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New Shipping Container Rule Riles Exporters

Shippers say they will struggle to comply with a new requirement to weigh containers before they're loaded on ships, a step carriers say will reduce accidents

A new rule will require shippers to vouch for the weight of their containers. Underestimating container weights has been blamed for some recent maritime disasters, including the MSC Napoli, which suffered hull damage during a storm off the U.K. coast in 2007.

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Retailers, manufacturers and farmers world-wide are protesting a new marine shipping safety rule they say will raise transport costs and cause delays at ports worldwide.

The rule, which kicks in next July in 171 countries, requires exporters to certify the weight of containers before they're loaded onto ships. Carriers say accurate weights are needed because overloaded containers frequently damage cargo and even cause ships to capsize.

But shippers in many countries say they are ill-equipped to weigh so many containers. Some say they learned about the rule only recently and are still in the dark about key details, including how it will be enforced. In a survey of shippers, carriers, and others involved in global trade conducted by container booker Intra Inc., 57% of respondents were only vaguely familiar or not aware of the rule, and nearly 60% did not believe shippers would be ready by July.

“The industry has been slow in making shippers aware,” said Juerg Bandle, senior vice president of sea freight for Swiss logistics company Kuehne + Nagel International AG. “Now the industry

The conflict over the new rule shows how the shipping industry is struggling to balance safety and speed. Shipping lines have in recent years rolled out large ships capable of carrying as many as 20,000 containers, lowering overall expenses but raising the potential cost of an accident. Meanwhile, shippers fret about even short delays as they are under pressure to deliver goods faster to consumers and businesses.

A too-heavy container can crush cargo underneath, cause a stack to topple, putting a vessel in danger. The World Shipping Council estimates an average of nearly 1,700 containers were lost at sea annually between 2008 and 2013, though that's a small fraction of over 120 million shipped annually.

Over the last few years, a committee including government representatives and shipping industry associations drew up rules for mandatory weighing, which were adopted last year by the International Maritime Organization, an arm of the United Nations that regulates shipping safety. The new rule was adopted as an amendment to IMO's Safety of Life at Sea Convention, known as SOLAS, an international treaty concerning the safety of merchant ships.

Starting in July, shippers must either weigh filled containers or add up the weight of the box and its contents. Experts say this could make shippers liable if an incorrect weight is found to have caused damage to a ship or its cargo.

Shippers that already weigh their cargo may simply have to submit additional documentation. Others may need to buy scales, or pay for certified weighing services, which would add time and expense when transporting goods to ports.

"There is serious concern that there are not even enough third-party scale providers to handle this service for the heavy container volumes," said Beverly Altimore, executive director of the U.S. Shippers Association.

The U.S. Coast Guard hasn't released details of how it will enforce the weighing rule and declined to say when it would. China's Ministry of Transportation has been conducting a trial run at Shenzhen's Yantian Port since September, an official said. The ministry will issue regulations and guidance on the rule in the first half of next year, the official said.

The China Shippers' Association, representing importers and exporters, has expressed concerns to the ministry that the rule would "incur additional charges and reduce efficiency to the supply chain process," said Cai Jiexiang, the group's vice chairman.

The World Shipping Council, representing carriers, said shippers have enough information to comply.

“Nobody should be waiting for national guidelines before taking steps to implement the weight requirement,” said John Butler, the group’s president.

Carriers and ports say they plan to enforce the IMO’s rules starting in July. [Hapag-Lloyd](#)AG, the fourth-biggest container line by volume, will leave containers that are too heavy at the docks, a spokesman said.

Terminal operators at the Port Authority of New York and New Jersey plan to turn away containers if they aren’t certified, said Bethann Rooney, assistant director of the Port Authority’s commerce department.

APM Terminals, the port terminal-operating unit of Danish conglomerate [A.P. Moller-Maersk](#) A/S, may offer weighing services to shippers for a fee, said Thomas Boyd, a spokesman. APM would set up scales near its ports, and is still working out pricing, he said.

Still, shippers say meeting the IMO’s standards will be difficult. Crops such as cotton and lumber can swell in humid environments, increasing their weight, said Peter Friedmann, executive director of the Agriculture Transportation Coalition. He said his group will ask the Coast Guard for a 6% or 7% margin of error.

“Putting the entire burden on the shipper is not fair,” he said.

--Joanne Chiu contributed to this article.

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