

**FEDERAL BILL OF LADING ACT**  
**49 U.S.C §§80101 – 80116**

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**§ 80101. Definitions**

In this chapter--

- (1) "consignee" means the person named in a bill of lading as the person to whom the goods are to be delivered.
- (2) "consignor" means the person named in a bill of lading as the person from whom the goods have been received for shipment.
- (3) "goods" means merchandise or personal property that has been, is being, or will be transported.
- (4) "holder" means a person having possession of, and a property right in, a bill of lading.
- (5) "order" means an order by indorsement on a bill of lading.
- (6) "purchase" includes taking by mortgage or pledge.

**§ 80102. Application**

This chapter applies to a bill of lading when the bill is issued by a common carrier for the transportation of goods--

- (1) between a place in the District of Columbia and another place in the District of Columbia;
- (2) between a place in a territory or possession of the United States and another place in the same territory or possession;
- (3) between a place in a State and a place in another State;

(4) between a place in a State and a place in the same State through another State or a foreign country; or

(5) from a place in a State to a place in a foreign country.

**§ 80103. Negotiable and nonnegotiable bills**

(a) Negotiable bills.—

(1) A bill of lading is negotiable if the bill--

(A) states that the goods are to be delivered to the order of a consignee; and

(B) does not contain on its face an agreement with the shipper that the bill is not negotiable.

(2) Inserting in a negotiable bill of lading the name of a person to be notified of the arrival of the goods--

(A) does not limit its negotiability; and

(B) is not notice to the purchaser of the goods of a right the named person has to the goods.

(b) Nonnegotiable bills.—

(1) A bill of lading is nonnegotiable if the bill states that the goods are to be delivered to a consignee. The indorsement of a nonnegotiable bill does not--

(A) make the bill negotiable; or

(B) give the transferee any additional right.

(2) A common carrier issuing a nonnegotiable bill of lading must put "nonnegotiable" or "not negotiable" on the bill. This paragraph does not apply to an informal memorandum or acknowledgment.

**§ 80104. Form and requirements for negotiation**

(a) General rules.—

(1) A negotiable bill of lading may be negotiated by indorsement. An indorsement may be made in blank or to a specified person. If the goods are deliverable to the order of a specified person, then the bill must be indorsed by that person.

(2) A negotiable bill of lading may be negotiated by delivery when the common carrier, under the terms of the bill, undertakes to deliver the goods to the order of a specified person and that person or a subsequent indorsee has indorsed the bill in blank.

(3) A negotiable bill of lading may be negotiated by a person possessing the bill, regardless of the way in which the person got possession, if--

- (A) a common carrier, under the terms of the bill, undertakes to deliver the goods to that person; or
  - (B) when the bill is negotiated, it is in a form that allows it to be negotiated by delivery.
- (b) Validity not affected.--The validity of a negotiation of a bill of lading is not affected by the negotiation having been a breach of duty by the person making the negotiation, or by the owner of the bill having been deprived of possession by fraud, accident, mistake, duress, loss, theft, or conversion, if the person to whom the bill is negotiated, or a person to whom the bill is subsequently negotiated, gives value for the bill in good faith and without notice of the breach of duty, fraud, accident, mistake, duress, loss, theft, or conversion.
  - (c) Negotiation by seller, mortgagor, or pledgor to person without notice.-- When goods for which a negotiable bill of lading has been issued are in a common carrier's possession, and the person to whom the bill has been issued retains possession of the bill after selling, mortgaging, or pledging the goods or bill, the subsequent negotiation of the bill by that person to another person receiving the bill for value, in good faith, and without notice of the prior sale, mortgage, or pledge has the same effect as if the first purchaser of the goods or bill had expressly authorized the subsequent negotiation.

