

# NewsLetter

March 2007





## TRANSPORT MANAGEMENT EUROPE n.v. attended the INTERNATIONAL LOGISTIC CONFERENCE COSTA VASCA (FICOBA)

The International Conference on Logistic and Transport Operators of the Basque Coast (FICOBA) hosted its third edition last February in Irun (Guipuzcoa, Spain). The seminar was a great opportunity for carriers and operators to learn about new developments on the transport industry and to attend the specific seminars and workshops held on that occasion.

TRANSPORT MANAGEMENT EUROPE n.v. was represented at the meeting by José M. Fernandez, who referred to the increase of claims that are actually being lodged against carriers and logistic operators.

Guest speakers and experts included also Mr. Jesús Ballesteros, Transport Director of Mapfre North Division. Ballesteros said "carriers and logistic operators demand a proper insurance protection scheme, in accordance with their needs. An insurance cover where they do not suffer the inconvenience of particular cases normally excluded from a cargo policy."

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## Fines for not carrying the road transport document

The Spanish Road Traffic Authority is now enforcing the obligation to carry the road transport document inside the truck. If the driver does not produce this document, in case he is requested to do it, he will be imposed a fine that adds up to the amount of 1000 euros.

The obligation to carry such a document was provided for by the Act of the 31st of January, 2003. In Spain, the carriage of goods and liability of the carrier is governed by two different legal bodies, depending on whether it is a national or an international transport. In the first case, the Code of Commerce (1885), and the Law on Inland Transport (1987) is to apply. International Transport by road is regulated by the CMR Convention. None of those legal bodies provide for the obligation to keep a Transport Document while in transit. All they say, is that both parties, shipper and carrier, can ask each other to issue a transport document.

The obligation to issue the road transport document is on the side of the contractual shipper ("Expedidor"), regardless on whether he is the actual shipper or not. However, road operators started to issue this document to avoid the risk of being fined. In the case that the driver does not have the document in place, he can be fined with a minimum of 1.000 Euros. An International Road Carrier, subject to the CMR terms, does not need to show this document. It is enough to have the CMR document at hand.

Road carriers normally issue a road transport document in one way or another, but its contents has now been well defined: Name and address of the actual and contractual shipper, the Transport Operator, the Consignee; Nature, type, and quantity of the cargo; Plate Numbers of the truck and platform.

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## The Container that caused an accident on board

On March 21<sup>st</sup> 2006, the 64.000 Tons and 5.500 Teus ship HYUNDAI FORTUNE, built in 1992, was on its way from ports in China and Singapore through the Gulf of Aden, 60 miles south of the coast of Yemen, when a huge explosion of unknown origin occurred below deck and aft of the accommodation, sending 60 to 90 containers tumbling into the ocean. The explosion caused a massive blaze that spread through the stern of the ship, including the accommodation and the stacks in front of the accommodation. Secondary explosions followed as 7 containers full of fireworks also ignited above deck on the stern. The combined cost of the ship and lost cargo is now estimated at over 500 million US Dollars. The cause of the explosion is still to be known and disclosed.

The pool chemical calcium hypochlorite reacts violently when exposed to moisture or heat, and has been involved or suspected in other explosions aboard container ships in recent years. Just a few months before, the 3.100 Teus vessel MOL RENAISSANCE, calling for Valencia, suffered a similar accident at the Red Sea, by a container setting fire in hull number two. Several containers were damaged and general average was declared.

Here we can see a photograph of how the fire developed on board the vessel HYUNDAI FORTUNE.

It will be enough to know in which container started the fire so that shippers, freight forwarders and operators will be called to exam. Either because they actually carried out the job of stowing, or because they arranged for it.

The photograph below relates to a container that was recently discharged from the vessel SUSAN BROCHARD in Geneva. The crew discovered leakage underneath the doors of the container. Inside the LCL container there was corrosive cargo IMO.8 together with general cargo. TRANSPORT MANAGEMENT EUROPE n.v. acts as liability insurer of the freight forwarder that loaded the container on board the ship.



The surveyor found that the leaking occurred for the out of ordering of the drums of Dehyton PS owing to improper stowage and lack of lashing of the pallet stowed at second tier. With an empty space of about 60 cm not secured.

Damage to cargo was insignificant, but looking at the Hyundai Fortune photograph, it can be seen that a very simple bad job can lead to an extraordinary and serious accident at sea.



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