

# How to Read a Bill of Lading

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# This cargo is covered by an Ocean Bill of Lading, and it's not going to be delivered today.



### Same story here...



### ...and, of course, here!



### Time to Look at the Bill of Lading



#### Tanker B/L

#### Odfjell Form B/L: Bill of La. ag for Port to Port Shipment



Shipped in apparent good order and condition by:	B/L No.: OTUS- 18-B SHIPPER'S REF: 10-1904719 FORWARDER'S REF NO: 706-7409371 UPS SUPPLY CHAIN SOLUTIONS FMC # 275-F 15850 VICKERY DRIVE, HOUSTON, TEXAS 77032
Consignee or Order: INDUSTRIAS VENCEDOR SA AV VENEZUELA 5197, SAN MIGUEL LIMA, PERU	Carrier (owner or demise charterer of the Vessel): (If carrier is not named herein, then Carrier is the owner or demise charterer of the Vessel)
Notify Party/Address:	Onboard the Vessel BOW SANTIOS and Voy. No.: 200704 FLAG: PANAMANIAN: CAPTAIN: DO YOUNG LEE STOWAGE: 11P TARIFF NO: 2915.32.00.00
Port of Loading: TEXAS CITY, TEXAS NO SED REQUIRED - AES OPT 4 38-1285128 94- 3083515-0 "CLEAN ON BOARD BOW SANTOS" 04 / 19 / 07	Port of Discharge (or so near thereto as the Vessel can safely get- always afloat); CALLAO, PERU "FREIGHT PAYABLE AS PER CHARTER PARTY" 262.052 M/TS @ USD \$ // MT = USD

A quantity in bulk said by the shipper to be metric tonnes (MT): 262.052 M/TS (577.724 LBS.) Product: CARGO NAME: VINYL ACETATE MONOMER (VINYL ACETATE 14-17 PPM HO) MARPOL CATEGORY: Y BULK to be delivered to Consignee or to Order; provided always that Freight is paid as per governine. Charter Party (CP) Contract of Affreightment (CoA) between ODFJELL SEACHEM AS and

This shipment is carried pursuant to CP/CoA referred to above and all the terms, clauses, conditions, liberties and exceptions whatsoever contained therein are incorporated into this Bill of Lading, including the lien clause and the arbitration/lawfjurisdiction clause. Obligations or liabilities of any charter (howsoever described) herein shall be obligations and liabilities of the Merchant hereunder. Any dispute arising under this Bill of Lading or between the holder thereof and the Carrier shall be resolved in accordance with the arbitration/lawfjurisdiction clause.

The place for arbitration or court proceedings, as the case may be under the CP/CoA, is available upon request from the Carrier or its agents. If the governing CP/CoA, does not contain an arbitration/law/jurisdiction clause, then the clause appearing on the reverse side of this Bill of Lading shall apply to any disputes arising under this Bill of Lading.

The quantity, measurement, weight, gauge, quality, nature, value and condition of the cargo are unknown to the Carrier, the Vessel and to the Master.

This shipment said to be  $\underline{262.052}$  MT was loaded on board the Vessel as part of one original lot said to total  $\underline{524.104}$  MT stowed in  $\underline{11P}$  with no segregation as to parcels.

#### Non Segregated and Commingled Cargo;

Where the cargo when shipped is not segregated from other cargo or is commingled on or after shipment, the Carrier, Vessel and the Master shall have on liability or responsibility for the consequences therefore, nor for the separation of parcels on discharge or delivery. The Carrier, the Vessel and the Master undertake only to deliver such portion of the cargo actually received as is represented by such percentage by which the amount stated in this Bill of Lading bears to the total quantity of commingled cargo delivered, whether such delivery takes place to one or more persons or at one or more ports.

Further terms and conditions governing this Bill of Lading are found on the reverse side, including Lien, Freight, Paramount, New Jason, Both-to Blame Collision, General Average and Demise clauses.