**§ 80105. Title and rights affected by negotiation**

- (a) Title.--When a negotiable bill of lading is negotiated--
  - (1) the person to whom it is negotiated acquires the title to the goods that--
    - (A) the person negotiating the bill had the ability to convey to a purchaser in good faith for value; and
    - (B) the consignor and consignee had the ability to convey to such a purchaser; and
  - (2) the common carrier issuing the bill becomes obligated directly to the person to whom the bill is negotiated to hold possession of the goods under the terms of the bill the same as if the carrier had issued the bill to that person.
- (b) Superiority of rights.--When a negotiable bill of lading is negotiated to a person for value in good faith, that person's right to the goods for which the bill was issued is superior to a seller's lien or to a right to stop the transportation of the goods. This subsection applies whether the negotiation is made before or after the common carrier issuing the bill receives notice of the seller's claim. The carrier may deliver the goods to an unpaid seller only if the bill first is surrendered for cancellation.
- (c) Mortgagee and lien holder rights not affected.--Except as provided in subsection (b) of this section, this chapter does not limit a right of a mortgagee or lien holder having a mortgage or lien on goods against a person that purchased for value in good faith from the owner, and got possession of the goods immediately before delivery to the common carrier.

**§ 80106. Transfer without negotiation**

- (a) Delivery and agreement.--The holder of a bill of lading may transfer the bill without negotiating it by delivery and agreement to transfer title to the bill or to the goods represented

by it. Subject to the agreement, the person to whom the bill is transferred has title to the goods against the transferor.

(b) Compelling indorsement.--When a negotiable bill of lading is transferred for value by delivery without being negotiated and indorsement of the transferor is essential for negotiation, the transferee may compel the transferor to indorse the bill unless a contrary intention appears. The negotiation is effective when the indorsement is made.

(c) Effect of notification.—

(1) When a transferee notifies the common carrier that a nonnegotiable bill of lading has been transferred under subsection (a) of this section, the carrier is obligated directly to the transferee for any obligations the carrier owed to the transferor immediately before the notification. However, before the carrier is notified, the transferee's title to the goods and right to acquire the obligations of the carrier may be defeated by--

(A) garnishment, attachment, or execution on the goods by a creditor of the transferor; or

(B) notice to the carrier by the transferor or a purchaser from the transferor of a later purchase of the goods from the transferor.

(2) A common carrier has been notified under this subsection only if--

(A) an officer or agent of the carrier, whose actual or apparent authority includes acting on the notification, has been notified; and

(B) the officer or agent has had time, exercising reasonable diligence, to communicate with the agent having possession or control of the goods.

#### **§ 80107. Warranties and liability**

(a) General rule.--Unless a contrary intention appears, a person negotiating or transferring a bill of lading for value warrants that--

(1) the bill is genuine;

(2) the person has the right to transfer the bill and the title to the goods described in the bill;

(3) the person does not know of a fact that would affect the validity or worth of the bill; and

(4) the goods are merchantable or fit for a particular purpose when merchantability or fitness would have been implied if the agreement of the parties had been to transfer the goods without a bill of lading.

(b) Security for debt.--A person holding a bill of lading as security for a debt and in good faith demanding or receiving payment of the debt from another person does not warrant by the demand or receipt--

(1) the genuineness of the bill; or

(2) the quantity or quality of the goods described in the bill.

- (c) Duplicates.--A common carrier issuing a bill of lading, on the face of which is the word "duplicate" or another word indicating that the bill is not an original bill, is liable the same as a person that represents and warrants that the bill is an accurate copy of an original bill properly issued. The carrier is not otherwise liable under the bill.
- (d) Indorser liability.--Indorsement of a bill of lading does not make the indorser liable for failure of the common carrier or a previous indorser to fulfill its obligations.

**§ 80108. Alterations and additions**

An alteration or addition to a bill of lading after its issuance by a common carrier, without authorization from the carrier in writing or noted on the bill, is void. However, the original terms of the bill are enforceable.

**§ 80109. Liens under negotiable bills**

A common carrier issuing a negotiable bill of lading has a lien on the goods covered by the bill for--

- (1) charges for storage, transportation, and delivery (including demurrage and terminal charges), and expenses necessary to preserve the goods or incidental to transporting the goods after the date of the bill; and
- (2) other charges for which the bill expressly specifies a lien is claimed to the extent the charges are allowed by law and the agreement between the consignor and carrier.

**§ 80110. Duty to deliver goods**

- (a) General rules.--Except to the extent a common carrier establishes an excuse provided by law, the carrier must deliver goods covered by a bill of lading on demand of the consignee named in a nonnegotiable bill or the holder of a negotiable bill for the goods when the consignee or holder--

- (1) offers in good faith to satisfy the lien of the carrier on the goods;
- (2) has possession of the bill and, if a negotiable bill, offers to indorse and give the bill to the carrier; and
- (3) agrees to sign, on delivery of the goods, a receipt for delivery if requested by the carrier.

