



“Working Together to Make Trade Work”

NAEGA MAP Trip Report – Dry Bulk Terminals Group Executive Committee Meeting and International Maritime Organization (IMO) CCC Subcommittee Meeting – London, UK

Name of Traveler: Jerry Cotter, Senior Advisor, NAEGA

Dates of Travel: August 30, 2016-September 10, 2016

Purpose of Travel:

Consistent with its UES objectives, Jerry Cotter, NAEGA Senior Advisor, traveled to London, United Kingdom on August 30-September 10, 2016 to continue NAEGA engagement and monitoring of international efforts related to the regulation of the bulk grain trade by the International Maritime Organization (IMO). NAEGA’s primary avenue for engagement with the IMO is through the International Dry Bulk Terminals Association (IBTA) and its sister organization, the Dry Bulk Terminal Group (DBTG). The DBTG is a critical and credible source of information, cooperation and influence regarding numerous international regulatory issues of impact to the GRNOS trade. NAEGA participates in the DBTG through its leadership role in the organization as a member of the Executive Committee (ExCom). In London, Mr. Cotter attended two meetings related to the DBTG and the IMO regulation of the bulk grain trade:

1. *Executive Committee (ExCom) Meeting of the DBTG:* As a member of the ExCom of the DBTG, Mr. Cotter participated in a committee meeting in London on September 1. The meeting provided for an opportunity to meet the DBTG’s new Executive Director Nicolas Ingle and discuss ongoing DBTG business and policy.
2. *IMO Subcommittee on the Carriage of Cargoes and Containers (CCC) Meeting:* Following the ExCom meeting, Mr. Cotter participated, as a member of the IBTA, in a meeting of the IMO’s CCC Subcommittee on September 5-9. NAEGA is currently addressing CCC actions on requirements for marine transport of seedcakes and grain screening pellets. The IMO, the International Grain Code (Grain Code), the International Maritime Solid Bulk Cargoes Code (IMSBC) and the Convention on Safety of Life at Sea (SOLAS) are all in the process of revising classifications and authorities. Parties to the Conventions have yet to agree on several measures that will have a significant impact on the cost and predictability of GRNOS shipments on marine vessels.

Summary of Findings/Conclusions/Accomplishment

DBTG ExCom Meeting

On September 1 Mr. Cotter attended the DBTG’s Executive Committee (ExCom) meeting as NAEGA’s representative on the committee. The meeting of the DBTG ExCom Committee was held on September 1 and led by Mr. Nicolas (Nic) Ingle, the new Executive Director of the DBTG. Mr. Ingle took over for Ian Smith in June 2016. This meeting was primarily to acquaint members of the ExCom with Mr. Ingle and to set parameters for what was expected and how the Group should proceed. A copy of the meeting agenda and report is attached.

Items covered included membership services, marketing plans, reports to the ExCom and



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membership, and the importance of partner organizations such as NAEGA.

Expanding communication with the membership, including visiting members was an important item of discussion. Mr. Ingle was asked to talk directly to all members within the next three months and requested to visit as many members as possible before the next ExCom meeting in January. In this regard, Mr. Ingle will be attending a regional meeting of the American Association of Port Authorities (AAPA) in Merida, Mexico November 30-December 2 where he will meet with potential members from Mexico. Following this meeting, Mr. Ingle is planning to travel to the US to visit with DBTG members in the New Orleans and lower Mississippi river area.

There was extended discussion regarding the potential consequence of the cancellation of the annual meeting in Manila. The logistics of the Manila meeting, along with problems with the hotel confirming requirements and the lack of communication about the meeting to the membership, led to the decision to cancel the meeting. Consequently, the ExCom decided not to hold a fall meeting this year.

Mr. Ingle reported that he had attended the United Nations Globally Harmonized System (GHS) for Classification and Labelling of Chemicals meeting in Geneva regarding dust explosion regulation. In addition, Mr. Ingle will continue to participate in the meetings of the IMO CCC as Head of the Delegation for the International Bulk Terminals Association (IBTA).

The ExCom decided to hold the annual spring operations meeting in a location where there was a major bulk terminal operation. The location chosen for next spring is Gijon, Spain. The annual meeting has been hosted by EBI Terminals in Gijon in the past and that meeting was very successful.

IMO meeting of the Carriage of Cargoes and Containers (CCC)

On September 5-9, the International Maritime Organization’s (IMO) Subcommittee on the Carriage of Cargoes and Containers (CCC) met to discuss a wide-ranging agenda that included consideration of revising classifications for seedcakes to more closely comply with similar UN Model Regulations. Mr. Cotter attended the Subcommittee representing NAEGA as a member of the IBTA delegation.

During the Subcommittee meeting, Australia presented the paper CCC 3/5/11 on revision of schedules for seed cakes and grain screening pellets. The paper was cosponsored by Australia, Canada, China, Italy, Spain, United States and BIMCO (copy attached). There was good discussion with several member states and NGOs providing input.