In witness whereof the Master or Agent of the Vessel has signed <u>THREE (3)</u> Original Bills of Lading and all of this tenor and date, drawn as one set and consecutively numbered, any one of which being accomplished, the others shall be void.

THESE COMMODITIES, TECHNOLOGY, OR SOFTWARE WERE EXPORTED FROM THE UNITED STATES IN ACCORDANCE WITH THE EXPORT ADMINISTRATION REGULATIONS, DIVERSION CONTRARY TO U.S. LAW PROHIBITED. NLR

FOR CHEMICAL EMERGENCY, SPILL, LEAK, FIRE, EXPOSURE OR ACCIDENT, CALL CHEMTREC COLLECT 703-527-3887 DAY OR NIGHT.

HOUSTON, TEXAS 04 / 19 / 07

CAPTAIN: DO YOUNG LEE

Place and Date of issue

Signed By or For the Master

#### The Bill of Lading is a ...

**■** Document of Title

**■** Transportation Contract

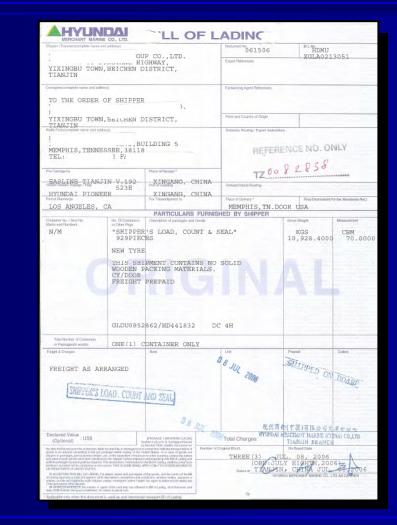
Receipt for Transit



## Liner Bills of Lading

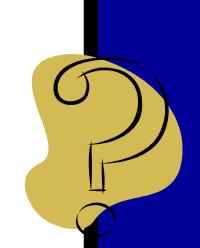


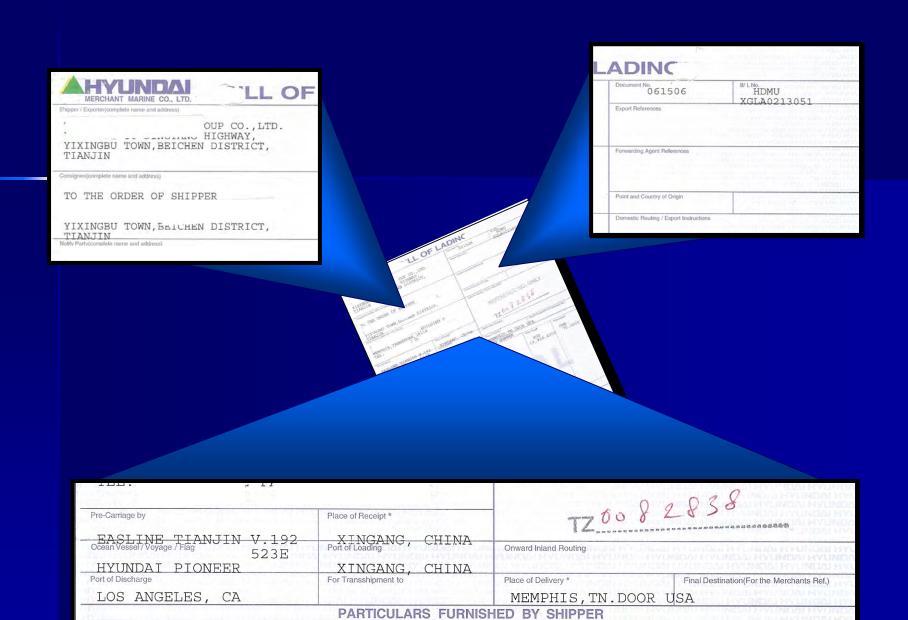
#### **Typical Liner Service Bill**



#### **Liner Bill Questions**

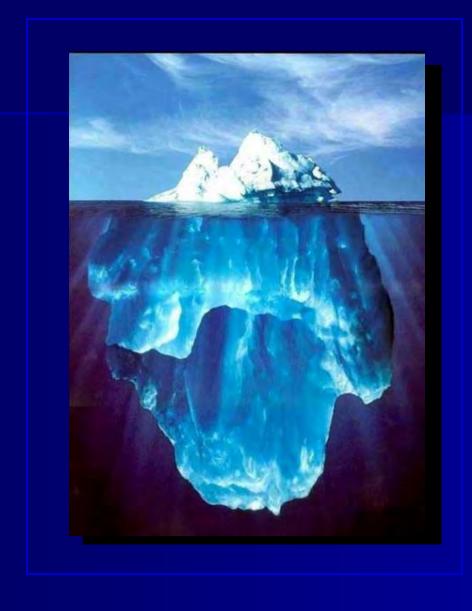
- **■** Port-to-Port or Multimodal?
