

# What We Learned From SOLAS



■ Mark Szakonyi

**AFTER MONTHS OF** hand-wringing over the SOLAS container weighing rule, July 1 came and went without the major disruptions many shippers feared.

U.S. marine terminals' last-minute rallying around existing weighing services, global operators' weighing services for those exporting outside the U.S. and a regulatory grace period made the rollout of International Maritime Organization rule akin to the much-feared but innocuous Y2K. Although this was good news for shippers and the ocean carriers that depend on them, the run-up to the new rule obliging carriers to only load containers with gross mass declarations was anything but smooth.

And, while "just-in-time" distribution might work for shippers trying to keep inventories low, it's no way for an industry upon which global trade relies to come together. Instead of writing it off as "that's the way the industry works," consider these lessons that the scrambling to meet SOLAS rule revealed.

● **IMO rules don't just appear magically.** The industry has known since May 2014, when the 62 signatories of the Safety of Life at Sea treaty approved the amendment requiring the VGM, that they would have to be ready by July 1. It's understandable that carriers and terminals would want to create a common approach to avoid adding to the myopic patchwork of SOLAS implementation globally, but the stunted response only escalated shipper anxiety.

● **Be at the table.** Some shippers criticized the Global Shippers' Forum for endorsing the verified gross mass proposal when it helped to create the new rule. But the GSF, which serves as an umbrella for national shipper groups, including the National Industrial Transportation League in the U.S., wasn't only at the table but also lobbied to allow shippers to generate the VGM by weighing goods and dunnage separately, and then adding the

tare weight of the container — the so-called second method of verification.

● **Think creatively and keep the pressure on.** U.S. exporters owe South Carolina Ports Authority President and CEO Jim Newsome plenty of gratitude for seeing that existing weighing processes to meet federal rules could provide a streamlined approach to generating VGMs. Without the Agriculture Transportation Coalition trumpeting this approach and pressuring the U.S. Coast Guard to give terminals and carriers the legal cover via its declaration of equivalency, exporters would have far more to worry about than the strong U.S. dollar and weak global demand.

● **Don't count on Congress.** House and Senate subcommittees may have put some pressure on the Coast Guard to issue a declaration of equivalency, but they showed little appetite in getting very involved. Part of that was due to Congress's limited power in influencing an IMO rule that already had been signed, but maritime matters, particularly complicated ones, don't have much of a draw for oft-distracted — and sometimes uninformed — legislators. Fortunately, the Federal Maritime Commission stepped up by hosting a Coast Guard workshop on the issue and bringing different sides to the table.

It remains to be seen whether the new rule improves maritime safety. The IMO didn't disclose how rampant container weight misdeclaration was before July 1 and with only a few accidents in which overweight containers played a role, it will be difficult to gauge the rule's impact. Only a few countries, such as Israel, are double-checking the accuracy of VGMs, meaning the success of the rule in cracking down on misdeclared weights rests on how honest shippers are and whether carriers will look the other way if they suspect inaccuracies. At least with the Y2K bug, you could check computer codes for glitches. **joc**

The Journal of Commerce (USPS 279 - 060), ISSN 1530-7557, July 25, 2016, Volume 17, Issue No. 15. The Journal of Commerce is published bi-weekly except the last week in December (printed 26 times per year) by JOC Group Inc. 2 Penn Plaza East, 12th Floor, Newark, N.J. 07105. Subscription price: \$344 a year. Periodicals postage paid at Newark, N.J., and additional mailing offices. © All rights reserved. No portion of this publication may be copied or reprinted without written permission from the publisher. POSTMASTER: Please send address changes to The Journal of Commerce, Subscription Services Department, 2 Penn Plaza East, Floor 12, Newark, N.J. 07105-2257.

**EXECUTIVE EDITOR,**

**THE JOURNAL OF COMMERCE AND JOC EVENTS**  
Chris Brooks 973.776.7818 chris.brooks@ihs.com

**MANAGING EDITOR**

Barbara Wyker 973.776.7817 barbara.wyker@ihs.com

**EXECUTIVE EDITOR, JOC.COM**

Mark Szakonyi 202.872.1234 mark.szakonyi@ihs.com

**SENIOR EDITORS**

Joseph Bonney, *Breakbulk/Project Cargo, Gulf Coast*  
973.508.2417 joseph.bonney@ihs.com

William B. Cassidy, *Trucking and Domestic Transportation*  
202.872.1228 bill.cassidy@ihs.com

Bill Mongelluzzo, *West Coast*  
562.428.5999 bill.mongelluzzo@ihs.com

Hugh Morley, *Northeast, Mexico*  
973.776.7811 hugh.morley@ihs.com

Greg Knowler, *Asia Editor, IHS Maritime & Trade*  
+852 3975 2647 greg.knowler@ihs.com

Turloch Mooney, *Global Ports, IHS Maritime & Trade*  
+852 9011 9109 turloch.mooney@ihs.com

**ASSOCIATE EDITOR**

Reynolds Hutchins, *Intermodal, Government/Regulation, Southeast Ports*  
202.572.1487 reynolds.hutchins@ihs.com

**RESEARCH EDITOR**

Marsha Salisbury 973.776.7828 marsha.salisbury@ihs.com

**ASSISTANT WEB EDITOR**

Dustin Braden 973.776.8652 dustin.braden@ihs.com

**ECONOMIST**

Mario O. Moreno 973.776.7850 mario.moreno@ihs.com

**SENIOR CONTENT EDITOR**

Alessandra Gregory Barrett 860.248.5238 alessandra.barrett@ihs.com

**SENIOR DESIGNER**

Sue Abt, 973.776.7825 sue.abt@ihs.com

**DESIGNER**

Bryan Boyd, 973.776.7827 bryan.boyd@ihs.com

**PUBLISHER**

Tony Stein 770.295.8809, tony.stein@ihs.com

**SALES**

Cindy Cronin, *Strategic Account Manager Southeast, Gulf, Canada sales*, 954.551.8305

Zachary Gorman, *Account Executive Northeast sales, Classifieds/Reprints/Copyrights* 973.776.7820

Misty Belser, *Senior Sales Executive* 919.869.7404

Ria Van den Bogaert, *Sales Representative Europe, Middle East sales*, +32 2 569 8905

Bon Kwok, *Sales Representative Asia sales*, +852 31707373

For Magazine Subscription Customer Service: [www.joc.com/help](http://www.joc.com/help)

**IHS MARITIME & TRADE**



2 Penn Plaza East, 12th Floor, Newark, N.J. 07105  
973.776.8660 • 800.952.3839

**MANAGING DIRECTOR, MEDIA AND EVENTS, IHS MARITIME & TRADE**, Rhiannon James

**SENIOR DIRECTOR, CONTENT, IHS MARITIME & TRADE**, Peter Tirschwell

**DIRECTOR, JOC AND RAILRESOURCE, IHS MARITIME & TRADE**, Amy Middlebrook

**MANAGER, PRODUCTION**, Carmen Verenna

**MARKETING PROGRAMS MANAGER, PIERS AND JOC**, Jesse Case