

Freight forwarders: Terms and statutes



Exchange of views on national practices

UNECE

**Working Party on Intermodal Transport and Logistics
(WP.24)**

2014-06-12

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The role of the Freight Forwarder

National practices.....

- In transport – most Rules and Regulations are international
 - ✓ Particular liability regimes
 - ✓ But also DGR, Security, Customs,

- A 'national transport' can be part of an international transport
 - ✓ In which case international Regulations apply

- Intermodal transport – Several International Conventions
 - ✓ CMR (Road), COTIF (Rail), Hague-Visby (Sea) Montreal (Air)

The role of the Freight Forwarder

- **Shipper**
- **Intermediary**
- **Agent of the carrier**
- **Contracting carrier**
- **Principal**

The role of the Freight Forwarder

- Affects the Forwarders position v. the cargo owner and / or the carrier
- Affects the Forwarder 'possibility' to perform contracted transport services

The role of the Freight Forwarder

Agent

- Creates a legal / contractual relationship between the actual carrier and the Cargo owner

Intermediary / Principal

- Creates a legal / contractual relationship between the Forwarder and the actual carrier and between the Forwarder and the Cargo owner

The role of the Freight Forwarder

In Intermodal transport

- Does the Forwarder contracts with one carrier for the entire transport (involving multiple modes of transport) ?

Or,.....

- Does the Forwarder contracts with one carrier separately for **each** mode of transport ?

The role of the Freight Forwarder

In Intermodal transport

- Different modes of transport have different liability regimes
 - ✓ and most importantly, different levels of liability
 - Road by rail or sea is "road"
 - Rail by sea is "rail"
 - Air by road, sea or rail is not air

The role of the Freight Forwarder

In Intermodal transport

Is this the "problem" of the Forwarder ?

➤ Depends on the art and nature of the Forwarder

- ✓ Agent
- ✓ Intermediary
- ✓ Principal

Potential gap in liability of Forwarder towards cargo owner and actual carrier towards Forwarder

- ✓ The "problem" is then the Forwarders

The role of the Freight Forwarder

In Intermodal transport

Forwarders Standard Trading Terms (Conditions)

- Most often contains a 'network' principle
 - ✓ Liability of 'actual' mode of transport if more than one is contracted for
 - ✓ Difficult for cargo owners or their insurers to estimate recovery of damages

- ✓ The "problem" is now the cargo owners...

The role of the Freight Forwarder

In Intermodal transport

Enhanced Uniformed liability

The solution ?

- Equal level of liability of Forwarder regardless of mode of transport
 - ✓ Must mean that carrier's liability is uniform as well regardless of mode of transport
 - ✓ Otherwise Forwarder must insure the 'gap'
 - (may lead to) Increased freight rates

- ✓ The "problem" is now the Regulators

The 'wish-list' of the Freight Forwarder

In Intermodal transport

Uniformed set of Intermodal Rules and Regulations

- Liability rules and levels "most difficult" to achieve
- ✓ But at the same time may "hold the key"....

Final words of the Freight Forwarder

In Intermodal transport

TRANSPORT IS TRANSPORT

- Regardless of mode of transport

Or at least it should be.....

Thank you for your attention

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