



THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

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**NITL SUPPORTS NEW OCEAN CARGO LIABILITY REGIME**

Arlington, VA - The National Industrial Transportation League (NITL) has formally approved adoption of a new international multimodal convention on cargo liability that is currently referred to as the "Rotterdam Rules." Known as "The Convention on Contracts for the International Carriage of Goods", the NITL's support came in the form of a resolution that was approved unanimously by the group's Board of Directors at its May 5 meeting in Houston, TX (see attached resolution).

The NITL's action to support the new Rotterdam Rules also includes urging the United States government to ratify the new convention (which embodies the Rules) and to seek changes consistent with the Rules in domestic U.S. law known as the *Carriage of Goods by Sea Act* (COGSA).

As to the Rules' impact on cargo interests, Mark Maleski, chairman of the League said, "the development of compatible worldwide standards applicable to the loss and damage of maritime cargoes is long overdue. The League's Board of Directors has unambiguously endorsed the new Rules and established a firm mandate to work with other industry sectors to advance the adoption of the Rules in the United States and all of our trade partners as soon as possible."

For over 10 years the NITL has strongly supported maritime cargo liability reforms reflective of modern shipping practices through work with the: Organization for Economic Cooperation and Development (OECD); the Comité Maritime International (CMI); the League's 2001 Memorandum of Agreement with the World Shipping Council (WSC) which represents most maritime liner carriers in the U.S. international trades; and as a private industry advisor to the United Nations Committee on International Trade Law's Working Group #III.

Addressing the importance of the Rotterdam Rules, Peter Gatti, executive vice president of NITL said, "the reality is that in the world of maritime shipping today there is no consistency or uniformity in the application of awards for loss and/or damaged cargoes. The Rotterdam Rules will reflect current shipping practices, contain significant improvements over existing cargo liability conventions, promote harmonization among trading partners, reduce legal obstacles and will allow shippers, carriers and third parties to customize their contracts to meet their commercial needs."

As for the application of the Rotterdam Rules into U.S. law, Gatti added, "as the current U.S. law is predicated on the 1924 Hague Rules, we all know the world has changed significantly since that time and unless the Rules are soon adopted into U.S. law, U.S. interests will be subjected to inconsistent rulings, unpredictable results and operate at a competitive disadvantage to interests overseas which operate under different and more modern regimes."

The League is an association of companies that conducts industrial and/or commercial shipping throughout the United States and internationally. Founded in 1907, the League is one of the oldest and largest associations representing some 700 member companies involved with the transport of all kinds of freight in domestic and international commerce.

# The National Industrial Transportation League

## Resolution In Support Of U.S. Ratification of a New International Multimodal Convention on Ocean Cargo Liability Titled: *The Convention on Contracts for the International Carriage Of Goods ("Rotterdam Rules")*

**WHEREAS:** The current U.S. law governing the loss and damage of goods at sea is based on the 1924 Hague Rules codified in 1936 as the *Carriage of Goods by Sea Act* (COGSA);

**WHEREAS:** The U.S. international maritime shipping industry has undergone substantial operational, technical, commercial, and regulatory changes in the period since COGSA came into effect;

**WHEREAS:** U.S. law has not perfected amendments to COGSA reflecting these changes or those set forth in other internationally accepted cargo liability regimes, such as the Hague Rules as modified by the Visby Amendments, or governments that have ratified the Hamburg Rules;

**WHEREAS:** The League has participated and strongly supported maritime cargo liability reforms reflective of modern industry practices through the work the Organization for Economic Cooperation and Development (OECD); the Comité Maritime International (CMI); its 2001 Memorandum of Agreement with the World Shipping Council; and, as a private industry advisor to the United Nations Committee on International Trade Law's (UNCITRAL) Working Group;

**WHEREAS:** The UNCITRAL Working Group has developed a new international convention over the past seven years with the participation and support of the U.S. Government through the Departments of State and Transportation, as well as U.S. industry, through groups representing: ocean carriers, railroads, truckers, marine insurers, intermediaries, maritime practitioners, and shippers, including the League; and

**WHEREAS:** the UN General Assembly on December 11, 2008 formally adopted a new multimodal convention based on the declarations and work of the UNCITRAL Working Group known as "*The Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea*" and which will be referred to as, "The Rotterdam Rules" after it is signed by countries intending to ratify the Convention in September 2009 in the Netherlands.

**THEREFORE BE IT RESOLVED:** That the League strongly supports the new maritime liability convention titled- *The Convention on Contracts for the International Carriage of Goods Wholly or Partly By Sea* (Rotterdam Rules). This support is predicated on the basis that the new convention recognizes modern shipping practices and commercial arrangements, contains significant improvements over existing cargo liability conventions, promotes harmonization among trading partners, reduces legal obstacles to the flow of international trade, and taken as a whole will allow shippers, carriers and third parties to tailor their contracts to meet their commercial needs.

Additionally, the League urges the U.S. Executive Branch to sign the new convention at the earliest possible opportunity and to support ratification of the convention, as well as its implementation into U.S. law, superseding the appropriate provisions found today under COGSA.

**ADOPTED:** By The National Industrial Transportation League on May 5, 2009