The major concern of the paper regarded the harmonization of the specific seed cake schedules in the International Maritime Solid Bulk Cargoes Code (IMSBC Code) and the conflicting UN classifications in the UN Model Regulations. Currently, the schedules in both codes differ significantly and there was some discussion of whether they should be more closely harmonized.



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Commodity	IMSBC Code	UN Model Regulations
Seed cake UN 1386	See footnote 1	Seed cake with more than 1.5 percent oil and not more than 11 percent moisture
Seed cake UN 1386(a) ¹	More than 10 percent oil or more than 20 percent oil and moisture combined	No classification for UN 1386(a)
Seed cake UN 1386 (b)	Not more than 10 percent oil, when the moisture level is higher than 10 percent not more than 20 percent oil and moisture combined	No classification for UN 1386(b)
Seed cake UN 2217	Not more than 1.5 percent oil, not more than 11 percent moisture	Less than 1.5 percent oil and no more than 11 percent moisture
Seed cake non-hazardous	4 percent oil, 15 percent oil and moisture combination	

For example, the UN has a maximum moisture limit of 11% where the IMSBC Code schedules allow higher moisture on some commodities, including both classifications of Seed cake UN 1386. This is considered a problem, and while many delegations said harmonization was important, all members agreed that maintaining vessel safety was the most important factor for these regulations.

CCC Paper 3/5/11 also includes discussion on the on the applicability of the IMSBC Code and the Grain Code to the shipping of seedcakes and grain screening pellets. Varying levels of cohesiveness in shipments of seedcakes and grain screening pellets have created ambiguity as to whether seedcakes and grain screening pellets fall under the IMSBC Code or the Grain Code. The paper considers whether changes may need to be made to the IMSBC Code, the Grain Code, or both to deal with this ambiguity and the definition of cohesiveness. This is the first time the Grain Code has been considered in this discussion. This issues remains on the top of NAEGA agenda for the IMO CCC, as NAEGA considers any changes to the Grain Code to be unnecessary. NAEGA is a strong proponent of the Grain Code as currently written and, in talking with several delegations, it was evident there is strong support to keep the Grain Code separate from the IMSBC Code. The U.S. supports this position as well.

The seed cake classification issue was referred to Editorial and Technical Working Group (E&T) to develop terms of reference for a Correspondence Group (CG) to further develop a paper for CCC 4. Dr. Sam Ota of Japan will be the chair of the CG. The Terms of Reference are attached.

Finland also submitted a paper proposing to require all shippers of IMSBC Code commodities to declare on the shipping document whether the commodity was Hazardous to the Marine

¹ The IMSBC Code makes a distinction between between oil and moisture levels for seed cake under UN 1386 by creating two classification: UN1386(a) and UN 1386(b). UN Model Regulations only recognize one classification for seed cake as defined by its regulation for UN 1386.



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Environment (HME). This is already a requirement of MARPOL Annex V but only if the commodity is HME. This would impact shippers of seed cake commodities if it went into effect. There was very little support for the paper and it did not go forward. However, this issue will continue to be discussed in the Maritime Environmental Protection committee, responsible for MARPOL Annex V, and the CCC, responsible for the IMSBC Code.

Recommendations

Monitoring developments at the IMO CCC Subcommittee remain a top NAEGA priority. The DBTG and its sister organization the IBTA, are a key conduit and a credible source of information about the IMO CCC. NAEGA should continue to coordinate with the DBTG on issues impacting the bulk terminal industry. In addition, NAEGA should continue to reach out and support the DBTG’s new Executive Director Nicolas Ingles as he meets with members and becomes oriented with the position.

NAEGA should continue to work through partners and connections including the International Grain Trade Coalition, the IBTA and the U.S. Coast Guard as it participates in the seed cake Correspondence Group and the CCC Subcommittee. Monitoring and evaluating CG recommendations for proposed changes to the IMSBC Code for seed cakes should remain a top NAEGA priority. In addition, this should include monitoring of IMO activity in London and developments at the Transportation of Dangerous Goods (TDG) and Globally Harmonized System of Classification and Labelling of Chemicals (GHS) subcommittees in Geneva if necessary. Pivotal to actions will be a continuation of NAEGA’s close working relationship and communication with the U.S. Coast Guard. Related to this, NAEGA should continue to work to ensure that the Grain Code remains supported as currently written within the IMO and amongst the CCC Subcommittee. Any changes to the current system for the transportation of the bulk grain cargoes, as outlined under the Grain Code, would be unacceptable to NAEGA and potentially harmful to the GRNOS trade. NAEGA should continue to work through the IBTA and participate in the CCC Subcommittee to monitor the progress of the this and other issues.

Attachments

- *DBTG ExCom Meeting Agenda*
- *IMO CCC Paper 3/5/11*
- *Terms of Reference for the Seed cake CG*
- *Participants to the Seed cake CG*
- *Finland Paper on Declaration of HME Cargoes*