

SOLAS

Understanding, Preparing,
Implementing...

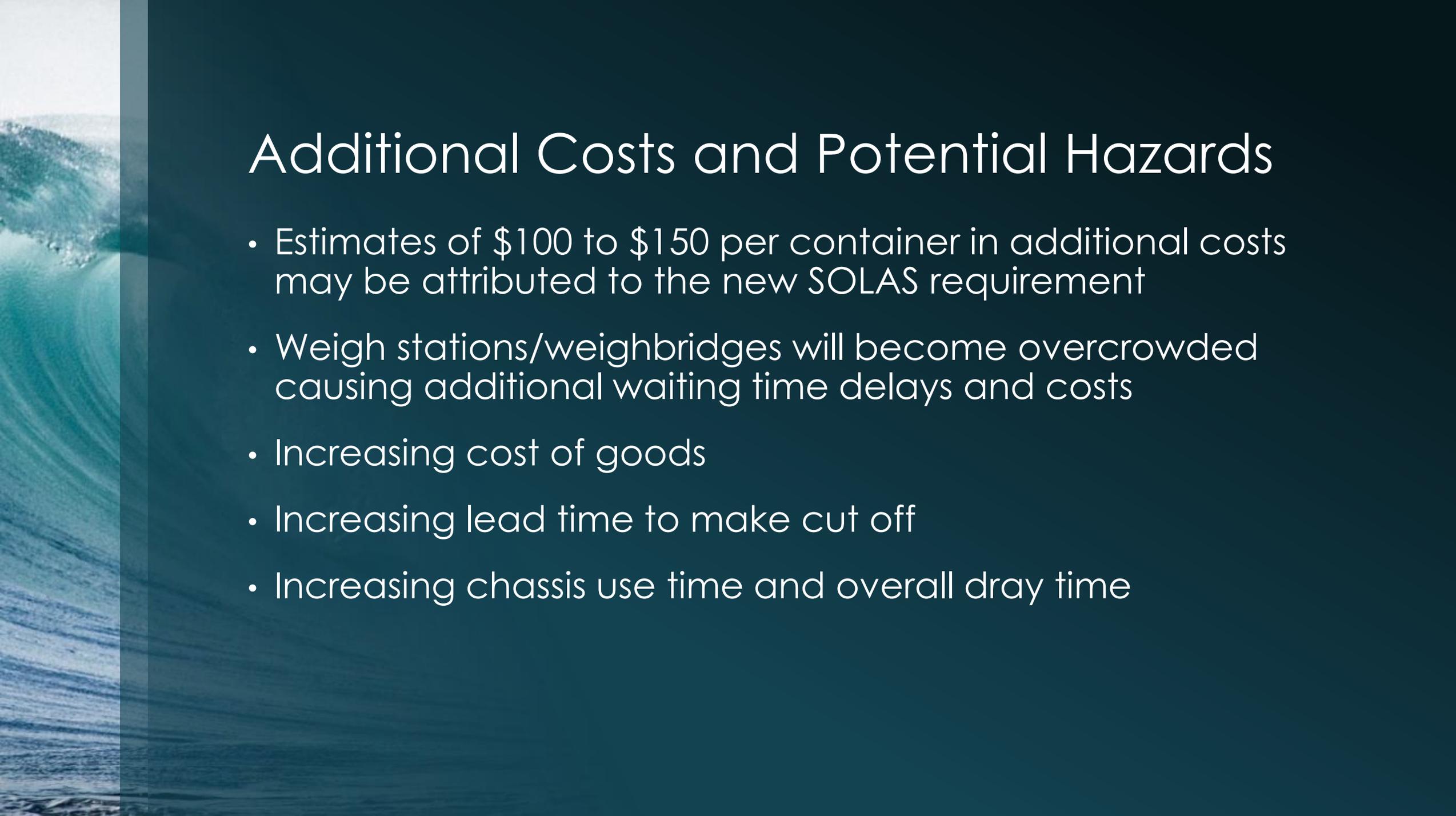
Basic Explanation

On July 1, 2016, a new regulation from SOLAS (Safety of Life at Sea convention of the International Maritime Organization or IMO) takes effect requiring shippers whose name appears on the bill of lading to verify the gross mass (VGM) of a container carrying cargo when tendering the container to the ocean carriers and terminals.

The legally responsible party for providing a verified gross mass (VGM) signed either electronically or on paper is the shipper. Carriers will not load containers anywhere in the world unaccompanied by a VGM, because doing so would leave their ships out of compliance with flag state and insurance rules.

SOLAS Chapter and Verse

- In the case of cargo carried in a container, except for containers carried on a chassis or a trailer when such containers are driven on or off a ro-ro ship engaged in short international voyages as defined in regulation III/3, the gross mass according to paragraph 2.1 of this regulation shall be verified by the shipper, either by:
 - 1 weighing the packed container using calibrated and certified equipment; or
 - 2 weighing all packages and cargo items, including the mass of pallets, dunnage and other securing material to be packed in the container and adding the tare mass of the container to the sum of the single masses, using a certified method approved by the competent authority of the State in which packing of the container was completed.
- The shipper of a container shall ensure the verified gross mass is stated in the shipping document. The shipping document shall be:
 - 1 signed by a person duly authorized by the shipper;
 - 2 submitted to the master or his representative and to the terminal representative sufficiently in advance, as required by the master or his representative, to be used in the preparation of the ship stowage plan***.
- If the shipping document, with regard to a packed container, does not provide the verified gross mass and the master or his representative and the terminal representative have not obtained the verified gross mass of the packed container, it shall not be loaded on to the ship."