- **How Many Packages?**
- Who Signed it?
- Is There a Service Contract?



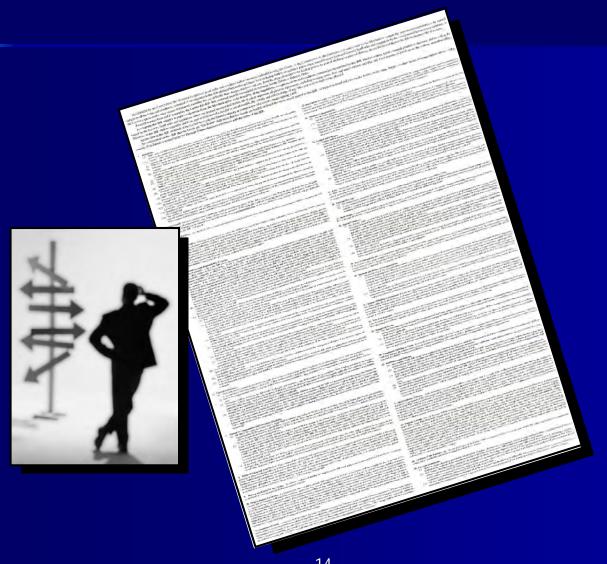




SHIPPER (Name and Full Addr	ess)	SHIPPER'S I. D. BOX	BOOKING NUMBER		BILL OF LADING B/L NUMBER	
			EXPORT REFERENCE	· c		
			EN ON HEI BIEVO			
CONSIGNEE (Name and Full Address/Non-Negotiable Unless Consigned to Order)		FORWARDING AGE	FORWARDING AGENT REFERENCES			
			POINT AND COUNT	POINT AND COUNTRY OF ORIGIN OF GOODS		
NOTIFY PARTY/INTERMEDIATE CONSIGNEE (Name and Full Address)			ALSO NOTIFY (Nam	e and Full Address)/DC ONS/PIER-TERMINAL/ STINATION: FOR REL	DMESTIC ROUTING/	
			FROM POINT OF DI PLEASE CONTACT:	STINATION. FOR REL	EASE OF CARGO	
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PORT OF DISCHARGE	ranal.				2 -	
PURT OF DISCHARGE		PLACE OF DELIVERY				
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		SHIPPER'S DECLARED VALUE: \$ IF MERCHANT ENTERS A VALUE, CAR SHALL NOT APPLY AND THE AD VAL	RIER'S LIMITATION OF LIABILITY			
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#### You're Lost Without a Back



