Multi-modal Transportation

PRESENTATION BY F. SARUCHERA
Development of International Transport

In the Past......

- Goods were received by the Carriers in the Port of Loading (Import)
- Shipper would normally deliver cargo to the Port of Loading (Export)
- Carriers had nothing to do with the cargo before it was loaded on board their ships (Export) or after the cargo had been discharged from the ship (Import)
Development of International Transport

In the Past......

• Carriers only covered the movements of goods from ‘Port-to-Port’ or ‘Hook-to-Hook’ (as per ICC INCOTERMS, the point where the responsibility is transferred - the ‘critical point’ was the ship’s rail)

• Freight Forwarders were mainly acting ‘As Agents’!
Development of International Transport

Today.....

- with the advent of containerization, Carriers took responsibility of the goods at an earlier stage, whereby the transfer of responsibility moved ashore

- the Shipper no longer delivered the the goods ‘under the hook’, but to the carriers’ CFS for Consolidation and Stuffing into a container, or the Shipper stuffs the goods into the container at his own premises
What is Multimodal Transport?

“International Multimodal Transport’ (MT) means the carriage of goods by at least 2 different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal transport operator to a place designated for delivery situated in a different country…”

Who is the Multimodal Transport Operator?

“‘Multimodal Transport Operator’ (MTO) means any person who on behalf or through another person acting on his behalf concludes a multimodal transport contract and who acts as a principal, not an agent or on behalf of the consignor or of the carriers participating in the multimodal transport operations, and who assumes responsibility for the performance of the contract.”

- Article 1 (2) MT Convention
Main Features of MT:

- the carriage of goods by 2 or more modes of transport,
- under one contract,
- one document,
- one responsible party for the entire carriage

(Note – the MTO may subcontract the performance of some, or all modes, of the carriage to other carriers)
What is the Multimodal Transport Document?

“Multimodal Transport Document’ (MTD) is a document which evidences a multimodal transport contract, the taking in charge of the goods by the multimodal transport operator, and an undertaking by him to deliver the goods in accordance with the terms of the contract.”

- MT Convention
Main features of MTD:

- Can be either NEGOTIABLE or NON-NEGOTIABLE
  - a receipt for goods;
  - evidence of contract; and
  - a negotiable or non-negotiable document
    (but B/L is always negotiable)
  - relates to all modes of transport
    (but B/L is typically related to Ocean transport)
Advantages of MT:

- **Minimizes Time Loss at Transhipment Points**
  - combine as a *single* operation
  - also *minimizes risk* of loss, pilferage & damage

- **Provides Faster Transit of Goods**
  - MT reduces the disadvantage of *distance from markets*
  - reduces *capitalization*
• Reduces Burden of Documentation & Formalities
  - as compared to segmented transport, docs & formalities is obviously minimized

• Saves Cost
  - no duplications of cargo insurance premiums
  - through freight rates as compared to segmented transport
• Establishes only ONE Agency to deal with
  - no repeated or duplications of contacts
  - contact **only 1 party** for all matters relating to the
    transportation of his goods (bookings, settlement of claims for loss or damage, delay in
    delivery at destination, etc.)

• **Reduces Cost of Exports**
  - inherent advantages of MT system will help
    to reduce the cost of exports
  - improves their competitive position in the
    international market through **efficient**
    management of their distribution chain
Types of Multimodal Transport

Types of MT:

- **Sea/Air** – combines economy of sea transport & speed of airfreight.
  - route to be covered combines large distances via land & water, and where transit time is important.
  - most favor high value items, like electronics, electrical goods, computers & photographic equipment, goods with seasonal demand (e.g. fashion wears, toys, etc.).
Types of Multimodal Transport

Types of MT:

- Air/Road – long **inland** destinations, **land-locked** states, e.g. Europe, U.S.A., Australia/N.Z., South America, Mongolia, etc.
- Trucking HUBs established to act as focal points for **Road-based feeder operations** by airlines, etc.
- *AWB’s coverage* include land mode for delivery
• Rail/Road/Inland Waterways-Sea-Rail/Road/Inland Waterways

- **combination** modes of transport using one or more inland modes of transport from an inland centre to the seaport in the country of origin, or from the seaport to an inland centre in the country of destination (**e.g.** for the U.S.A. inland point using the inland waterway routes).
• Land Bridge
  - shipment of containers overland as part of Sea-Land or a Sea-Land-Sea route.
- railways are paid a flat rate by the Ocean carriers who issues the TB/L or CTB/L.
- common examples of international routes includes:
  a/ between Europe or the Middle East and the F.East via the Trans-Siberian land bridge (TSR Services);
  b/ between Europe and the F.East via the Atlantic & Pacific coasts of the U.S.A., continental U.S.A. being used as a land bridge.
- **Piggyback** – goods are packed in trailers & hauled by tractors to the railway station, then moved onto railway flat cars & transport tractors disconnected.

- At destination, tractors again haul the trailers to the warehouses of the Consignees.

- System refinement – “trailer train” concept (air-suspension wheel system).
• **Sea/Train**
  – recent U.S. innovation in MT using *rail & ocean transport*.
  - similar to the roll-on, roll-off (RO-RO) system, except that a *rail car is used* (instead of the Ro-Ro vehicle), so geographically separated rail systems can be connected by the use of an ocean carrier.

• **Land/Sea/Land**
  – e.g.: Sin(*haul*)-Johor(*haul*)-Sin(*ocean*)-Lax port, then (*truck*) from Lax to rail-head NYC, then (*rail*) from NYC to rail-head CHI, & (*truck*) from CHI rail-head to the final Consignee’s warehouse.
Ro-Ro (Roll-On-Roll-Off)
- combines sea & road or road & sea modes.
- commonly used for automobiles, shipped by sea and driven-off the vessel to importers’ premises or storage yards.
- also useful for heavy & over-dimensional cargoes (‘OOG’).
Types of Multimodal Transport
L.A.S.H. (Lighter Abroad Ship) Carriers

- special ships built which allow (waterway) barges to be loaded on board instead of loading containers, a L.A.S.H. Carrier is loading lighters on board the ship
- the lighters have no own engine and need to be towed by tug-boats to/from the vessel
- the vessel is equipped with a traveling gantry crane in order to lift the lighters on board
- L.A.S.H. lighters are bigger than containers, usually about 20m long, 10m wide & 4m deep and a payload of about 350 tons!
Types of MT:

A L.A.S.H. Carrier...
Types of MT:

L.A.S.H. Carrier in operation...
Some useful abbreviations...

UNCTAD – United Nations Commission for Trade & Development

UN/ECE – United Nations Economic Commission for Europe

ECMT – European Conference of Ministers of Transport

IMCO – Intergovernmental Consultative Organization

BIMCO – Baltic and International Maritime Conference’s

ICC – International Chamber of Commerce
"Water Is The Way To Go...!"

(Inland Navigation Europe – INE, Brussels)