

AIMU

**Marine Insurance Day seminar
October 7th at Baruch College**

National Cargo Bureau



IMO SOLAS Container Weight Verification Rules



The new SOLAS Regulation went into effect on July 1, 2016. It called for a **Verified Gross Mass (VGM)**.



Why was there a need for the new rules?

Law Prior to the VGM Amendments

SOLAS Chapter VI Reg. 2

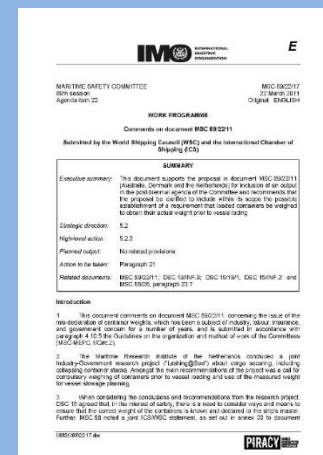
1. The shipper shall provide the master appropriate information on the cargo sufficiently in advance of loading. Such info shall be confirmed in writing and by appropriate shipping documents prior to loading.
2. The cargo information shall include:
 1. The gross mass of the cargo or of the cargo units.
3. Prior to loading cargo units on board ships, the shipper shall insure that the gross mass of such units is in accordance with the gross mass declared on the shipping documents.

The Ineffectiveness of Regs (Prior to July 1, 2016)

These SOLAS requirements to provide the accurate container weight prior to vessel loading were often not met.

- Effective enforcement did not exist;
- No IMO requirement to verify packed containers' actual weights prior to vessel loading;
- Proper and safe vessel stowage require the verification of accurate container weights before the vessel loading process occurs so it can be used to properly plan the vessel.

In March 2011, the World Shipping Council (WSC) and the International Chamber of Shipping (ICS) submitted [a formal proposal to the International Maritime Organization \(IMO\)](#) to consider issuance of a regulation making it mandatory for packed containers to be weighed as a condition for being stowed aboard ships. In the submission they stated that shipping lines have reported that in severe cases, the misdeclared weight reaches 10% of the total cargo on board a vessel.

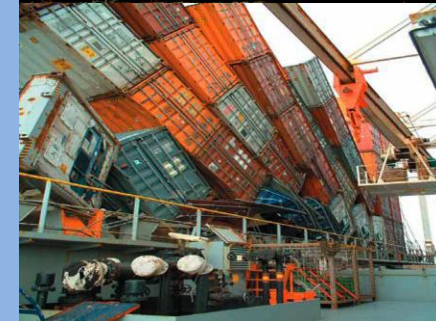
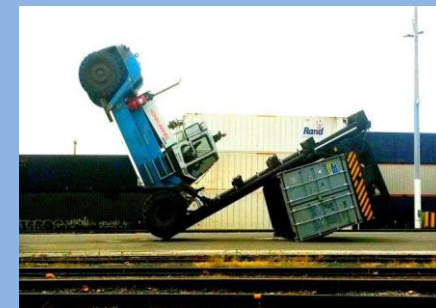




IMO Container Weight Verification Rules HISTORY



EXAMPLES OF Mideclared Container Weights





January 2006, P&O Nedlloyd Genoa:

Incorrectly declared weights resulted in stack overload and the application of excessive compression and racking forces on containers and their lashings.

January 2007, MSC Napoli:

- ~ 660 containers which had remained dry where weighed.
- 137 (20%) were more than 3 tonnes over declared weight.
- Largest difference was 20 tonnes.



Feb 2007, MV Limari in Damietta had multiple stacks collapse:

The actual container weights in Bay 52 exceeded the declared weights by 362% (Row 08), 393% (Row 06), 407% (Row 04) and 209% (Row 02).



June 28, 2010, Port of Longoni stacker fell over:

- **Container damaged beyond repair**
- **No injuries**
- **Declared weight 16,890 kg - Actual weight 30,220 kg**



January 6, 2011, Beira shore crane collapsed:

- Crane out of service for 3 days
- Declared weight 25,000 kg - Actual weight 46,000 kg.