#### **Himalaya Clause**

- 4. Subcontracting
- 4.1 The Carrier shall be entitled to sub-contract on any terms whatsoever the whole or any part of the Carriage.
- 4.2 The Merchant undertakes that no claim or allegation whether arising in contract, bailment, tort or otherwise shall be made against any servant, agent, or Subcontractor of the Carrier which imposes or attempts to impose upon any of them or any vessel owned or chartered by any of them any liability whatsoever in connection with the Goods or the Carriage of the Goods whether or not arising out of negligence on the part of such Person, and, if any such claim or allegation should nevertheless be made, to indemnify the Carrier against all consequences thereof. Without prejudice to the foregoing every such servant, agent, and Subcontractor shall have the benefit of all Terms and Conditions of whatsoever nature herein contained or otherwise benefiting the Carrier including clause 26 hereof, the law and jurisdiction clause, as if such Terms and Conditions (including clause 26 hereof) were expressly for their benefit and, in entering into this contract, the Carrier, to the extent of such Terms and Conditions, does so on its own behalf, and also as agent and trustee for such servants, agents and Subcontractors.
- 4.3 The provisions of the second sentence of clause 4.2 including but not limited to the undertaking of the Merchant contained therein, shall extend to all claims or allegations of whatsoever nature against other Persons chartering space on the carrying vessel.
- 4.4 The Merchant further undertakes that no claim or allegation in respect of the Goods shall be made against the Carrier by any Person other than in accordance with the Terms and Conditions of this bill of lading which imposes or attempts to impose upon the Carrier any liability whatsoever in connection with the Goods or the Carriage of the Goods, whether or not arising out of negligence on the part of the Carrier, and if any such claim or allegation should nevertheless be made, to indemnify the Carrier against all consequences thereof.

# Port-to-Port Doesn't Mean It Will Get There (What to Do)



#### Port-to-Port



- .5 Carrier's Responsibility: Port-to-Port Shipment
- 5.1 Where the Carriage is Port-to-Port, then the liability (if any) of the Carrier for loss of or damage to the Goods occurring between the time of loading at the Port of Loading and the time of discharge at the Port of Discharge shall be determined in accordance with any national law making the Hague Rules compulsorily applicable to this bill of lading (which will be US COGSA for shipments to or from the United States of America) or in any other case in accordance with the Hague Rules Articles 1-8 inclusive only.
- 5.2 The Carrier shall have no liability whatsoever for any loss or damage to the Goods while in its actual or constructive possession before loading or after discharge, howsoever caused. Notwithstanding the above, in case and to the extent that any applicable compulsory law provides to the contrary, the Carrier shall have the benefit of every right, defense, limitation and liberty in the Hague Rules as applied by clause 5.1 during such additional compulsory period of responsibility, notwithstanding that the loss or damage did not occur at sea.
- 5.3 Where US COGSA applies then the provisions stated in the said Act shall govern before loading on the vessel or after discharge there from, as the case may be, during Carriage to or from a container yard or container freight station in or immediately adjacent to the sea terminal at the Port of Loading and/or Discharge. If the Carrier is requested by the Merchant to procure Carriage by an inland carrier in the United States of America and the inland carrier in his discretion agrees to do so, such carriage shall be procured by the Carrier as agent only to the Merchant and such carriage shall be subject to the inland carrier's contract and tariff. If for any reason the Carrier is denied the right to act as agent at these times, his liability for loss damage or delay to the Goods shall be determined in accordance with clause 6 hereof.
- 5.4 In the event that the Merchant requests the Carrier to deliver the Goods:
- (a) at a port other than the Port of Discharge; or
  (b) (save in the United States of America) at a place of delivery instead of the Port of Discharge, and the Carrier in its absolute discretion agrees to such request, such further Carriage will be undertaken on the basis that the Terms and Conditions of this bill of lading are to apply to such Carriage as if the ultimate destination agreed with the Merchant had been entered on the reverse side of this bill of lading as the Port of Discharge or Place of Delivery.

