

Legal Counsel

The Requirement That Shippers Provide Verified Container Weight Certifications Takes Effect on July 1, 2016

At the end of 2014, the International Maritime Organization (IMO) amended the Safety of Life at Sea Convention (SOLAS) to require, as a condition for loading a packed container onto a ship for export, that the container has a verified weight. The shipper is responsible for the verification of the packed container's weight. This requirement will become legally effective on July 1, 2016. After that date, it will be a violation of SOLAS to load a packed container onto a vessel if the vessel operator and marine terminal operator do not have a verified container weight. We are providing a summary of these requirements in the numbered paragraphs below.

1. As the SOLAS Convention is mandatory global law in the 148 countries that have signed this Convention, this requirement will apply to most containerized maritime shipping throughout the world.

2. Before a packed container can be loaded onto a ship, its weight must be determined through weighing. It is a violation of SOLAS for a carrier or port terminal to load a packed container aboard a vessel to which SOLAS applies without a proper verified weight verification from the shipper. There is no exception to this requirement.

3. The responsibility for obtaining and documenting the verified gross weight of a container lies with the shipper on the carrier's bill of lading. It is therefore probable that the shipper will bear the costs of obtaining the verified gross weight.

4. The SOLAS regulations provide for two separate methods to obtain the verified gross weight of containers.

(a) The first method involves weighing the entire loaded container, using calibrated and certified equipment. This can be done by the shipper or some service provider the shipper might use. In all events, the weighing equipment must meet the applicable accuracy standards and requirements of the State in which the equipment is being used.

(b) The second method would be to weigh all of the packages that are stowed in the container, including all pallets, dunnage and other packing material, and then adding the tare weight of the container. This method is considered to be "inappropriate and impractical" for types of cargo (such as scrap metal, unbagged grain and other cargo in bulk) that does not easily lend itself to individual weighing. For cargo of this nature, it is only permissible option is to actually weigh the entire container.

(c) As an exception to the actual weighing requirements set forth above, it is permissible for a shipper to use a weight provided by others if involves "individual, original sealed packages that have the accurate mass of the packages and cargo items clearly and permanently marked on their surfaces." This exception applies to items such as refrigerators, electronic appliances, etc., which are shipped in standardized packages with the actual weight imprinted on them. The shipper must still add the weights of all dunnage, pallets and additional packing material as well as the tare weight of the container.

5. In no instance is it permissible to estimate the weight of any portion of the container's contents.

6. The verified weight certification must be signed by the shipper or by a person duly authorized by the shipper. When weight certifications are submitted electronically, they must contain an electronic signature.

7. The verified weight certification can be provided in a variety of ways. The document can be part of the shipping instructions to the shipping company or a separate communication (e.g., a declaration including a weight certificate produced by a weigh station). The weight verification can also be provided in an electronic format. Several vendors, including INTTRA, GT Nexus and CargoSmart, are working to provide portals for communicating verified weights to carriers.

8. It is expected that the carriers and/or terminals will begin to establish "cut-off times" by which they must receive the required container weight verifications. Consequently, those separate cutoff times should be taken into consideration when booking cargo and making logistical arrangements for the transportation.

9. The new requirements will also indirectly address the issue of overweight containers because, pursuant to current SOLAS regulations, a container with a gross weight exceeding the maximum permitted load may not be loaded aboard a vessel.

10. A carrier may rely on a shipper's signed weight verification to be accurate. The carrier does not need to be a "verifier" of the shipper's weight verification. However, if a carrier or terminal operator has reason to believe the verified weight of a container may be in error, they may take whatever steps they deem appropriate in the interest of safety to determine or otherwise verify the correct weight. In those instances, shippers can assume that the cost involved in that verification process will likely be passed along to them.

11. The U.S. agency with responsibility for enforcing SOLAS requirements is the U.S. Coast Guard. It can be expected that the Coast Guard will publish regulations with respect to the need for shippers to provide verified weight certificates and these regulations may contain penalties for a failure to do so. We will provide you with another alert when these regulations are published.

As the July 1, 2016 enforcement date is rapidly approaching, we encourage all members to begin instituting the procedures necessary to achieve compliance as soon as possible to avoid delay of shipments once these new rules take effect.

Please contact Greg Marti for more information on IHSA and how to join to receive important announcements such as this on a regular basis. <u>gmarti@shippersassociation.org</u> or 513-489-4743.