



Ag exporters want US congressional inquiry into box-weight rule

Joseph Bonney, Senior Editor | Feb 09, 2016 3:52PM EST

The Agriculture Transportation Coalition said a new international [container weight verification rule](#) threatens U.S. exporters with lost business and supply chain “turmoil,” and warrants a congressional inquiry.

AgTC did not propose that Congress try to block the rule from taking effect July 1. The mandate comes from the International Maritime Organization, and the U.S. Coast Guard [has already said](#) the United Nations body would have to approve any delay.

In a [position paper](#), AgTC called for intensified industry-government cooperation to solve problems with the new container weight rule developed by the International Maritime Organization under the Safety of Life At Sea convention, or SOLAS.

AgTC offered several options, including [delaying the scheduled July 1 implementation](#) of the new rule until there’s agreement on how it can be implemented without disrupting commerce. AgTC also suggested that Congress look into the issue.

“We believe this situation, and the need to avoid similar circumstances in the future, warrants a congressional inquiry into the International Maritime Organization process, the means by which the United States can be bound, and how this rule was adopted without U.S. exporter or importer notice or input, or consideration of impact on (the) U.S. economy,” AgTC said.

Rear Admiral Paul Thomas, the U.S. Coast Guard's assistant commandant for prevention policy, has said any delay in U.S. implementation would have to be at the direction of the IMO.

The Senate Commerce, Science and Transportation Committee “is making inquiries about the impact of the mandate,” said Frederick Hill, communications director for Sen. John Thune, R-S.D., the committee’s chairman.

Thune has been a supporter of agricultural exporters, having pushed for faster responses to shippers’ rail complaints via a Surface Transportation Board reform bill and last year highlighting how U.S. West Coast port congestion was crippling exports. He was also instrumental in pushing the Department of Transportation to [create metrics on port productivity](#).

AgTC’s position paper comes amid growing concern that governments and the shipping industry are unprepared for the new SOLAS rule, which requires shippers to provide ocean carriers with certification of a shipment’s Verified Gross Mass — the combined weight of a container and its contents.

How to meet the container weight mandate

As a shipper, what are your options?

METHOD 1
Take a loaded container over a **weighbridge**, subtract the weight of the truck, chassis, and fuel to get the weight of the packed container.

METHOD 2
Weigh each item – including its packaging, palleting, dunnage and other packing and securing materials – going into the box. Add that sum to the weight of the container to find the weight of the packed container.

TOTAL WEIGHT - TRUCK, FUEL, etc. = LOADED WEIGHT

GOODS + PACKING, etc. + CONTAINER = LOADED WEIGHT

Scales must be certified and calibrated in line with the national standards of the country where the weighing occurred and Method 2 is subject to national certification and approval.

What are you required to do?

Provide a document signed by the shipper to the shipping line and terminal declaring that the **shipper verified** the weight and that it was weighed properly.

The SOLAS amendment will be enforced by the coast guard or other agency responsible for SOLAS regulations in a given country and punishments for violations will vary by country.

What happens in the case of noncompliance?

There are all kind of possibilities for what could happen to the box that failed to provide the certified weight document but none are settled.

Terminals may choose to hold a container or send it back, but whatever happens, the ship will leave and the container will not.

The rule was established in response to complaints that inaccurate container weights, coupled with shipper misdeclaration of cargo, are creating hazards at sea. AgTC said the IMO's SOLAS committee "did not reference any instance where a ship had been damaged or sunk exclusively due to overweight (or) under-reported containers."

Shippers, ocean carriers, terminal operators and governments are scrambling to figure out how to comply with the new rule. In the U.S., container lines [have given](#) their Ocean Container Equipment Management Association the task of figuring out how to get the VGM information from shipper to terminal operator and carrier.

When the SOLAS rule takes effect, shippers will be required to weigh their cargo using one of two methods and provide a signed VGM to the carrier. Carriers and terminal operators will be prohibited from loading containers not accompanied by the VGM.

AgTC said U.S. shippers weren't consulted during the IMO deliberations. "The rule was never submitted to Congress, no committee or subcommittee of Congress ever reviewed it. It was not reviewed or approved by a federal agency, nor published in the Federal Register. There has been no input from the shipping community."

Shippers, particularly exporters of agricultural commodities and forest products, will be responsible for providing information that is beyond their control and subject to unpredictable changes in transit, AgTC said.

U.S. export shipments often move hundreds of miles before being transloaded into containers. AgTC said this complicates the flow of information — a Midwest agricultural exporter has no way of knowing which container its cargo was transloaded into at the seaport, and no good way to communicate that information to the carrier or terminal.

"We believe that unless thoughtfully considered, by individuals with intimate familiarity with the export supply chain process, this rule will create major turmoil at the marine terminals and a very significant impediment to U.S. exports," the AgTC paper said.

AgTC proposed options it said could be adopted individually or in combination to address shipper concerns with the new rule:

— Convening by the Federal Maritime Commission and Coast Guard of a stakeholder working group to find ways to comply without disrupting or disadvantaging U.S. exporters. The FMC plans to meet with shippers and carriers on Feb. 18 to determine why the industry hasn't worked through the problems more quickly.

— Requiring carriers to provide exporters with accurate weights of containers the carrier owns or leases. AgTC said many tare weights listed for containers' empty weights are inaccurate because of repair alterations or other reasons.

— Following the U.K.'s example in allowing a 5 percent variance in cargo weight to account for changes due to moisture and humidity content in agricultural and forest products as they travel through the supply chain.

— Having the Coast Guard or another agency provide shippers with standard weights for different container sizes that could be included in calculation of the VGM.

— Delaying U.S. implementation until the top 15 U.S. trading partners have adopted the new rule. AgTC said this would prevent U.S. exporters' business from being poached by competitors in countries that haven't adopted the new SOLAS rule.

— Delaying U.S. enforcement until the Coast Guard collects public comment, all industry stakeholders agree on best practices, and the Coast Guard is satisfied that U.S. commerce won't be harmed.

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