- (b) Persons to whom goods may be delivered.--Subject to section 80111 of this title, a common carrier may deliver the goods covered by a bill of lading to--

- (1) a person entitled to their possession;
- (2) the consignee named in a nonnegotiable bill; or
- (3) a person in possession of a negotiable bill if--
  - (A) the goods are deliverable to the order of that person; or

- (B) the bill has been indorsed to that person or in blank by the consignee or another indorsee.
- (c) Common carrier claims of title and possession.--A claim by a common carrier that the carrier has title to goods or right to their possession is an excuse for nondelivery of the goods only if the title or right is derived from--
  - (1) a transfer made by the consignor or consignee after the shipment; or
  - (2) the carrier's lien.
- (d) Adverse claims.--If a person other than the consignee or the person in possession of a bill of lading claims title to or possession of goods and the common carrier knows of the claim, the carrier is not required to deliver the goods to any claimant until the carrier has had a reasonable time to decide the validity of the adverse claim or to bring a civil action to require all claimants to interplead.
- (e) Interpleader.--If at least 2 persons claim title to or possession of the goods, the common carrier may--
  - (1) bring a civil action to interplead all known claimants to the goods; or
  - (2) require those claimants to interplead as a defense in an action brought against the carrier for nondelivery.
- (f) Third person claims not a defense.--Except as provided in subsections (b), (d), and (e) of this section, title or a right of a third person is not a defense to an action brought by the consignee of a nonnegotiable bill of lading or by the holder of a negotiable bill against the common carrier for failure to deliver the goods on demand unless enforced by legal process.

**§ 80111. Liability for delivery of goods**

- (a) General rules.--A common carrier is liable for damages to a person having title to, or right to possession of, goods when--
  - (1) the carrier delivers the goods to a person not entitled to their possession unless the delivery is authorized under section 80110(b)(2) or (3) of this title;
  - (2) the carrier makes a delivery under section 80110(b)(2) or (3) of this title after being requested by or for a person having title to, or right to possession of, the goods not to make the delivery; or
  - (3) at the time of delivery under section 80110(b)(2) or (3) of this title, the carrier has information it is delivering the goods to a person not entitled to their possession.
- (b) Effectiveness of request or information.--A request or information is effective under subsection (a)(2) or (3) of this section only if--
  - (1) an officer or agent of the carrier, whose actual or apparent authority includes acting on the request or information, has been given the request or information; and

- (2) the officer or agent has had time, exercising reasonable diligence, to stop delivery of the goods.
- (c) Failure to take and cancel bills.--Except as provided in subsection (d) of this section, if a common carrier delivers goods for which a negotiable bill of lading has been issued without taking and canceling the bill, the carrier is liable for damages for failure to deliver the goods to a person purchasing the bill for value in good faith whether the purchase was before or after delivery and even when delivery was made to the person entitled to the goods. The carrier also is liable under this paragraph if part of the goods are delivered without taking and canceling the bill or plainly noting on the bill that a partial delivery was made and generally describing the goods or the remaining goods kept by the carrier.
- (d) Exceptions to liability.--A common carrier is not liable for failure to deliver goods to the consignee or owner of the goods or a holder of the bill if--
- (1) a delivery described in subsection (c) of this section was compelled by legal process;
  - (2) the goods have been sold lawfully to satisfy the carrier's lien;
  - (3) the goods have not been claimed; or
  - (4) the goods are perishable or hazardous.

**§ 80112. Liability under negotiable bills issued in parts, sets, or duplicates**

- (a) Parts and sets.--A negotiable bill of lading issued in a State for the transportation of goods to a place in the 48 contiguous States or the District of Columbia may not be issued in parts or sets. A common carrier issuing a bill in violation of this subsection is liable for damages for failure to deliver the goods to a purchaser of one part for value in good faith even though the purchase occurred after the carrier delivered the goods to a holder of one of the other parts.
- (b) Duplicates.--When at least 2 negotiable bills of lading are issued in a State for the same goods to be transported to a place in the 48 contiguous States or the District of Columbia, the word "duplicate" or another word indicating that the bill is not an original must be put plainly on the face of each bill except the original. A common carrier violating this subsection is liable for damages caused by the violation to a purchaser of the bill for value in good faith as an original bill even though the purchase occurred after the carrier delivered the goods to the holder of the original bill.

