

Cordero Urges Ocean Carriers to Accept Obvious Path to VGM Compliance

Washington, June 16, 2016—With the implementation date for new container weighing requirements 14-days away, Chairman of the Federal Maritime Commission Mario Cordero said the time has come for ocean carriers to embrace the obvious solution to achieving compliance that Marine Terminal Operators can offer.

Specifically, Cordero asserted the weight of export containers, as determined by terminal operators, can and should be classified as the Verified Gross Mass (VGM) of the container.

Cordero also noted that any VGM compliance regime established under the auspices of a discussion agreement on file at the Federal Maritime Commission that adds burdens to declaring container weights will invite increased scrutiny by the Commission.

“There is a course to SOLAS VGM compliance provided by the Coast Guard that is not only not burdensome, it requires no additional action at all. Why anyone would add procedures, requirements and costs to doing business is not only puzzling, it raises the specter of anticompetitive behavior and necessitating Commission action,” said Cordero. “Using the weight taken at the terminal gate for the purposes of satisfying the need for a verified weight of a container is a simple and efficient solution for assuring the continued smooth flow of export cargoes.”

Furthermore, Cordero insisted carriers should not only accept weights determined by terminal operators for complying with the Safety of Life at Sea (SOLAS) amendment that mandates providing verified container weights, but the shipping lines should also streamline the transmission of the information.

“In the interest of furthering efficiencies, weights determined at terminal gates for the purposes of SOLAS VGM compliance should be transmitted directly from the terminal operator to the shipping line, not provided to the shipper to then present to the carrier,” observed Cordero. “The quickest route between two points is a straight line and that applies to data flow as much as it does to navigation. It only makes sense to have a direct reporting of container weights from the terminal operator to the ocean carrier.”

Cordero expressed frustration that with the SOLAS VGM implementation date looming, uncertainty remains as to what will be expected of shippers, especially given the Marine Safety Information Bulletin (009/16) issued by the United States Coast Guard

on April 28th announced that "... existing U.S. laws and regulations for providing verified container weights are equivalent to the requirements in SOLAS Regulation VI/2."

"The Coast Guard has made it clear that the existing methods and procedures for tendering export cargo and declaring container weights are already in compliance with what was mandated via the International Maritime Organization's amendment to SOLAS," said Cordero. "While I certainly applaud efforts to make the maritime transportation of cargo safer, I am increasingly struggling to fathom why the ocean carrier community has not fully embraced the equivalency declaration as a way to demonstrate flexibility and sensitivity to our U.S.-export shippers. Additionally, such an approach would further the objectives of the President's Export Initiative."