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In this article, Daniel Watt discuss the new rules for weighing packed cargo containers which will come into force globally on July 1, 2016, including in Canada under the Cargo, Fumigation and Tackle Regulations under the Canada Shipping Act, 2001.

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Weigh Now or Weight Later: New Cargo Container Verified Gross Mass (VGM) Rules Effective July 1, 2016

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By [at McInnes Cooper](#)

As of July 1, 2016, packed cargo containers to which the [CSA](#), Chapter VI, Regulation 2, applies can't be loaded onto a ship until the master (or her representative) and the terminal representative have either received the shipping document with the "verified gross mass" (or "VGM"), or the terminal operator or the carrier has itself calculated the VGM.

Effective July 1, new rules for weighing packed cargo containers will come into force globally, including in Canada under the [CSA](#) under the *Canada Shipping Act, 2001*. The new rules are intended to ensure accurate container weights are available through the supply chain to reduce the risk of container stack collapses and vessel instability caused or contributed to by inaccurately declared container weights. As of July 1, shippers will be required to calculate the VGM – total gross mass – of a packed container and provide the VGM to carriers and terminal operators in a signed shipping document before the container can be loaded on a ship. There are two approved methods to determine VGM; estimated weight isn't permitted:

- When a container is packed and sealed, the shipper may weigh it or have a third party weigh it.
- The shipper or a third party arranged by the shipper may weigh all cargo, dunnage, and securing material to be loaded into the container, and add the tare (unladen) weight of the container.

Here's how the new VGM rules will impact shippers, terminal operators and carriers.

Shippers. The primary responsibility to comply with the new VGM rules rests with the shipper. And after July 1, no VGM means no loading, no loading means delay, and delay means money. Shippers should be aware of – and prepared for – these implications.

- **Rely on yourself.** Shippers can't rely on being able to obtain VGM dockside: terminals in Canada aren't required to provide on-site weighing facilities, so some may – and some may not. If such services are available, they will be at an additional cost to shippers that haven't already obtained the VGM.
- **Advance planning.** The new rules don't mandate when the shipper must supply the VGM information, so shippers should try to negotiate with carriers and terminals mutually agreeable protocols for how far in advance they must provide VGM information.
- **Penalties.** The severity of penalties for non-compliance with the new VGM rules depends on which SOLAS state is prosecuting – but in Canada, any person or vessel that contravenes the *Cargo, Fumigation and Tackle Regulations* is liable on summary conviction to a fine of not more than \$1M, imprisonment for a term of not more than 18 months, or both.
- **Risk Allocation.** Shippers should review their standard contractual terms to allocate the additional risks the new rules create: the possibility of delay claims for non-compliant containers, the cost of using terminal weighing facilities and the potential for penalties for non-compliance.

Terminal Operators. The new rules carry both risk and opportunity for terminal operators.

- **Clogged Terminal Risks.** If terminal operators don't provide weighing services, some non-VGM cargo and containers will inevitably end up stuck at the terminal. Terminals should establish policies and procedures to ensure they receive VGM information from the shipper or vessel in sufficient time to minimize clogs, and to address who will bear the risks and costs of any non-VGM containers arriving at the terminal. Terminal operators should review their contracts with shippers to properly allocate any resulting costs.
- **Commercial Opportunity.** The new rules don't require terminal operators to provide weighing facilities – but there may be a commercial opportunity to offer this value-added service. Terminal operators will have to examine the practical, legal and business costs and benefits of doing so.

Carriers. The new rules impose key obligations on carriers.

- **No VGM No Load.** A major obligation for carriers is to ensure non-VGM containers aren't loaded on the ship. Carriers are entitled to rely on VGM certification from shippers – but there may be circumstances in which the carrier believes the VGM is inaccurate, and the ship's master always retains discretion to refuse to load a container (even a VGM-certified one) for safety reasons. Carriers should examine their contracts with shippers to stipulate who will bear the costs of the shipper failing to provide the VGM at all, or providing an inaccurate VGM.
- **Stowage Plans.** A second key carrier obligation is to use the VGM information to prepare stowage plans. Stowage issues can cause or contribute to incidents on ships so carriers are well-advised to ensure they have a reasonable system of checking and documenting the VGM of each container they actual load on the ship. This will help protect against claims of non-compliance with the VGM rules and any claims of improper stowage.
- **Delay.** The new VGM rules don't establish timelines by which shippers must provide carriers and terminal operators with the VGM. Prudent carriers will review their contractual arrangements with shippers to ensure shippers must submit the VGM by a set deadline – and allocate the costs of failing to do so.

To assist shippers, terminal operators and carriers with compliance with the new VGM rules, Transport Canada, Marine Safety and Security, has prepared a guide entitled “

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