



Will These Five Changes to the Uniform Bill of Lading Affect Your Liability?

by **Cindie King**, President

Edited by John Wenger
October, 2016

CONTENTS

[Change #1 – The Liability for Cargo Loss](#)

[Change #2 - The Liability for Cargo Loss](#)

[Change #3 - The “Related Causes” Exemption Clause and Its Potential Exploitation](#)

[Change #4: The Omission of the “Reasonable Dispatch” Standard](#)

[Change #5: A Reduced Time Period to File a Claim](#)

Introduction

There hasn't been a change to the uniform straight bill of lading* since 1997, but as of August 13, 2016, several significant updates from the NMFC have gone into effect, and the key changes can be summed up in one word: *liability*.

Shippers who use the short form bill of lading will not notice the changes, because the short form doesn't list out the rules, so we've itemized them here for your convenience.

Change #1: The Liability for Cargo Loss

In Section 1a, they've changed the burden of liability for cargo loss or damage from the "carrier or party in possession" of the freight to the "carrier shown as transporting the property".

If you're involved with shipments that have more than one carrier (such as interline shipments or shipments that are carried to a "last mile" or similar delivery service) you should take some precautions. Whatever carrier is shown on the bill of lading will be responsible for the claim, even if they delivered the cargo with clear receipt to the carrier who delivered to the consignee.

Change #2: The Burden of Proof for Negligence

According to Section 1b, the shipper now has to prove that the carrier has been negligent. In other words, the carrier is innocent unless the shipper can prove otherwise. Previously, the carrier had to prove it was not negligent. If you're a shipper, this change has the potential to reduce your capacity to obtain favorable claim results.

Change #3: the “Relate Causes” Exemption Clause and Its Potential Exploitation

Among the exemptions of carrier liability, section 1b now includes "riots and strikes." By itself, this doesn't present a common threat. However, the full clause reads "riots, strikes, and *related causes*." This is a blanket term with enough ambiguity to be exploited by legal teams in order to thwart a shipper's freight claims.

Change #4: The Omission of the "Reasonable Dispatch" Standard

In regard to delayed transit claims against carriers, Section 2 Omits the term "reasonable dispatch" as the standard and instead states that "the carrier will transport the shipment in the regular course of its providing transportation services". This takes away the standard transit of the industry to go from point A to point B and replaces it with the individual carrier's standard transit, opening up an opportunity for carriers to make certain that their rate reflects a "guaranteed" transit time. This could significantly increase shippers' cost.

If a shipper is facing serious issues regarding shipment that fails to be delivered within a certain time period, we suggest they document this clearly on their bill of lading to reduce a potential denial of claims.

Change #5: A Reduced Time Period to File a Claim

Previously, Section 3b allowed a claim to be filed within 9 months of delivery. Now, it says it must be filed "within 9 months of the bill of lading." In most cases this should have little impact. However in cases where shipments were held hostage for months because of accidents or seizures, the impact is huge.

NOTE: Both NASSTRAC and the Transportation and Logistics Council continue to seek to have the changes appealed. (Transport Topics Aug 22 2016 edition)

*The bill of lading is defined as "a detailed list of a shipment of goods in the form of a receipt given by the carrier to the person consigning the goods".