedures to combine and
sum up the total of all single (LCL) VGMs
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Loading List (VGM data) and Manifest (BL data)

- Loading List – VGM data incl. tare weight
- Manifest – BL data, gross weight of goods
- Loading List is said to remain a separate doc
- to be used at origin - only
- Loading List
  = No link to the manifest with BL data
  = No link to customs at destination

Very important distinction!!!

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Loading List (VGM data) and Manifest (BL data)

A separation of Loading List and Manifest would allow Consolidators

- to weight the whole container using M1 = fully comply with SOLAS

- to add all single FBL’s to declare the OBL weight = follow current procedures
Margin of Error (Accuracy)

- no provision in SOLAS for any margin of error
- BUT tolerance is required
  → for natural variations
  → for inaccurate tare weights

But no invitation for VGM to be estimated
Accuracy is expected.
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Margin of Error (Accuracy)

- widespread use of 5% (UK, CH, NL, FR)
- makes sense, trials carried out in NL

But no common global approach

European paradox?
BE goes for 2% with FR, DE, NL and CH for 5%
→ how is the trade going to deal with it?
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Documentation / Transmission of the VGM

SOLAS: the Shipper must communicate the VGM
- in a shipping document
- well in advance of loading

subject to commercial agreements

When? How? To Whom? Format? eVGM?
Cut off? What if no VGM?

....no answers....
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The tare weight of a Container (M2)

- Container tare weight is part of the VGM
- But... tare weights are not accurate
  Repairs / changes may lead to variations of up to 200 – 300 kgs.

M2 = Shipper is liable for the accuracy of tare weight

Legal implication?

Timely provision of the tare weight:
  Too late when positioned for M2 certified?
Government Certification Programs

Government Agencies seem to lack time and resources
Mainly refer to existing accreditation schemes
Not finalised, but many countries recognise existing audited certification schemes:
AEO, ISO, ERP data
- other documented weighing procedures
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Government Certification Programs

Latest development: US Coast Guard announced - they wont get involved in a policing role

Argument
- the regulation applies to loading of ships which must be dealt with between shipping line, terminal and the shipper.
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Container Terminals

Different statements (rumours?)
- some say to invest and weight
- some may refuse entry without VGM

Non compliant containers become an exception
- must be treated differently from others
- must be taken aside and out of the system
- already strained due to mega ships and peaks
→ Nightmare for highly automated terminals!
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Container Terminals

High legal responsibility!
Are not supposed to load non compliant containers!

How are VGMs communicated to the terminals?
Will terminals “gate in” non compliant containers?
Exceptions? Will all Shippers get the same treatment?
What are the additional charges?
Delays?
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Legal enforcement

Shipping Lines and Terminals

Have no mandate or legal obligation to
- control the weight (VGM)
- convey the VGM to the authorities

They will be obliged to ensure that the VGM documentation is available and compliant
Legal enforcement

Enforced by the maritime authorities of countries

Authorities may implement measures to check compliance

Focus is likely on random check of documentation
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Options for delay

SOLAS contracting states can be asked for exemption for a period of one year.

But SOLAS foresees a link between ships flying the flag of the contracting state and shippers in the same contracting state.

Only ships flying the flag of the exempt state would be able to load containers without a valid VGM.
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Options for delay

Example:
If Belgium decided to defer
containers loaded in Belgium on non Belgium flag ships would require a valid VGM

The impact is very limited.
Process for delay

Other process for delay:

adoption of an IMO / MSC resolution
calling on states not to enforce
for a limited period of time

Is this likely? We don’t know……
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FIATA WG SEA Recommendation

Read the WG SEA Report available with the secretariat
All items for discussion are covered!

Follow up and lobby on local level to government authorities and the stakeholders involved
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FIATA WG SEA Press Release

“It is clear from FIATA Member feedback that many countries are getting prepared for the forthcoming changes but there is an alarming lack of information from the shipping lines on how they will receive the VGM. FIATA urges shipping lines to communicate with the trade so that preparations for July 1st can be finalised.”
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Thank You!