HISTORY

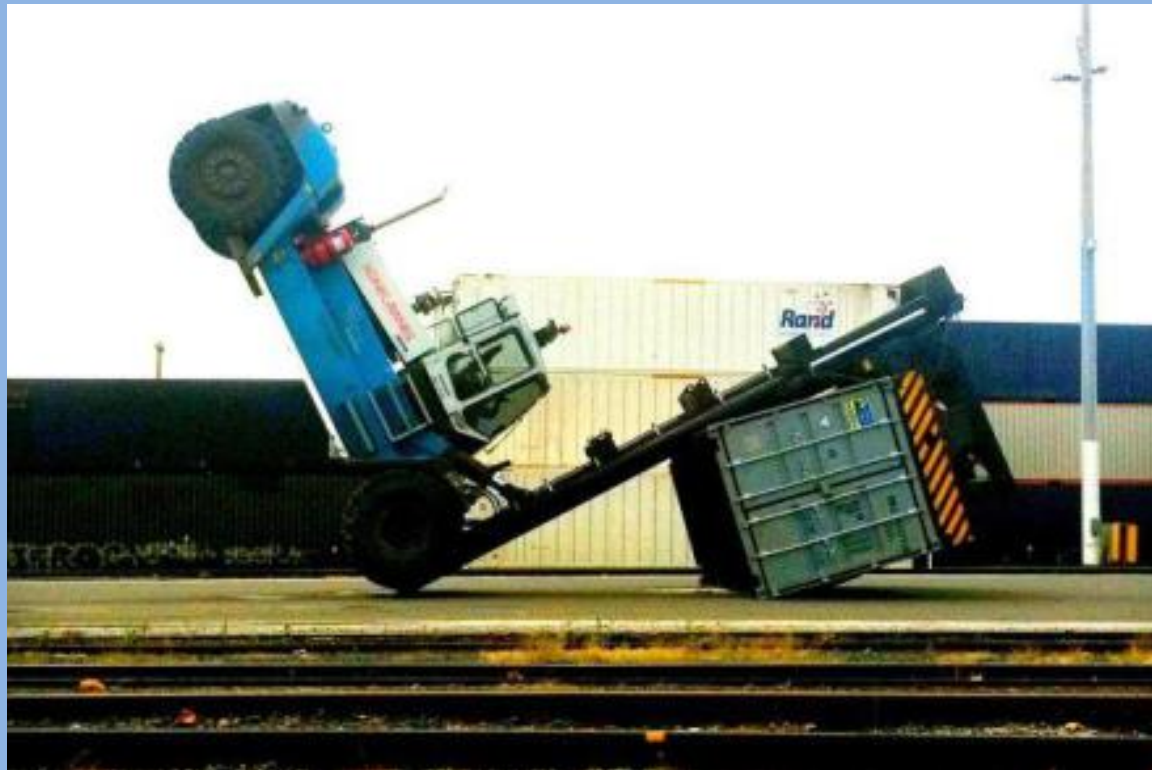
A Review of IMO Efforts to Address Misdeclared Container Weights

February 25, 2011, Darwin, Australia:

- Container fell 12 meters narrowly missing two workers
- Container weight exceeded the crane's load limit
- Declared weight four tonnes – Actual weight 28 tonnes



May 9, 2011, Melbourne: An overloaded forklift lies in a container yard in west Melbourne after its load tipped it forward.



HISTORY

A Review of IMO Efforts to Address Misdeclared Container Weights

March 2011, Excerpt from the publication "Container carriage..... published by Gard AS":

- **Two incidents involved certain similarities.**
- **Heavy weather and the collapse of an on-deck container stack.**
- **Bottom container had structural integrity issues.**
- **Weight of containers in stack exceeded manifested weight.**
- **4 containers had weights of more than 18 MT over declared weights which exceeded container maximum load.**



A Review of IMO Efforts to Address Misdeclared Container Weights

June 2011, M.V. Deneb in Algeciras suffered a significant stability incident:

- ~ 10% of the 160 containers loaded far exceeded declared weights.
- Actual weights exceeded declared weights by an average of 200%.
- Declared weight 93 tonnes - Actual weight 278 tonnes.



HISTORY

A Review of IMO Efforts to Address Misdeclared Container Weights

2011, Mariners' Alerting and Reporting Scheme (MARS), Hazards of under-declared cargo weights:

- **Prior to sailing it was determined that the actual container weights exceeded the declared weights by about 12%**
- **Due to draft restrictions in the channel, the master pumped out about 850 tonnes of ballast before sailing**
- **Clearing the channel the ballast was restored**
- **Unfortunately it was realized after sailing that the stack-weights exceeded their limits**

IMO Container Weight Verification Rules

HISTORY

They went on to list problems resulting from mis-declared container weights. Some of these are:

- **incorrect vessel stowage decisions;**
- **re-stowage of containers if overweight condition is ascertained;**
- **collapsed container stacks;**
- **containers lost overboard;**
- **chassis damage;**
- **damage to ships;**
- **stability and stress risks for ships;**
- **risk of injury or death to seafarers and shoreside workers;**
- **lost revenue and earnings.**



IMO Adoption of VGM



On November 21, 2014, the IMO's Maritime Safety Committee (MSC 94) officially adopted the new SOLAS requirement that as a condition for vessel loading, the weight of a packed export container be verified by the shipper using either of the two permissible methods.

The SOLAS container weight verification requirement enters into force on July 1, 2016.