Additional Costs and Potential Hazards

- Estimates of \$100 to \$150 per container in additional costs may be attributed to the new SOLAS requirement
- Weigh stations/weighbridges will become overcrowded causing additional waiting time delays and costs
- Increasing cost of goods
- Increasing lead time to make cut off
- Increasing chassis use time and overall dray time

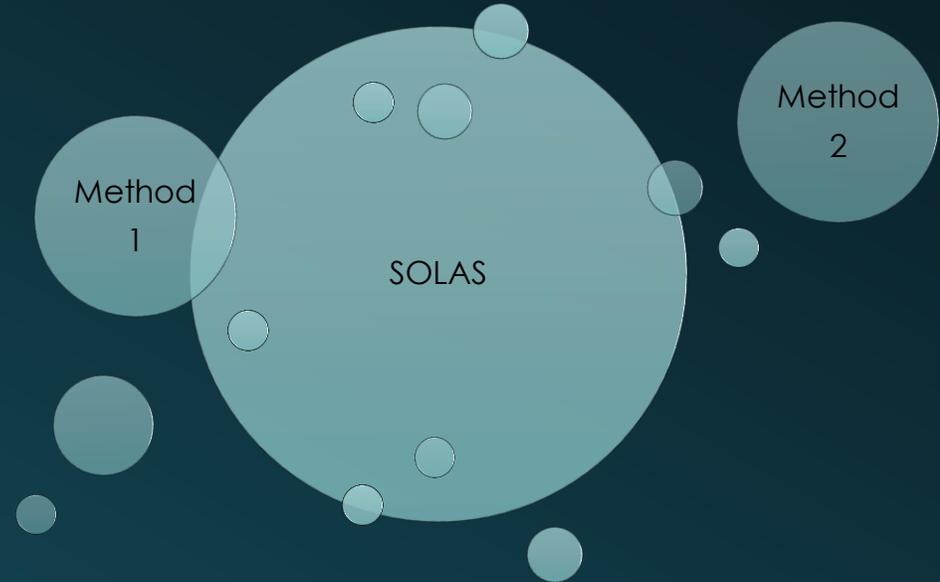


Who's Responsible for VGM?

- Someone in a shipper's global supply chain will have to provide to an ocean carrier a verified gross mass for every container in advance of sailing or it won't get loaded. Whether a shipper chooses to have a container and its contents weighed as a single unit under Method 1 or weighs every item and packaging in the container and adds it to the tare weight of the box stenciled on the door, under Method 2, there will be additional cost, although Method 2 will probably cost less than under Method 1.
- The 13 terminals at Los Angeles-Long Beach have collectively said they will not offer weighing services. See [story here](#) and [follow up here](#) where U.S. exporters say the move by the terminals still leaves many questions unanswered.
- The Port of Charleston is taking steps to weigh containers and generate a VGM on behalf of exporters, a sharply different approach from several other U.S. terminals, like those at Houston, that say they will reject containers that arrive without a VGM.
- The U.S. Coast Guard gave its blessing to two alternative methods for compliance: where the terminal weighs the container on behalf of the shipper, and where the shipper provides the weight of the cargo only and the carrier verifies the tare weight of the container. The latter approach may still be rejected by carriers such as APL.

Acceptable Methods of Determining VGM

1. A shipper can have a container and its contents weighed as a single unit then deduct the weight of the trailer and chassis
2. A shipper can weigh every item and packaging material (including dunnage) then add the container tare weight



There are many questions left unanswered as we approach the July 1 deadline such as:

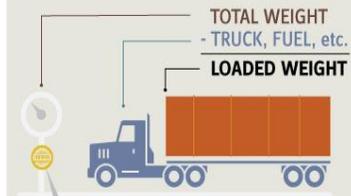
- * When is lodgment of the VGM due in respect to port and ramp bookings?
- * What method of lodgment is acceptable?
- * Will there be a standard process or will it vary carrier to carrier and terminal to terminal?
- * What certification and proof of calibration standard will be required for scales used?
- * How does a shipper protect the seemingly “wildcard” nature of the potential charges?
- * How does the cartage industry keep up with new demand for capacity this requirement is sure to create?

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.



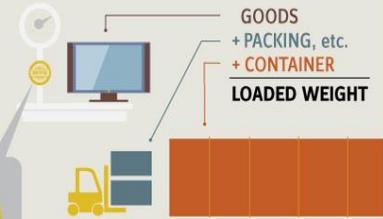
Scales must be certified and calibrated in line with the national standards of the country where the weighing occurred and Method 2 is subject to national certification and approval.



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.



What are you required to do?

Provide a document, paper or electronic, 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.

Pinpoint Global Logistics, Ltd. Summary

One surely can understand the importance of safety and how overweight or understated container declarations can put people in harms way all across the supply chain. The announcement of the new SOLAS regulation is putting accountability in new places. All terminals have “best practices” and OSHA requirements to weigh containers to allow for proper ships stow (as should anyone involved in loading containers). The need for accurate data across the global supply chain is obviously paramount. The main issue we all need to be aware of is instant application vs a phased in application may lead to an overload of demand at weigh stations, weighbridges, dray equipment including power, chassis, and containers. Without a standardized process across the industry we will have to deal with an evolving regulation which unfortunately means there will be much room for differences in interpretation and miscommunication. We at Pinpoint Global Logistics, Ltd. are committed to simplifying and streamlining the VGM process for our customers and will continue to stay as current as possible as the regulation date approaches. Our customers can be confident that we will approach each steamship line, terminal operator and trucking company that we deal with to ship your cargo to help ensure compliance and the most cost effective and efficient method to certify the VGM of your containers. Letters will go out to suppliers early next week to analyze the methods currently used to verify loaded weights of product, blocking and bracing materials, and packaging. We will collaborate with all suppliers and ensure that a suitable method of VGM certification is in place.