AAPA-Hosted Webinar on IMO Container Weight Verification Requirement

February 8, 2016
Global Container Handling Regulations
Terminals Observe Today

• IMO Regulation 2, Paragraph 1-3
  – 1 Shipper shall provide information to master in advance of loading
  – 2 Information to contain gross mass and special characteristics including HAZMAT
  – 3 Shipper to confirm information is accurate
Terminal Operations Today
Improving Efficiency of Marine Freight Transportation

• Terminal (MTO) goal is to move Import & Export Cargo safely, quickly and inexpensively while eliminating congestion
• Many MTOs rely on shipper's supplied Electronic Data Information to supply container weights for vessel load planning.
• Efficient handling of containers by MTOs is performed with Terminal Operating Systems (TOS)
• TOS guides the loading and unloading of containers, including delivery of the load document to the carrier
• MTOs use various means including weighbridges or container handling equipment limiters to ensure containers are within safe limits with a few relying on such weights for load planning but not producing verifiable results nor often timely information for load planning. Significant concerns are given further examination causing interruptions, delays and costs.
IMO - VGM

• History of Vessel Mishaps lead to concern over accuracy of weights

• Global Inquiry into safer methodology by carriers, container handlers and shippers began in 2010

• IMO produced an amended Regulation in 2014, to be effective in the U.S. in accordance with ratification of original Treaty
  – 4 Container weighed by one of two methods
  – 5 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**
  – 6 Without VGM, container shall not be loaded by terminal and carrier
Container Weighing by Para 4

• Use calibrated weighing equipment
  – Method 1: Container as a unit
  – Method 2: Container as a compilation of “verifiable” weights

• Responsible person signs document verifying accuracy (allowed and anticipated to be electronic)
Expected Terminal Operations
Post - 7/2016

• Subject to individual commercial solutions:
  – EDI from carrier expected to still include “weight” but will now be “verified” by shipper
  – Cargo accepted at terminal if VGM provided electronically
    • Cut-off times determined in commercial agreements by carriers and MTOs
  – Upon entry onto terminal load planning conducted with verified weights
  – Verified weights are entered into TOS
    • Constitutes delivery to the terminal representative
    • TOS produces load report for vessel master
What Are the Challenges if Containers Arrive at the In-gate Without Being Verified

• Responsibility: responsibility for verification will not be clear when most shippers do not have contractual relationships with MTOs
• Safety: additional operational steps will be added in order to weigh containers putting truckers and MTO labor at additional risk
• Cost: additional costs will be incurred when obtaining a “verified” weight at the terminal for carriers and shippers as well as prospective turn times for truckers.
• Congestion: the typical influx of a thousand or more exports a day arriving at already capacity constrained terminals is always a challenge; adding an additional step to obtain a verified weight will cause greater congestion on the yard, for the trucker, in regional transportation resources as well as less MTO operational capacity dedicated to turning the vessel
• Conclusion: there are safety, cost and productivity constraints if containers were to arrive at the gate without a VGM. Stakeholders should not expect MTOs to accept containers without a VGM unless there are appropriate commercial agreements in place
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