

UK P&I CLUB



LP Bulletin

Friday 2nd May 2014

Bulletin 966 - 05/14 – Misdeclaration of Containers – USA/China

It has been brought to the Club's attention by a Member that shipper's are once again disguising used tires under a different commodity.

A recent shipment of 30 containers was abandoned in Shanghai and when inspected, it was revealed that the cargo was used tires and not refurbished auto parts, which was noted on the bill of lading.

The Club notified Member's last year (Bulletin 895) that shippers were disguising used tires as rubber compound and the Club warned lines to avoid taking bookings for rubber compound. Now shippers have once again tricked a carrier into accepting a booking for used tires under the description of refurbished auto parts. Since the cargo is not solid waste, the line will not face any fines or penalties but since the consignee is not taking delivery, the cargo will be returned to the United States with the line covering all of the expenses and will pursue recovery of the expenses and unpaid ocean freight against the shipper.

As previously advised, used tires are very expensive to dispose of legally in the US which creates an incentive for companies that collect used tires try to empty their warehouses by filling containers and sending them to China under false description. In this case an NVOCC was involved and unknowingly accepted the booking under the false description and then made the same booking with the shipping line. The booking was accepted, cargo was loaded to the vessel and was discharged in China before it raised any concerns. Shipping lines admit they have little control over the NVOCC's customers and accept bookings in good faith only to find out later that they were duped.

The Club would like to warn Member's to carefully scrutinize bookings for used or refurbished auto parts in order to avoid getting stuck with large expenses and lost revenues.

Source of information

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