### Intermodal/Multimodal

- 6. Carrier's Responsibility Multimodal Transport
- Where the Carriage is Multimodal Transport, the Carrier undertakes to perform and/or in his own name to procure performance of the Carriage from the Place of Receipt or the Port of Loading, whichever is applicable, to the Port of Discharge or the Place of Delivery, whichever is applicable, and, save as is otherwise provided for in this bill of lading, the Carrier shall be liable for loss or damage occurring during the Carriage only to the extent set out below:
- 6.1 Where the stage of Carriage where loss or damage occurred is not known.
- (a) Exclusions

  - The Carrier shall be relieved of liability for any loss or damage where such loss or damage was caused by:
    (i) an act or omission of the Merchant or Person acting on behalf of the Merchant other than the Carrier, his servant, agent or Subcontractor.
  - (ii) compliance with instructions of any Person entitled to give them.
  - (iii) insufficient or defective condition of packing or marks,
  - (iv) handling, loading, stowage or unloading of the Goods by the Merchant or any Person acting on his behalf,
  - (v) inherent vice of the Goods.
  - (vi) strike, lock out, stoppage or restraint of labor, from whatever cause, whether partial or general,
  - (vii) a nuclear incident.
  - (viii) any cause or event which the Carrier could not avoid and the consequences whereof he could not prevent by the exercise of reasonable diligence.

#### (b) Burden of Proof

The burden of proof that the loss or damage was due to one or more of the causes or events specified in this clause 6.1 shall rest upon the Carrier. Save that if the Carrier establishes that, in the circumstances of the case, the loss or damage could be attributed to one or more of the causes or events specified in clause 6.1(a)(iii), (iv) or (v), it shall be presumed that it was so caused. The Merchant shall, however, be entitled to prove that the loss or damage was not, in fact, caused either wholly or partly by one or more of these causes or events

#### (c) Limitation of Liability

Except as provided in clauses 7.2(a), (b) or 7.3, if clause 6.1 operates, total compensation shall under no circumstances whatsoever and howsoever arising exceed USD 500 per package where Carriage includes Carriage to, from or through a port in the United States of America and in all other cases 2 SDR per kilo of the gross weight of the Goods lost or damaged.

#### Intermodal/Multimodal (cont'd.)

- 6.2 Where the stage of Carriage where the loss or damage occurred is known. Notwithstanding anything provided for in clause 6.1 and subject to clause 18, the liability of the Carrier in respect of such loss or damage shall be determined:
  - (a) by the provisions contained in any international convention or national law which provisions:
  - (i) cannot be departed from by private contract to the detriment of the Merchant, and
  - (ii) would have applied if the Merchant had made a separate and direct contract with the Carrier in respect of the particular stage of the Carriage during which the loss or damage occurred and received as evidence thereof any particular document which must be issued if such international convention or national law shall apply; or
  - (b) in case of shipments to or from the United States of America by the provisions of US COGSA if the loss or damage is known to have occurred during Carriage by sea to or from the USA or during Carriage to or from a container yard or container freight station in or immediately adjacent to the sea terminal at the Port of Loading or of Discharge in ports of the USA; or
  - (c) by the Hague Rules Articles 1-8 only inclusive where the provisions of clauses 6.2(a) or
  - (b) do not apply if the loss or damage is known to have occurred during Carriage by sea; or
  - (d) if the loss or damage is known to have occurred during Carriage inland in the USA, in accordance with the contract of carriage or tariffs of any inland carrier in whose custody the loss or damage occurred or, in the absence of such contract or tariff by the provisions of Clause 6.1, and in either case the law of the State of New York will apply; or
  - (e) where the provisions of clause 6.2(a), (b), (c) and/or (d) above do not apply, in accordance with the contract of carriage or tariffs of any inland carrier in whose custody the loss or damage occurred or in the absence of such contract or tariff by the provisions of clause 6.1. For the purposes of clause 6.2 references in the Hague Rules to carriage by sea shall be deemed to include references to all waterborne Carriage and the Hague Rules shall be construed accordingly.

