

It's not just LCL – it's our passion

**Safety of Life at Sea (SOLAS)  
Verified Gross Mass (VGM)**

update March 2016



***March 2016 Update - on the new IMO requirements regarding SOLAS and VGM  
which become effective July 1, 2016***

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# New SOLAS amendments basic principles & implications

## **BASIC PRINCIPLES**

In November 2014, the International Maritime Organization (IMO) **adopted mandatory amendments to the International Convention for the Safety of Life at Sea (SOLAS) Chapter VI, Part A, Regulation 2 - Cargo information**

The **SOLAS convention is applicable global law.**

The SOLAS amendments become **effective on 1 July 2016** for **packed containers received for transportation** (gate-in or off-rail). Main reason for the change is that there is currently no rule or process to ensure that the weight being provided for loading is accurate, leading to huge risks to workforce, vessels, terminals and equipment.

## **IMPLICATIONS**

Immediate consequences for the shipper are that as of July 2016, **the Verified Gross Mass (VGM) weight of every container needs to be provided to the carrier, before the load list cut-off.**

Furthermore, it will be the shipper's responsibility to ensure that the accurate weight, and not a 'guesstimate' weight, is being provided.

**If no Verified Gross Mass weight has been provided, the container will not be loaded on the vessel.**

Above consequences will provide clarity on the physical weight of the container and will consequently ensure a reduced risk to your cargo/container.

Two permissible methods for weighing:

**Method 1:** Weigh the packed container.

**Method 2:** Weigh the cargo and other contents and add tare mass of the container. (Packages that have the accurate mass clearly and permanently marked on their surfaces do not need to be weighed again when they are packed into the container.)

Shipper may rely on beneficial cargo owners (BCO's) or other NVOCCs' properly derived weights, using Method 1 or 2. But -- shippers remain responsible for verified weight. "Shipper" means the party identified on the maritime carrier's Bill of Lading.

Governments may apply enforcement tolerance. In the Netherlands, they plan to allow a 5% difference while in Belgium only 3%. In India it would be 300kgs.

They way it looks now, containers will probably only be weighed at origin and not at destination





## SOLAS related to LCL

The SOLAS amendment calls several times for the commercial parties to come to practical agreements for implementing the requirements. Commercial agreements between forwarders and shippers may therefore state that the forwarder may transmit the VGM to the carrier on the shipper's behalf.

This situation is complicated when dealing with consolidations. For an actual shipper/forwarder in a (LCL) consolidation environment, the SOLAS amendment does not apply. It is the consolidator who packs the container and who acts as shipper towards the shipping line.

Due to the fact that consolidated cargo is not homogenous and due to the high number of shipments handled, it may not be practical or even possible to weigh each and every single shipment.

In the case of LCL cargo in a consolidation environment the consolidator could consider implementing a LCL document verifying the weight of the cargo. Similar as for FCL, the consolidator is then able to use the actual shipper or forwarder's verified weight declarations to prepare and compare this info with its own verified weight declaration towards the shipping line.



# ECU-LINE update

Presently more and more information is being released by national authorities on how they plan to implement SOLAS.

Carriers and other parties are beginning to align their activities. It will require a lot of cooperation to support the transition from a legal framework to an operational one which will also have a commercial impact.

Currently there is no uniform worldwide procedure agreed, for this reason implementation will be done country by country and as per country regulations.

As expected national variations are emerging, especially related to tolerances and penalties for non-compliance.

Carriers have also started to release how and when they want to receive Verified Gross Mass (VGM).

It is clear that while many parties are addressing the subject, many decisions still need to be made in order to meet the July 1, 2016 deadline.

At ECU-LINE we are preparing our operations to comply with the new regulations.

# Preliminary Operational Guidelines

**ECU-LINE recommends the following preliminary operational guidelines until more information becomes available.**

1. ECU-LINE has decided that physically weighing each individual LCL shipment will be too cumbersome and will therefore instruct their offices to weigh each consolidation container after loading. This weight will be considered as VGM and transmitted to the carrier.

There are 2 options to establish VGM for the container, both options are currently under investigation :

- a) use a container weighbridge in or nearby the warehouse
  - b) weigh the containers at the terminal
2. ECU-LINE must receive the actual VGM per shipment from the customer who has made the booking before loading and compare the sum of all individual weights/shipment with the total actual VGM of the consolidation container after loading.
  3. Each ECU-LINE office will advance the closing dates with 1 or 2 days so re-loading is still possible in case there is overweight found at the terminal.
  4. In case the VGM exceeds the maximum payload of the container, all relevant reloading and weighing costs of the individual shipments and transport costs will be charged to the party or parties who have mis-declared the weight (based on declared VGM received from the customer/shipper before loading of the container). A clause will be mentioned in our booking conditions.
  5. ECU-LINE is preparing an inventory of which warehouses can facilitate weighing of the containers or have a weighing scale nearby.
  6. All the ECU-LINE warehouses are recommended to have a weighbridge by June 1, 2016 to support customers who cannot provide VGM, additional costs for weighing to be confirmed.
  7. ECU-LINE will add an admin fee to the tariff to cover the extra workload and charges for weighing the containers.

