US ag exporters reject liner attempt to ease SOLAS liability fears

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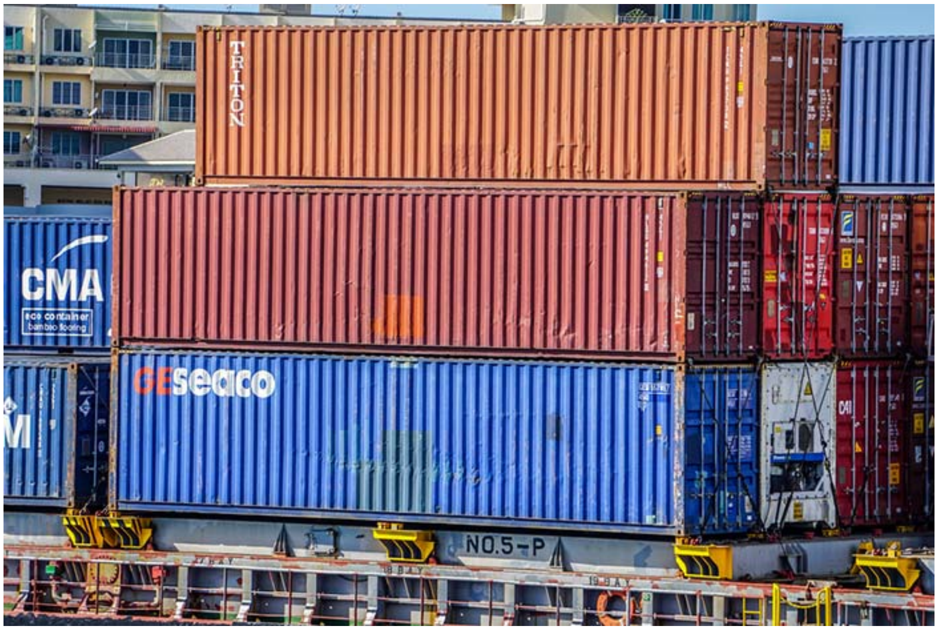

WASHINGTON — A group of U.S. agriculture exporters rejected container lines' recent attempt to mollify concerns over the legal liabilities of inaccuracies in the container tare weight when generating a verified gross mass under the new SOLAS container weight rule.

The Agriculture Transportation Coalition also noted that carriers willing to buck the policy set by the Ocean Carrier Equipment Management Association, which represents 19 container lines, could gain outbound containerized cargo. The challenge is the latest example of how the global rule that takes effect July 1 is putting pressure on shipper and carrier relationships, and forcing some ports and marine terminals to change their container weighing policies to match competitors.

OCEMA told JOC.com last week that it will issue a common tariff rule stating shippers aren't liable for the accuracy of the tare weights. The AgTC, along with with 48 other associations, argue that U.S. companies wouldn't allow employees to certify or take on liability for equipment that they don't own, control, manage or even see.

"If the true weight of the combined container and cargo (VGM) isn't their chief objective, how can this be about 'safety,'" Peter Friedmann, AgTC's executive director said Tuesday in an updated position paper. "And OCEMA still wants the exporter to put their name on the document to certify the container weight (regardless if the weight is truly accurate), so let's be honest — is OCEMA about 'safety' or shifting liability?"

The International Maritime Organization passed the SOLAS amendment in 2014 in an effort to crack down on the misdeclaration of container weights, which have been linked to major accidents. Under the rule, container lines are obliged to reject any boxes without a VGM declaration. Shippers can obtain a VGM in one of two ways, according to the IMO, either by weighing the container and its contents as one unit, or by weighing every item and packaging in the container and adding that figure to the tare, or empty weight, of the box. The U.S. Coast Guard has said there are multiple methods for U.S. industry to meet the rule, but other countries have not displayed such an interpretation of it.

The U.S. Coast Guard said in mid-April that shippers and carriers can reach “agreement whereby the shipper verifies the weight of the cargo, dunnage and other securing material, and the container’s tare weight is provided and verified by the carrier.” The announcement spurred AgTC to pressure carriers to allow them to provide the weight of goods, and for carriers to add the tare weight to gain the VGM. OCEMA, which wasn’t immediately available for comment on AgTC’s latest statement, has said the Coast Guard stressed that complying with the rule was a business process and noted that the agency didn’t endorse any approach of submitting the declaration.

Friedmann hinted that exporters and some carriers are working to figure out a way to share VMGs that aren’t outlined in OCEMA’s best practices. He also said Congress, which addressed the rule in Senate and House hearings last month, may also readdress SOLAS on behalf of exporters.

Friedmann said OCEMA’s best practices will cost U.S. exporters and carriers more money and time, amid fierce competition from foreign growers and a perilous container shipping market. The practices will also disrupt containerized supply chains and contribute to port congestion, he said.

“For trans-loaded cargo (cargo loaded into containers at or near the terminals), the fast pace of loading and short haul to the terminal gates makes it impossible for all the following to happen before the truck arrives at the terminal gate with the loaded container: the exporter to get the tare weight info from the carrier or see and read the printed tare weight on the container, add its own cargo weight, send combined VGM back to the carrier, and then the carrier sends it to the marine terminal, all prior to the container getting to the terminal gate,” Friedmann said.

If this doesn’t occur before the truck arrives, the shipment will be delayed until an electronic data interchange of the VGM is completed. These delays open shippers, particularly those exporting refrigerated goods, to cargo damage and even loss.

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