Basic Principles Under the SOLAS Requirement

- Before a packed container can be loaded onto a ship, its weight must be determined through weighing. There are 2 permissible methods:
 - Weighing the container after its been packed;
 - Weighing the cargo and contents of the container and adding those weights to the container tare weight.
- Under either method, the weighing equipment used must meet national certification and calibration requirements.
- A carrier may rely on a shipper's signed weight verification to be accurate.
- The lack of a signed shipper weight verification can be remedied by weighing the packed container at the port. If there are no means to obtain a verified container weight the packed container can not be loaded on the ship.

IMO Container Weight Verification Rules Prior to Implementation

Many U.S. shippers were concerned that SOLAS will create significant congestion at ports because of questions about what to do with containers that do not have signed documentation of the VGM.



Industry had known about the July 1, 2016 implementation date since May 2014, however as the date approached industry grew increasingly concerned.

U.S. Equivalency to SOLAS Regulation VI/2

The United States has determined that the regulatory regime in the United States for providing verified weights of containers to ship masters is equivalent to the requirements provided for by SOLAS Regulation V1/2.

SOLAS regulation VI/2.5 requires the verified weight of containers to be provided and signed for by the shipper. In the United States, national regulations provide for other entities within the container export chain, in combination with the shipper, to provide and sign for the verified container weight. This provides the needed flexibility for all entities in this dynamic business to work together to efficiently ensure ship's masters are provided accurate verified container weights, as required by SOLAS V1/2, to enable them to make certain the ship is loaded safely and will operate in accordance with structural and stability limits are required by SOLAS Chapter II-1 and Chapter IX.



Pragmatic Approach







In May 2016 IMO issued a circular announcing the so-called “pragmatic approach”:

- The IMO’s Maritime Safety Committee (MSC) asked national maritime administrations and port state control authorities to take a “**practical and pragmatic approach**” when enforcing the new rules for a period of three months immediately following the 1 July implementation deadline.
- It encouraged regulators to provide “**some leeway in the first few months after 1 July in order for any problems resulting from software updates required for the electronic collection and transmittal of verified gross mass data to be rectified without causing delays to containers being loaded**”, the IMO had said the circular.

Despite the issuing of the Equivalency and the issuing of the IMO circular for a “Practical and Pragmatic Approach”, there was still much uncertainty and concern prior to implementation of the new regulation.

Y2K? déjà vu All Over Again?

- Would traffic lights malfunction? 
- Would ATMs stop dispensing cash? 
- Would the power grid go dark? 
- Would unloaded containers choke the ports? 

Like Y2K the world did not end – Cargo Still Moved

In a briefing to the International Maritime Organization (IMO) last month, the World Shipping Council (WSC) said the compliance rate experienced by its member companies had steadily increased since the July 1 implementation, with a high degree of awareness among supply chain parties, although there were still some challenges around the world.

WSC member companies report that a very significant number of packed containers – 95% or more – are being accompanied by VGMs prior to initial loading. This percentage has steadily increased since July 1, and compliance rates are expected to continue to rise.



The 26 members of the World Shipping Council represent approximately 90 percent of the global liner vessel capacity and transport approximately 160 million TEU annually.



Is all REALLY well???



The End of the “Pragmatic Approach”

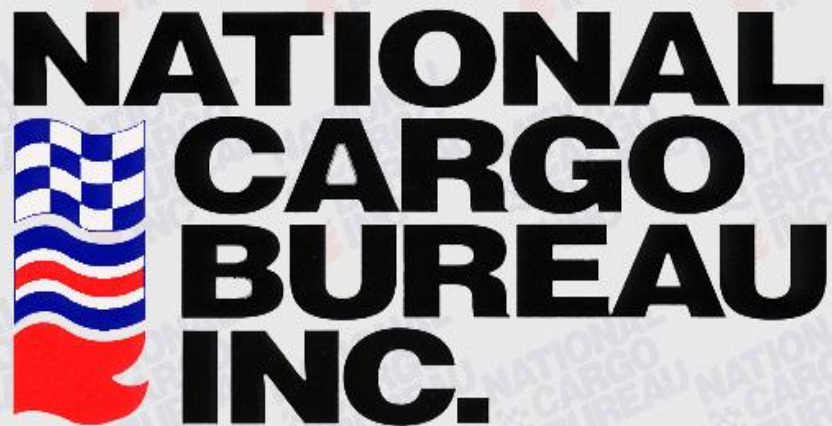
WSC said the IMO’s guidance for a practical and pragmatic approach when verifying compliance in the first 3 months of VGM had been helpful for avoiding major disruptions of international containerized maritime traffic during the implementation phase in.

As of October 1st it will be against international law to load packed containers without VGMs aboard SOLAS-regulated ships.



Potential Issues Remaining

- Are the declared VGM's accurate? Currently little port state confirmation.
- Globally many terminals do not have scales.
- Internationally no uniform standard of enforcement.



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and Cargo at Sea...

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