### **Limitation of Liability**

- 7. Compensation and Liability Provisions
- 7.1 Subject always to the Carrier's right to limit liability as provided for herein, if the Carrier is liable for compensation in respect of loss of or damage to the Goods, such compensation shall be calculated by reference to the invoice value of the Goods plus Freight and insurance if paid. If there is no invoice value of the Goods or if any such invoice is not bona fide, such compensation shall be calculated by reference to the value of such Goods at the place and time they are delivered or should have been delivered to the Merchant. The value of the Goods shall be fixed according to the current market price, by reference to the normal value of goods of the same kind and/or quality.
- 7.2 Save as is provided in clause 7.3:
  - (a) Where the Hague Rules apply hereunder by national law by virtue of clause 5.1 or clause 6.2(a) the Carrier's liability shall in no event exceed the amounts provided in the applicable national law. If the Hague Rules Article 1-8 only apply pursuant to clauses 5.1 or 6(c) the Carrier's maximum liability shall in no event exceed GBP 100 per Package or unit.
  - (b) Where Carriage includes Carriage to, from or through a port in the United States of America and US COGSA applies by virtue of clauses 5.1 or 6.2(b) neither the Carrier nor the Vessel shall in any event be or become liable in an amount exceeding US\$500 per Package or customary freight unit.
  - (c) In all other cases compensation shall not exceed the limitation of liability of 2 SDR per kilo as provided in clause 6.1(c).

#### **Time for Suit**



- 9. Notice of Loss, Time Bar
- Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the Carrier or his agents at the Place of Delivery (or Port of Discharge if no Place of Delivery is named on the reverse hereof) before or at the time of removal of the Goods into the custody of the Merchant or if the loss or damage is not apparent within three days thereafter, such removal shall be prima facie evidence of the delivery by the Carrier of the Goods as described in this bill of lading. In any event, the Carrier shall be discharged from all liability whatsoever in respect of the Goods unless suit is brought within one year after their delivery or the date when they should have been delivered.

## **GA/Salvage: Get Your Guarantees Out!**



#### **General Average & Salvage**

- 24. General Average and Salvage
- 24.1 General average to be adjusted at any port or place at the Carrier's option and to be settled according to the York-Antwerp Rules 1994, this covering all Goods carried on or under deck. General average on a vessel not operated by the Carrier shall be adjusted according to the requirements of the operator of that vessel.
- 24.2 Such security including a cash deposit as the Carrier may deem sufficient to cover the estimated contribution of the Goods and any salvage and special charges thereon, shall, if required, be submitted to the Carrier prior to delivery of the Goods. The Carrier shall be under no obligation to exercise any lien for general average contribution due to the Merchant.
- 24.3 If a salving ship is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving ship belonged to strangers.

#### **Law & Jurisdiction**



#### Forum Selection/Choice of Law

- 26. Law and Jurisdiction
- Whenever clause 6.2(d) and/or whenever US COGSA applies, whether by virtue of Carriage of the Goods to or from the United States of America or otherwise, that stage of the Carriage is to be governed by United States law and the United States Federal Court of the Southern District of New York is to have exclusive jurisdiction to hear all disputes in respect thereof. In all other cases, this bill of lading shall be governed by and construed in accordance with English law and all disputes arising hereunder shall be determined by the English High Court of Justice in London to the exclusion of the jurisdiction of the courts of another country.

#### <u>OR</u>

■ Governing Law and Jurisdiction ("K" Line)
The contract evidenced by or contained in this Bill of Lading shall be governed by
Japanese law except as may be otherwise provided for herein, and any action
thereunder or in connection with Carriage of Goods shall be brought before the
Tokyo District Court in Japan, to whose jurisdiction Merchant irrevocably consents.

### Which Way Did He Go?



#### Law & Jurisdiction (cont'd.)

■ Is it Mandatory?

