



Five changes every shipper should prepare for

JOC Staff | Nov 13, 2015 11:23AM EST

If you thought 2015 was unpredictable for supply chains, just wait for the changes coming down the road next year. From global container weight rules to the roll-out of the long-delayed U.S. Customs and Border Protection's Automated Commercial Environment, or "single window," here are new major issues shippers and their transportation providers need to prepare for.

Container weight mandate

Effective July 1, 2016, in accordance with a new International Maritime Organization regulation, all containers must have verified weight documents if they are to be loaded onto a ship. Too few shippers and government agencies are ready for the major rules, and details are murky. [What is known](#) is that there are options to meet the regulations. The first option is to weigh a container on a truck as it passes over a weigh station, subtracting the weight of the truck, chassis and container to determine the weight of the load inside. The second option is to weigh each item going into a container and find the sum of all the goods loaded. If the necessary documentation is not provided to the terminal and carrier along with the container, it will not be loaded on the ship.

Electronic logging devices for US trucks

The U.S. mandate requiring electronic logging for truckers to track their driving time was originally supposed to be published in September but has since been pushed back; its final date is uncertain. The mandate is expected to reduce trucking capacity in the short term because smaller operators will have a harder time skirting hours-of-service rules. In the longer term, the information they provide may allow for trucking firms to better utilize their assets, [unlocking capacity and profits for carriers](#).

U.S. Customs' Automated Commercial Environment

Like electronic logging, this government mandate for U.S. Customs and Border Protection's Automated Commercial Environment has also been pushed back beyond its original date of implementation. ACE is a "single window" that allows shippers to file the array of documents various government agencies require for importing and exporting goods in a single, online portal. The original November deadline has been pushed back to February. ACE is expected to lower costs and save time for shippers. Trade groups are urging Customs to make sure [the process goes smoothly](#) and not like Australia's bungled roll-out of a similar program.

Waves of consolidation

Merger and acquisition activity is rampant in the transportation sector, affecting logistics services providers, trucking firms and ocean carriers. This could mean higher rates and fewer service options for shippers. On the logistics front, FedEx has [purchased TNT Express](#), UPS acquired [Coyote Logistics](#), and [XPO Logistics bought Norbert Dentressangle in France and Con-way Freight in the U.S.](#) as large transport providers seek to secure and improve their market standing. Trucking companies have also been consolidating, often in search of localized expertise in particular markets. Examples of this include Daseke's [numerous acquisitions](#) nationwide in recent years and [Roadrunner's purchase of Stagecoach Cartage and Distribution](#) to gain a foothold in

Mexico. While trucking and logistics firms have been consolidating willfully to grow their business, consolidation in the maritime industry seems to have been forced by overcapacity, causing weak rates. Mergers being floated include Neptune Orient Lines, the parent company of APL, [with either CMA CGM or Maersk Line](#), and [the tie-up](#) of Cosco and China Shipping Container Lines.

Expanded Panama Canal

The [new Panama Canal locks](#), expected to open in April 2016, will roughly triple the size of ships that are able to transit the waterway from 5,000 20-foot-equivalent units to 14,000 TEUs, boosting available capacity. The economies of scale that carriers will gain may be passed on to shippers through lower rates, potentially spurring the latter to shift more cargo from the West Coast to the East Coast. The expansion hasn't been without its difficulties, however. The most recent issue is the [discovery of leaks](#) in the sill of the Pacific side locks, but the Panama Canal Authority says the repairs won't impact the scheduled opening. Even if the April deadline is met, the expansion will be a year-and-a-half behind the original opening date of October 2014 and about \$100 million over the original budget.