



Angela Savino
614-431-1500

Transportation with International Trade

Carl R. Soller, Esq.

Angela Alexander Savino, Esq.

James Manson, Esq.

Steve Block, Esq.

Global Logistics Master



Within a limited period of time and budgeted resources:

- ❖ Navigate foreign lands
- ❖ Travel international waters or air space
- ❖ Transition through various modes of transportation
- ❖ Understand applicable foreign laws, international treaties, federal and state laws
- ❖ Survive shipping document terms

The Contract:

Transportation is grounded in contract.

Terms of the contract will be found in various statutes, treaties and common law.

- Ocean-The Shipping Act, Carriage of Goods by Sea Act, The Hague Visby rules of 1924 or 1968;
- Air-The Convention for Unification of Certain Rules Relating to Carriage by Air (Warsaw Convention of 1929), Montreal Convention of 1999, the Chicago Convention of 2016;
- Rail-The Interstate Commerce Commission Termination Act of 1995 (ICCTA), and the Federal Railroad Safety Act of 1970 (FRSA);
- Motor-49 USC Section 14706 (the “Carmack Amendment” of 1935), and state laws pertaining to contract.

The Contract:

Shipping Documents:

- Bills of lading, Seaway bills, House Bills
- Applicable tariffs
- Invoice terms
- Credit Agreement terms
- Rail Circulars
- Manifests
- Delivery Receipts

The Contract:

Written Agreement:

- Address distinct needs
- Increase efficiency
- Manage risks
- Budget costs
- Develop relationships
- Promote success

Shipper's Distinct Needs:

- Safe and complete transport
- Integrated Supply Chain from end to end
- Benchmarking and business intelligence
- Support of a transportation management system (TMS), electronic data interchange (EDI) capability.

Manage Risks:

- Define role of carrier
- Provide for service commitments
- Provide for adequate recovery for breach of contract and breach of warranty
- Require compliance with applicable laws
- Require minimum levels of insurance
- Indemnification for third party claims
- Provide for minimum levels of insurance
- Provide for governing law and exclusive jurisdiction.
- International considerations with privacy, terrorism, corruption. (U.S. Custom's Customs-Trade Partnership Against Terrorism certification (C-TPAT), Foreign Corrupt Practices Act (FCPA)).

Managing risks

LEGAL AUTHORITY	C.O.G.S.A.	Visby Amendment	Warsaw	Carmack
LIMITATIONS OF LIABILITY	(\$500US) per "package" or "customary freight unit" unless a higher value is declared. "Customary freight unit" is used in US only for goods not shipped in packages.	Special Delivery Rights (SDR) of International Monetary Fund 666.67 units per package or 2 units per kg = whatever is higher.	limits damages to \$20/kg or 9.07/lb unless the consignor has made a special declaration of value and paid a supplemental sum based on that value, or unless there is willful misconduct. Amended by Montreal Protocol to 17 SDR per kilogram. Hague Protocol establishes limit of 250 francs per kilogram.	Actual loss or injury to the property, but can be limited by contract to value declared for property on shipping documents

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Case Study #1:

In preparation for the eclipse, EGlases.Com, LLC ordered a container of solar glasses from a manufacturer in China. EGlases.Com hired Intermediary, Inc. to transport the eclipse glasses from the China port to Nebraska. The container traveled by ocean carrier to Vancouver, where it was transported by rail to Toronto, and then by truck to Nebraska. When the container was opened in Nebraska, half of the contents were damaged by water.

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Shipper's perspective:

- Claim considerations
- Burdens of proof
- Jurisdiction
- Governing Law