

THE COMBINED TRANSPORT BILL OF LADING

The Chamber is aware that some confusion exists as to the definition, terms, and application of the Combined Transport Bill of Lading, currently used by the majority of ocean carriers operating to and from Australia.

There have been several explanatory papers and rules issued by various international bodies covering 'Combined Transport', 'Through Transport' and 'Multimodal Transport' documents. This leaflet aims to clarify those points which commonly cause confusion within the marine industry in Australia.

What is a Combined Transport Bill of Lading ?

With the advent of containerisation, the practice arose of carrying cargoes in containers for great distances to ports of loading (onto the ocean vessel) and from the port of discharge.

It was therefore necessary to develop a Bill of Lading which extended the carrier's existing liability under the 'Port to Port' Bill of Lading (the 'ships rail' principle) to the Place of Acceptance of Delivery, which might be some distance away from the load or discharge port.

A common definition of 'Combined Transport' as found in the clauses on the back of the Bill of Lading is – "where the 'Place of Acceptance' and/or 'Place of Delivery' spaces on the face of the Bill of Lading are completed".

Such completion, even by use of the word 'terminal', would convert a 'Port to Port' document to a 'Combined Transport Bill of Lading'.

Although basically the Combined Transport Bill of Lading would cover more than one mode of transport of the goods, it should be remembered that where P.O.A./P.O.D. are completed in the Combined Transport Bill of Lading, by showing the respective terminals, this may not be the case.

Liability for Combined Transport

The carrier's liability is set out on the back of The Bill of Lading in the section 'Carrier's responsibility – Combined Transport'.

In claims arising outside of the sea transit of the goods, settlement will usually be made on the basis of USD 2.50 per kg – gross weight – of cargo, in terms of this clause.

Many people query this level of settlement and how it is arrived at. In many overseas countries the liabilities of overland carriers are fixed at around this level, therefore USD 2.50 per kg is the maximum liability which Shipping Companies accept for such claims.

Where damage or loss is clearly shown to have occurred during the sea leg, the customary limitation stipulated under the relative Maritime Law would be applied to the claim.

Delivery

Since cargo shipped under Combined Transport Bills moves through many modes of transport it is only the integrity of the seal on the container which provides any indication of whether the container or goods have been breached.

It is therefore essential that seals on containers are carefully checked when taking delivery and delivery dockets noted accordingly.

If any loss or damage to goods is apparent only at the time of unpacking the container, notification of such loss or damage should be given to the carrier within the period stipulated in the Bill of Lading (usually 3-7 days) after date of delivery of the goods.

*Failure to do so will not only prejudice any claim but hinder the carrier's enquiries into such loss/damage.*

Time-Bar

Under Maritime Law, claims are usually time-Barred after a period of 1 year, but this applies only to claims known to have occurred during the sea leg of the Combined Transport Bill of Lading.

Where claims can be said to have arisen during the overland transit, the time-bar comes into effect *9 months* after date of delivery.

This could mean that the one claim could be time-barred for the land transit while still in time as regards any portion of the claim attributable to the sea leg.

*This fact should be borne in mind whenever lodgement of a claim is being considered.*

It appears that the 9 month time-bar has also been aligned to the practice in effect with international operators of overland transport.

Packing of Containers

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Shippers who pack containers themselves should keep in mind the fact that cargoes often move considerable distances in more than one type of transport.

Consequently, apart from the rolling and pitching motion in the sea carriage, the cargo is also subject to acceleration/deceleration movements of road/rail transit. Cargoes, especially heavy and awkward packages, need to be carefully and professionally packed into the container.

The shipper must ensure the container is in a sound and clean condition before packing, as acceptance incurs a certain liability if damage or poor condition is proven on packing.

*Insecure cargo could not only cause damage to itself and the container but also a risk to the lives of stevedores, ship's personnel etc.*

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The above information is provided for the guidance of shippers, consignees and their agents. The comments made should not be regarded as having any legal significance or as being binding on any carriers in terms of the wording of their particular Bills of Lading. The Chamber accepts no responsibility for costs incurred as a result of interpretation of the above information.

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