

Charleston tacks away from other US ports in container weighing

[Peter Tirschwell](#) | Apr 28, 2016 12:48PM EDT

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The [Port of Charleston](#) and its CEO James Newsome are emerging as mavericks in the increasingly heated debate over how a global [container weight rule](#) will get implemented in two months without disrupting trade.

Newsome believes that the declared policy of many U.S. terminals [to refuse entry](#) to containers without a verified gross mass provided by the shipper will lead to trucks being turned away at the gate on July 1 when an amendment to the SOLAS convention takes effect globally.

Turning away containers at the gate “has the potential to further harm an already challenged container trucking industry,” Newsome wrote in an April 7 letter to Rep. Duncan Hunter, D-Calif., chairman of the House Coast Guard and Marine Transportation subcommittee. “Many truckers delivering export cargo will subsequently pick up an import container, what are they to do with the rejected container?”



James Newsome

[Since February](#), Newsome has been talking openly about another solution involving weighing containers when they arrive at the terminal using existing processes and infrastructure, and he is now taking concrete steps to put such a policy [into effect](#). The cost to the shipper will be \$25 per container.

The concept is to leverage existing and longstanding export container weighing processes at all U.S. terminals. He believes an accurate weight with a tolerance of plus or minus 2 percent can result from weighing the fully loaded truck and subtracting the weight of the truck, chassis and fuel. Charleston's direction is similar to certain terminals globally, such as DP World at Southampton and London Gateway, which [plan to offer](#) weighing services for a fee.

The position of Charleston, which operates its own terminals, illustrates the sharp divergence among U.S. terminal operators as the July 1 date approaches. Some terminals such as Maher at New York-New Jersey, and at least 15 others in the U.S., including those at Virginia, Boston, Jacksonville, Tampa, Houston, New Orleans and Los Angeles-Long Beach, have privately told carriers they will reject containers if they don't have a VGM on file. Houston [said](#) this week that "containers will be required to have a VGM on file prior to in-gate." Several others have explicitly said they will not offer weighing services. JOC.com on Wednesday was trying to confirm a report that Ports America at Baltimore would offer weighing services. Charleston's Southeast rival Savannah says it will not turn away containers at the gate, but it also would not offer weighing services. Given that ocean carriers — the terminals' main customers — will not want to see their customers' cargo turned away at the gate, it is unclear how rigid U.S. terminals will actually be in enforcing a "no-VGM, no-gate" policy.

However, based on what the terminals have said, containers being turned away as of July 1 at some major gateway ports can't be ruled out. Newsome said his approach "eliminates potentially the need for a very damaging procedure that some terminals are opting to employ, namely rejecting containers received without a VGM on file." Few in the industry seem to have a good handle on whether shippers will be prepared by July 1 to generate a BGM and provide it to the carrier. Many shippers will inevitably be prepared, but it is an open question how many will not be, creating the potential for mayhem at terminal gates if truckers start getting turned away.

Under the plans that Newsome has drawn up and circulated to port customers, the port would offer to weigh export containers with its weigh bridges currently used to comply with existing Occupational Health and Safety Administration rules. All scales used to weigh export containers at both the North Charleston and Wando Welch terminals will be certified annually by the South Carolina Department of Agriculture, the competent certification authority in South Carolina.

Under the plans, the combined gross weight of the tractor (including an estimate of fuel weight), container, chassis and cargo will be determined by weighing the entire truck unit on the scale, pursuant to a request by the exporter. A deduction will be made for the posted tare weight of the container and the weight of the tractor and fuel as provided by the truck driver to the interchange clerk. After these deductions, the port will provide the gross weight of the container and cargo to the shipper.

To comply with OSHA, according to Newsome, most ports have scales where “a high percentage, if not all” of the export containers received are weighed by regularly calibrated (not certified) scales, and those weights are provided to the shipping lines contemporaneous with receipt and routinely used in the stowage plans of container vessels handling exports from U.S. ports.

“This practice has occurred for over 20 years and represents what can legitimately be called a ‘best practice’ in the safe loading of vessels in the U.S.”

Some terminals have said that while weigh bridges are used for containers arriving via truck, they typically aren’t for containers arriving via on-dock rail, as many do at Southern California and New York-New Jersey.

Newsome said the process will result in an accurate approximate weight for the packed container, the weight called for under the SOLAS rule. “While these weights are not perfect, (for example, the weight of the truck may be inaccurate due to varying quantities of fuel), random samples that we have done lead us to believe that they are within 2 percent of being accurate,” Newsome wrote to the House subcommittee. He said that random testing done recently at the port has revealed a 10 percent variance from the cargo weight as stated by the shipper. “That is too large a variance to be acceptable,” he wrote.

U.S. agriculture exporters, who have complained bitterly that the SOLAS rule would disrupt exports, greeted the Charleston idea favorably. "Exporters, worried about the July 1 implementation date for SOLAS, are currently looking for ports that are interested in working with them to find a means of compliance, and will move at least some of their cargo from a "No VGM, No Gate" port, to the Port of Charleston, if it feels that Jim Newsome's plan is workable," Peter Friedmann, executive director of the Agriculture Transportation Coalition, said on

Thursday. The Charleston plan "has gained attention and appreciation from the exporter community."

Newsome said the process he is proposing addresses key unanswered questions. Among them, he said, it eliminates the potential for discrepancies between the VGM determined prior to the container's arrival at the terminal and a terminal-derived weight. "Not much discussion has occurred about how such a conflict would be resolved," he wrote. It could also address concerns expressed by U.S. agriculture exporters that the fast-paced transloading of grain and other goods at near-port facilities would not be feasible under the standard prescribed methods for obtaining the VGM.

Indeed, Newsome's solution deviates from the strict methods defined by the SOLAS rule, which puts the responsibility for generating the VGM squarely on the shipper and provides two methods for deriving it, either by weighing the entire loaded container or weighing the cargo and packing materials and adding that to the tare weight of the container. "While only two methods of providing accurate weights are specified in the international SOLAS regulations, it seems to us that a container shipping line should have the right to use a third option, that being the existing best practice of using scale weights provided by the terminal on receipt of export containers," he wrote.

Newsome said the approach appears to conform to the methodology outlined by the IMO Maritime Safety Committee in its "Guidelines Regarding the Verified Gross Mass of a Container Carrying Cargo" published in 2014. It would also seem to be consistent with statements by the U.S. Coast Guard giving private sector parties flexibility in complying with the rule. Newsome said that by providing this weight, the South Carolina Ports Authority does not certify its accuracy and the requirement for submitting the VGM still rests with the shipper. "Rather, it makes its best efforts to assure the provision of an accurate weight using the methodology" as described.

Newsome said: "It is our very committed view that a well-intentioned international rule should not lead to the discarding of a well-accepted best practice in the loading of ships in the major U.S. container ports that, by the way, complies with OSHA regulations that have been in effect for many years," he wrote.

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