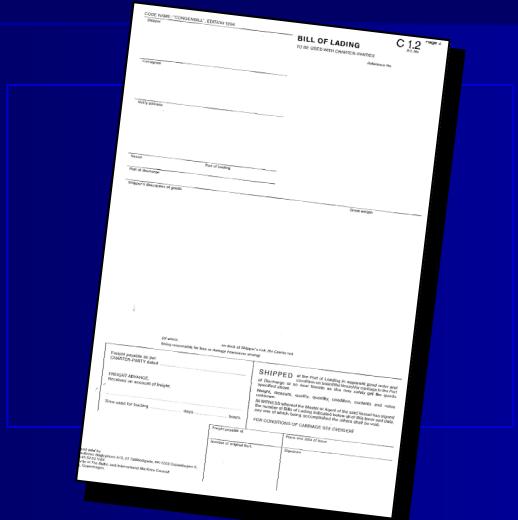


■ Are Statutory Rights Protected?

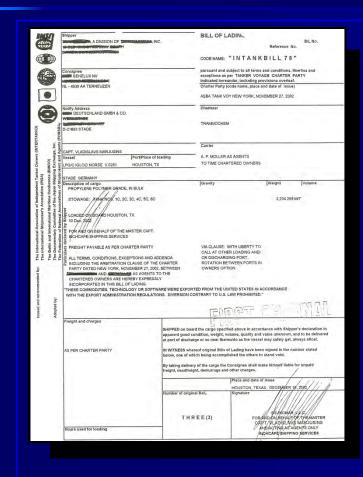
## Charter Party Bills of Lading



## Charter Party Bill of Lading (Congenbill)



#### **Tanker Bill of Lading**



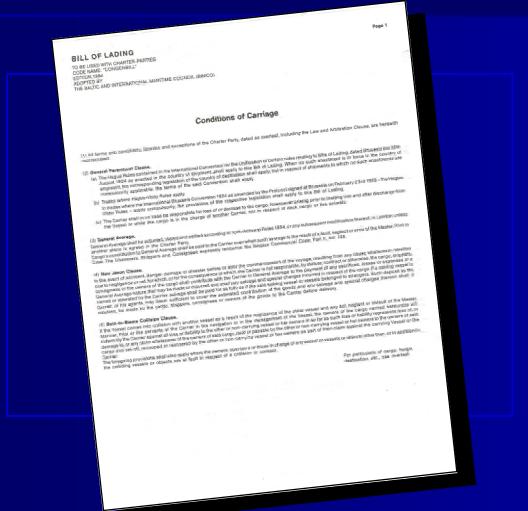
#### BILL OF LADING CODE NAME: "INTANKBILL 78" (I) PARAMOUNT CLAUSE (a) The Harne Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated in Brussels the 25th August 1924 as enacted in the country of shipment shall apply to this contract. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply. (b) In trades where the International Brussels Convention 1974 as amended by the Protocol signed at Brussels on February 23rd, 1968 - The Hague-Visby Rules - Apply compulsorily, the provisions of the respective legislation shall be considered incorporated in the Bill of Lading (c) In any event, as regards the period before loading and after discharge and while the cargo is in the charge of another carrier, the Carrier makes all reservations possible under such legislation GENERAL AVERAGE IN ACCORDANCE WITH YORK ANTWERP RULES 1974 AS AMENDED 1990 (a) General Average, if any, shall be adjusted, stated and settled in accordance with York-Antwerp Rules 1974, at the place agreed in the Charter Party, otherwise in London. (b) Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or the Crew. The Charterer, Shipper and Consignee expressly renounce the Netherlands Commercial Code, Art. 700, and the Belgian Commercial Code, Part II, Art. 168. (c) If the adjustment of General Average or the liability for any collision in which the vessel is involved while performing the carriage under this Bill of Lading falls to be determined in accordance with the law and practice of the United States of America, the following clauses shall apply: in the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract, or otherwise, the cargo, Shippers, Consignees or owners of the cargo shall contribute with the Carrier in General Average to the pay-ment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salving ship is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the Carrier or his Agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, Shippers, Consignees or owners of the cargo to the Carrier before delivery. BOTH-TO-BLAME COLLISION CLAUSE If the vessel comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the Owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying ship or her Owners in so far as such loss or liability represents loss of or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying ship or her Owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying ship or her Owners as part of their claim against the carrying Vessel or Carrier. The foregoing provisions shall also apply where the Owners, Operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact.

