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1. Failure of container handling spreader unit whilst under load

ICHCA International (www.ichcainternational.co.uk), the highly regarded membership organisation dedicated to the promotion of safety and efficiency in the handling and movement of goods, reports in its urgent Information Paper 25/2007 on the failure of a container handling spreader, first reported from Port Skills and Safety Ltd (PSSL) in the UK:

'A report has been received of the failure of a container handling spreader unit whilst under load. Failure was found to be due to metal fatigue as a result of structural cracking in the metal of the spreader beam. Poor weld depth penetration at the seam weld of the box section of the spreader was also found.

A 40' container handler spreader attachment of a container handling lift truck failed, causing the container it was carrying to fall. The container being carried weighed approximately 26,000 kg and was well within the specified lifting capacity of the spreader beam. The failure was a fracture on the left hand spreader arm and involved almost the complete perimeter of the arm. It was located inside the saddle of the main spreader body. The spreader construction comprised essentially two box sections fixed side by side with telescoping extension box sections sliding inside the main box sections to each side. The failure occurred at the point of maximum bending when the spreader was set at 40', just inside the main box section. This would not have been visible from outside the assembled spreader unit.

Detailed inspections concluded that the failure was due to metal fatigue as a result of structural cracking in the metal of the spreader beam. There was also poor weld depth penetration at the seam weld of the box section of the spreader. Inspections of similar spreader beams of container handling lift trucks carried out by the operating company (both on that site and on other sites) revealed cracks in the beams. Some of the other spreader beams of the same design that were inspected were manufactured by manufacturers other than the one involved in the incident.

As a result of this incident, the manufacturer of the broken spreader beam recommended additional checks after every 200 hours of operation, specifically extending the beams by at least 200mm beyond the 40' position to check for cracks or indications of eventual cracks. The operating company actually decided to withdraw the spreader beam extensions completely for

inspection using non-destructive testing (NDT) crack detection methods to check for any metal fractures. It is relevant that the spreader had been recently inspected by insurers under a national legislation and deemed to be of sound condition and safe to operate. It is not known how old the spreader beam was. Although there was no injury and little damage, the implications of this accident are quite serious (...)'

The TT Club recommends to its Members to conduct non-destructive testing on spreaders as part of their regular inspection and maintenance programmes and having in mind that the age of the spreader was not known, such programmes should take into account the age, intensity of use and whether the usage is regularly close to its maximum capacity. The Club is currently preparing guidance for non-engineers on asset maintenance which will encompass this and similar issues. 

2. New law on Corporate Manslaughter in the United Kingdom

Maria Pittordis, Head of the Marine Personal Injury team at solicitors Hill Dickinson (London), reports that the new Corporate Manslaughter and Corporate Homicide Act 2007 will bring important changes to the law in the United Kingdom:

'Royal Assent has been obtained for the Corporate Manslaughter and Corporate Homicide Act 2007. On 26 July 2007 the United Kingdom Ministry of Justice announced that Royal Assent had been granted to this very significant statute. Thus companies whose gross negligence leads to the death of individuals will now face prosecution for manslaughter, under what the Government is calling 'tough new legislation'. Companies, organisations and Government bodies now face an unlimited fine if they are found to have caused death due to, for example, gross corporate health and safety failure.

In brief, the Corporate Manslaughter and Corporate Homicide Act 2007:

- Will make it easier, by a more effective regime of corporate liability, to prosecute companies and other large organisations when gross failures in the management of health and safety lead to death;
- Has removed a key obstacle to successful prosecution, such that both small and large companies can be held liable for manslaughter where gross failures in the management of health and safety cause death, not just health and safety violations;
- Complements the current law under which individuals can be prosecuted for gross negligence, manslaughter and health and safety offences where there is direct evidence of their culpability. The Act builds on existing health and safety legislation, rather than imposing new regulations on business;
- Removes Crown immunity from prosecution in this area. Thus Crown bodies will for the first time be liable to prosecution. The Act will apply to companies and other corporate bodies in both the public and private sectors, Government departments, police forces and also certain unincorporated bodies such as partnerships, where such are employers.

The Act comes into force on 6 April 2008, but the United Kingdom Ministry of Justice will issue further guidance for bodies affected by the Act beforehand.'

You can access the full text of the Corporate Manslaughter and Corporate Homicide Act 2007 under the following web link:

http://www.opsi.gov.uk/acts/acts2007/ukpga_20070019_en.pdf 

3. Logistics Performance Index

If you consider doing business in one of 149 foreign countries and are looking for information on its transport and logistics environment, you may want to consult the 'Logistics Performance Index' developed by the World Bank in cooperation with the Turku School of Economics.

The 'Logistics Performance Index' measures a country's score on the following seven key dimensions:

- Efficiency and effectiveness of the clearance process of Customs and other border control agencies;
- Quality of transport and IT infrastructure for logistics;
- Ease and affordability of arranging shipments;
- Competence in the local logistics industry (e.g. transport operators, customs brokers);
- Ability to track and trace shipments;
- Domestic logistics costs (e.g. local transportation, terminal handling, warehousing); and
- Timeliness of shipments in reaching destination.

The 'Logistics Performance Index' is available in three modes: Country scorecard, Global LPI ranking and Cross-country comparison. Each country receives a score from 1 to 5 for each of the seven key dimensions and for its overall performance.

Basis of the 'Logistics Performance Index' has been a global survey of freight forwarders and express carriers who provided feedback on the logistics 'friendliness' of the countries in which they operate and on those with which they trade.

To experiment with the Logistics Performance Index, please use the following web link:

<http://www.worldbank.org/lpi> 

4. Attempts by shippers to use bills of lading for fraudulent purposes

A shipper purchases goods in country A with the intention of exporting them to country B. Due to import restrictions in country B on goods from country A, the shipper wants to declare that the origin of the goods is not country A, but instead country C. He is looking to find a carrier who would falsely name a port in country C as 'Port of loading'. Based on this false information, the shipper would then obtain a certificate of origin with Country C named as 'Country of origin'.

Another shipper requests the carriage of goods from country A to country B, with the shipper's subsidiary in country C named as 'Shipper'. Country B grants tax concessions to imports from country A. The shipper, attempting to take advantage of these tax concessions, requests the carrier to produce for the same consignment an extra bill of lading which names the shipper's subsidiary in country A as 'Shipper'. This extra bill of lading is not being used in the commercial dealing between the parties; its sole purpose is to enable the shipper to obtain a certificate of origin based on which country B grants him the tax concessions.

In both these cases the shipper requires the carrier to include false information in the bills of lading which then enables the shipper to use the bill of lading for fraudulent purposes. The

shipper might tell the carrier that other carriers have been willing to comply with such requests, implying that the carrier will lose out on business if he fails to collaborate. You will be aware that giving in to such requests could make the carrier party to the shipper's fraudulent conduct in which case the carrier risks heavy fines, blacklisting and criminal proceedings. A letter of indemnity by the shipper in the carrier's favour might well be unenforceable due to its underlying purpose and will be of no use to the carrier in the criminal proceedings. The Club (in common with most liability insurers) will not cover any claims, fines or defence costs you suffer owing to your intentional or reckless conduct. 

5. Conclusion

We hope that you will have found the above items interesting. If you would like to have further information about any of them, or have any comments you would like to make, please email the editor at tt.talk@ttclub.com. We look forward to hearing from you.

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for the TT Club

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