



The Bottom Line

JULY 2022 | VOL. 140

Container Overweight Charges on the Horizon

Summary

Asia-Europe Ocean carriers are cracking down on rogue shippers who incorrectly declare westbound booking container weights and make last-minute verified gross mass (VGM) amendments.

Background

The word SOLAS is an abbreviation for "Safety Of Life At Sea." The International Maritime Organization (IMO) SOLAS Convention or International Convention for the Safety of Life at Sea establishes safety measures in the construction of, equipment for, and operation of merchant ships. IMO SOLAS 74, the last adopted revised convention of 1974, includes regulations under different SOLAS chapters, which deal with safety precautions and procedures. The convention is updated to meet the safety norms in the modern shipping industry from time to time. In 2011, work started at IMO on the development of measures to prevent loss of containers. In view of marine casualties and incidents in which misdeclared container mass had been a contributing factor, one strand of the work was the possible establishment of a requirement that packed containers be weighed to obtain their actual gross mass prior to vessel loading.

The convention was updated in July of 2016 to require the provision of verified gross mass (VGM) information for packed containers. Stated simply, the verified gross mass of a container includes the weight of the container itself (tare) and everything inside it. The verified gross mass is NOT the cargo weight declared on the bill of lading. The VGM regulation names the shipper as the responsible party for providing the carrier and terminal with data for each container prior to loading onto the vessel. In this context, the shipper is the legal entity named on the multi-modal transport document (such as the Bill of Lading or Sea Waybill) who has been contracted for carriage by a shipping company. Even with delegation, the shipper is responsible for providing Verified Gross Mass information.

Current Status

Six years after the introduction of verified gross mass rules to deal with the dangerous problem of mis-declared containers, one could be forgiven for thinking the issue of overweight boxes had been eradicated. Not so, it appears, even though things have improved greatly. In January 2020, a container stack collapsed on board the Aotea Maersk due to mis-declarations impacting on the stack's stability. That collapse caused Maersk to react by introducing a US\$100 penalty per bill of Maersk to react by introducing a US\$100 penalty per bill of lading for variance between weight declared by a shipper and what is proven to be the actual weight.

The consequences of mis-declaring the gross mass of a packed container can be far-reaching. Should a discrepancy between the declared gross mass and the actual gross mass of a packed container go unnoticed, it could have an adverse impact on the safety of the ship, seafarers and shore-side workers, leading to incorrect vessel stowage decisions and potentially collapsed container stacks or loss of containers overboard.

At a recent event in Birmingham, carriers were less interested in discussing rates with a shipper that wanted to move 20ft containers of animal feed from China to the UK, than if he had been offering 40ft containers of garden furniture. A carrier representative conceded that his line was currently "restricting heavy boxes from China". Carriers have also tightened up on their annual contracts with shippers, which have often only focused on volume, to also encompass container weights. According to a carrier source, some shippers have been "conveniently underestimating the weight of their boxes".

Mis-declared booking weights can cause the weight allocations to be exceeded, ships to shut out cargo, contracts to underperform and revenue to be lost.

Impact

Japanese carrier ONE said a \$2,000 per container weight discrepancy charge (WDS) would be applicable from July 1, 2022 for bookings accepted on or after that date. ONE said the penalty fee would apply where the cargo weight deviated by more than +/- 3 tons per TEU from the bill of lading instructions and VGM documentation. Given the dangers to life and vessels that were seen in the past, it is reassuring that most shippers are now in line with safety requirements. Those that aren't could feel the impact to their bottom line.

RESOURCES

[New Verified Gross Mass \(VGM\) regulations: How they impact shipping - iContainers](#)

[Shippers to pay the penalty as ONE set to apply overweight charge - The Loadstar](#)

[Verification of the gross mass of a packed container \(imo.org\)](#)

[Safety of Life at Sea \(SOLAS\) & Convention for Prevention of Marine Pollution \(MARPOL\): A General Overview \(marineinsight.com\)](#)

[Who Will Pay Penalties for Misdeclaring Cargo Weight \(VGM\) \(easyfreight.co.nz\)](#)