### Charter Party Bills of Lading

- Who Is Holding The Document?
  - Receipt?
  - Negotiable Document of Title?
- Are Hague Rules Incorporated?
- Is Charter Party Incorporated?
- Suit or Arbitration? Where?



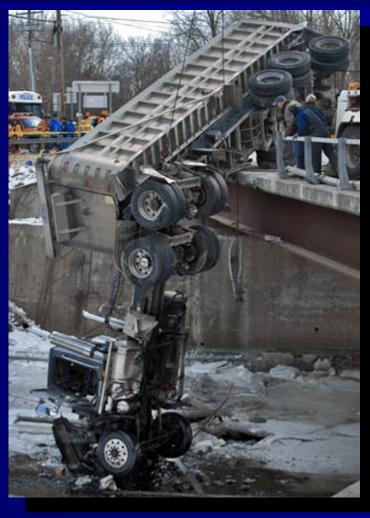
# Back of a Typical Charter B/L (Congenbill)



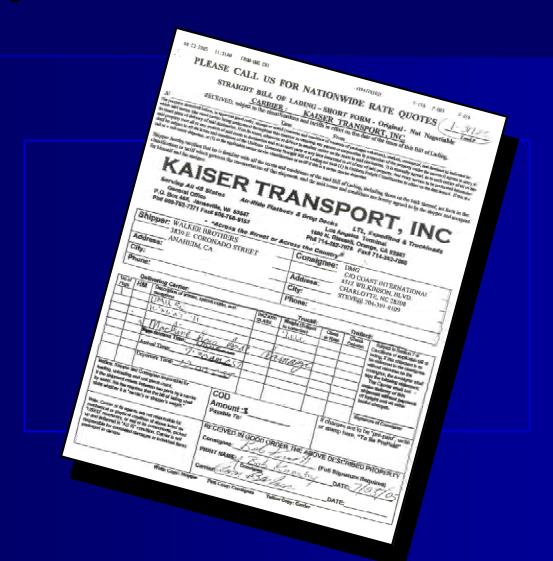
## ASBATANKVOY CHARTER PARTY FORM

119		CODE WORD FOR THIS CHARTER PARTY: ASBATANKYOY
Association of Ship Brokers  R Antala (U.S.A.), Inc.  October 1977		ASBALL
TANKER VO	YAGE CHARTER PARTY	
	PREAMBLE	Date
	Place	
TIT IS THIS DAY AGREED between Chartered lumes." of the		(hereinalter called the "Years!")
chartened names/owner (heremaster can-		(hesticality called the "Charters")
SS/M5	denotes of this Charl	er Party, which includes this Preamble and
that the transportation bearin provided for will be perfort that the transportation bearin provided for will be perfort that I and Part 6. In the event of a conflict, the provisions a  Description and Position of Vened:  Deadweight: 1008 (2240 Ret.)  Londed draft of Vened on assigned manner for Capterily for exper:  Constell: 1941 146  Now:  B. Layday F  Committening  C. Loading Position:	Chard:  Chard:  in in this mater.  cebound II. in the Vener's continue.	Charters's Option
O. Discharglus, Post(a)		Charlete, e Option
No person		Charteser's Option
E Cargo		per ton (of 2240 lin, cash)
F. Freight Rafe:		at .
G. Freight Payable to	< 82 ≥	

## Overland Bills of Lading



### **Typical Motor Carrier Bill**



### Overland Bill of lading Inquiries

Check the Tariff or Published Terms

Check the Classification

Find the Limitation



Numerous Venues for Suit Unless
 Restricted in Lading/Tariff/Terms