# Frequently Asked Questions

## **As ECU-LINE, do you intend to weigh every individual LCL shipment received at your warehouse?**

We do not plan to weigh every individual shipment. However, our warehouses will have weighing scales in or nearby the warehouse in case the customer asks us to weigh their cargo.

## **Does ECU-LINE consider the VGM provided by your customer as sufficient or when cargo has been permanently stamped with the gross weight, will you still re-weigh cargo?**

This is sufficient.

## **Will ECU-LINE weigh the consolidation container after loading ? If so what scales do you plan on using that meet nationally certified and calibration requirements?**

We will weigh the container in locations where we have a weighing bridge. Otherwise, we will depend on the weighing at the outgoing terminals. We presume that the terminals will not weigh each and every container but will do spot checks.

## **If a container exceeds maximum payload at the terminal, what will be the process and how will any additional costs be billed?**

We will return the container to our warehouse and weigh each individual shipment. All relevant reloading and weighing costs of the individual shipments and transport costs will be charged to the party or parties who have mis-declared the weight (based on declared VGM received from the customer/shipper before loading of the container). We will put this in our booking conditions.

## **Will there be changes to the CFS cargo closing dates? Will there be regional differences in cut off? If so, what will be the standards used for each country and CFS?**

Cut offs are obviously one of the most critical pieces of this entire change. Where, when and how much extra time is needed can impact on the transit time by as much as 7 days. Therefore, we need to know where and when any changes to cut offs will be announced. We plan to advance the cargo closing dates with one or two days to allow us to re-stuff the container in case of wrong declaration (see above) but still make the vessel cut off.

## **What fees are you planning to implement?**

We plan to charge an admin fee for the extra workload and charges for weighing the containers but have not decided on the amount yet.

# Frequently Asked Questions

## **Are you expecting a delayed implementation of SOLAS amendments?**

We do not expect a delay in implementation but we do expect (and hope) that a grace period will be implemented where testing can be done without any fines or imposed short shipment of containers.

## **How to handle discrepancies between the weight declared in the carrier Bill of Lading and the VGM weight?**

The weight declared on the carrier Bill of Lading is the cargo gross weight and therefore it must differ from the verified gross mass. But it is expected that the cargo gross weight included into the VGM equals the cargo gross weight mentioned in the Bill of Lading. As the purpose of the VGM as per SOLAS guideline is operational and the BL weight is commercial it is currently not clear what exact role VGM will play when it comes to documentation. We do expect that any requirement to consider the VGM in the documentation or report VGM to any authority will become part of the national legislations. For the moment however VGM will not be validated against the Bill of Lading weight and not be reported to any authority.

## **What is the timing of (or when is) VGM cut-off requirement ?**

VGM cut-off date/time are likely to vary from country to country, from carrier to carrier, from port to port, from terminal to terminal. A standard cannot be established globally.

## **How and when will ECU-LINE transmit VGM data to the carrier ?**

ECU-LINE will send VGM data to the carrier by EDI according to agreed/required schedule from the carrier.

## **In which format do the carriers want to receive the VGM ?**

Most carriers have confirmed to accept electronic or digital format (EDI, Portal, email) and encourage customers to send VGM by EDI or online input via web portal.

## **How will e-portals support the transfer of the VGM to the carrier?**

INTRA will support the processing of VGM details by introducing a new message. The status of other e-portals such as GT Nexus and Cargosmart is currently under evaluation.

## **Which VGM data elements are required to be transmitted?**

According to SOLAS requirement for VGM, the basic information is VGM, full name of "verifier" in shipper, date of weighing and container number as well as any additional items demanded by local regulatory requirements.

## **Is weighing in a transshipment port necessary?**

All packed containers discharged from a SOLAS vessel in the transshipment port should already have a VGM and therefore further weighing in the transshipment port facility is not required.



# Additional documentation

Status of national legislations:

[www.worldshipping.org/industry-issues/safety/global-container-weightverification-rule-effective-july-1-2016](http://www.worldshipping.org/industry-issues/safety/global-container-weightverification-rule-effective-july-1-2016)

Guidelines regarding the verified gross mass of a container carrying cargo:

[www.worldshipping.org/industry-issues/safety/cargo-weight](http://www.worldshipping.org/industry-issues/safety/cargo-weight)

Guidelines for improving safety and implementing the SOLAS container weight verification requirements: [www.worldshipping.org/industry-issues/safety/cargo-weight](http://www.worldshipping.org/industry-issues/safety/cargo-weight)

In case of questions, please contact your local ECU-LINE office.



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