**§ 80113. Liability for nonreceipt, misdescription, and improper loading**

- (a) Liability for nonreceipt and misdescription.--Except as provided in this section, a common carrier issuing a bill of lading is liable for damages caused by nonreceipt by the carrier of any part of the goods by the date shown in the bill or by failure of the goods to correspond with the description contained in the bill. The carrier is liable to the owner of goods transported under a nonnegotiable bill (subject to the right of stoppage in transit) or to the holder of a negotiable bill if the owner or holder gave value in good faith relying on the description of the goods in the bill or on the shipment being made on the date shown in the bill.

- (b) Nonliability of carriers.--A common carrier issuing a bill of lading is not liable under subsection (a) of this section--
- (1) when the goods are loaded by the shipper;
  - (2) when the bill--
    - (A) describes the goods in terms of marks or labels, or in a statement about kind, quantity, or condition; or
    - (B) is qualified by "contents or condition of contents of packages unknown", "said to contain", "shipper's weight, load, and count", or words of the same meaning; and
  - (3) to the extent the carrier does not know whether any part of the goods were received or conform to the description.
- (c) Liability for improper loading.--A common carrier issuing a bill of lading is not liable for damages caused by improper loading if--
- (1) the shipper loads the goods; and
  - (2) the bill contains the words "shipper's weight, load, and count", or words of the same meaning indicating the shipper loaded the goods.
- (d) Carrier's duty to determine kind, quantity, and number.—
- (1) When bulk freight is loaded by a shipper that makes available to the common carrier adequate facilities for weighing the freight, the carrier must determine the kind and quantity of the freight within a reasonable time after receiving the written request of the shipper to make the determination. In that situation, inserting the words "shipper's weight" or words of the same meaning in the bill of lading has no effect.
  - (2) When goods are loaded by a common carrier, the carrier must count the packages of goods, if package freight, and determine the kind and quantity, if bulk freight. In that situation, inserting in the bill of lading or in a notice, receipt, contract, rule, or tariff, the words "shipper's weight, load, and count" or words indicating that the shipper described and loaded the goods, has no effect except for freight concealed by packages.

**§ 80114. Lost, stolen, and destroyed negotiable bills**

- (a) Delivery on court order and surety bond.--If a negotiable bill of lading is lost, stolen, or destroyed, a court of competent jurisdiction may order the common carrier to deliver the goods if the person claiming the goods gives a surety bond, in an amount approved by the court, to indemnify the carrier or a person injured by delivery against liability under the outstanding original bill. The court also may order payment of reasonable costs and attorney's fees to the carrier. A voluntary surety bond, without court order, is binding on the parties to the bond.
- (b) Liability to holder.--Delivery of goods under a court order under subsection (a) of this section does not relieve a common carrier from liability to a person to whom the negotiable bill has

been or is negotiated for value without notice of the court proceeding or of the delivery of the goods.

**§ 80115. Limitation on use of judicial process to obtain possession of goods from common carriers**

- (a) Attachment and levy.--Except when a negotiable bill of lading was issued originally on delivery of goods by a person that did not have the power to dispose of the goods, goods in the possession of a common carrier for which a negotiable bill has been issued may be attached through judicial process or levied on in execution of a judgment only if the bill is surrendered to the carrier or its negotiation is enjoined.
- (b) Delivery.--A common carrier may be compelled by judicial process to deliver goods under subsection (a) of this section only when the bill is surrendered to the carrier or impounded by the court.

**§ 80116. Criminal penalty**

A person shall be fined under title 18, imprisoned for not more than 5 years, or both, if the person--

- (1) violates this chapter with intent to defraud; or
- (2) knowingly or with intent to defraud --
  - (A) falsely makes, alters, or copies a bill of lading subject to this chapter;
  - (B) utters, publishes, or issues a falsely made, altered, or copied bill subject to this chapter; or
  - (C) negotiates or transfers for value a bill containing a false statement.