



■ Paul Page, Editorial Director

ROTTERDAM Rules

AFTER TAKING LITTLE significant notice during six years of deep and detailed negotiations to bring international maritime shipping law into the 21st century, the European Shippers' Council suddenly can't stop talking about the Rotterdam Rules.

The group, which first criticized the rules in March — three months after the United Nations endorsed them — issued a statement last week against what it called “undoubtedly the most complex international convention on liability and conditions of carriage there has ever been.”

The shippers group is undoubtedly right about that, but in restating its opposition to the rules, the association is trying to raise its profile in the debate at an unfortunate time with a series of confused and outdated arguments that add up to little more than nostalgia for an era of transportation regulation that ended long ago.

That's because the complexity in the details of the Rotterdam Rules belies a central and simple truth about the agreement reached after many years of negotiations by governments in talks that included shippers and carriers alike: These rules are a necessary step to bring international shipping law still built on principles set out in 1924 into the modern era.

The general framework for liability and conditions of carriage was written long before the era of containerization changed the nature of international transportation, and it has barely changed at all as deregulation has spread, liner conferences have withered and a new world of supply chain strategies and globalization have changed commercial shipping practices.

While the European Shippers' Council raises fearful objections about the potential hazards of allowing liability terms to

be included in contracts, shippers, logistics companies and non-vessel-operating common carriers have been working out of the United States for years under the reformed maritime world of individual and confidential contracting.

The Rotterdam Rules are the direct and natural result of the deregulation and reforms that have been a boon to shippers, allowing for the flexibility and customized transportation central to any efficient supply chain.

The National Industrial Transportation League, the largest U.S. shipper advocacy organization, certainly recognized that in giving the rules its full-throated endorsement, as did the International Chamber of Commerce.

But the European Shippers' Council seems to be stepping through the looking glass into another world, arguing, for instance, that a legal framework that would account for the reality of door-to-door shipping would somehow endanger multimodal shipping. Freedom to negotiate a contract, the council says, would put shippers “under huge pressure to accept greater risk in return for promises of price reductions.”

That's nonsensical, and it may say more about the politics behind the shippers council than it does about shipper concerns, because the only voices of actual shippers we've heard have supported the rules.

But the politics will be at the forefront when government representatives sign the new rules in Rotterdam in September, and backers of the rules look to the United States and the European nations that negotiated the agreement to ratify the plan. Shippers on both sides of the Atlantic, and elsewhere, should urge their governments to do that right away. **joc**

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