



**Cargo Claims Contact Information:**

FedEx Freight  
Attn: Cargo Claims  
P.O. Box 5006  
Harrison, AR 72602-5006

**Phone**

1.800.308.3963

**Fax**

1.870.414.0712

Thank you for choosing FedEx Freight! We appreciate the opportunity to serve you and look forward to meeting your transportation needs.

Whether this information is being provided to you as a courtesy, or per your request; please note that the information contained herein is specific to FedEx Freight. Other FedEx services (FedEx Express, FedEx Ground, FedEx Custom Critical, FedEx Trade Networks and FedEx Kinko's) and other carriers may have separate and different claim-handling guidelines.

This information is general in nature. If a specific question is not answered here, or for additional information, please contact our Cargo Claims department at 1.800.308.3963.

### **Shipper's Responsibilities**

To prevent loss and damage during normal transportation handling, the shipper has the following responsibilities:

- Proper packaging.
- Proper markings on the packaging.
- Proper description on the shipping papers.

All existing tariff and shipping regulations (including FXF Series 100 Rules Tariff, if applicable) related to your product must be followed. Minimum packaging requirements are outlined in the following two publications:

- National Motor Freight Classification
- Hazardous Materials Regulations of the Department of Transportation

### **Consignee's Responsibilities**

As the consignee, you must carefully identify and document loss and/or damage on the delivery receipt at time of delivery.

There are two types of loss or damage:

- Visible or noted loss or damage.
- Concealed loss or damage.

#### Visible or Noted Loss or Damage

Visible loss or damage is apparent at the time of delivery and should be noted. Noted loss or damage is recorded in detail on the delivery receipt.

When recording loss or damage, please use specific details and try to avoid general or generic terms such as "box damaged" or "torn". This type of notation does not provide adequate support for your claim.

Please note: A notation of "subject to inspection," by itself, is not considered a valid notation of loss or damage.

### **Example of Proper Notation: "2 of 12 bottles #12345 hand soap damaged in 1 carton"**

#### Concealed Loss or Damage

These claims are considered and investigated as concealed loss or damage claims and will be handled based on their individual merits.

Concealed loss or damage is that which was not apparent at the time of delivery. The National Motor Freight Classification, ITEM 300135 (see specific section below) states: "When damage to contents of a shipping container is discovered by the consignee which could not have been determined at time of delivery, it must be reported by the consignee to the delivering carrier upon discovery and a request for inspection by the carrier's representative made. Notice of loss or damage and a request for inspection may be given by telephone or in person, but in either event must be confirmed in writing by mail."

Concealed damage should be reported to the carrier within 15 days of delivery. Inspection or waiver of inspection will be provided by FedEx Freight as promptly as possible and practicable after receipt of request by the consignee. However, should we waive inspection, the consignee must make the inspection and record all information to the best of his or her ability pertinent to the cause.

## Shortages

If possible, make a written tally record when a large number of items are being received or the shipment consists of a number of different items. At time of delivery please check the labels on all handling units to be certain they are yours and check for shortages as goods are being unloaded. Be sure to keep the shipment together until unloading is complete, in case a recount is necessary.

If there is a shortage, please note it on the delivery receipt before signing for the shipment.

### **Stretchwrapped and Shrinkwrapped Skids**

Carriers are liable for handling units, as counted at the time the shipment is received. Therefore, if a driver signs for a shipment as "1 SWS (stretchwrapped skid) STC (said to contain) 25" or "1 SWS UTC (unable to count)," FedEx Freight is responsible for delivering 1 stretchwrapped skid intact, not 25 pieces. If cartons or pieces are counted at delivery and a shortage is reported, the carrier is only liable if the stretchwrap has been broken (check-box on the delivery receipt should note the condition of the stretchwrap as intact or not).

If the same driver accepts "1 SWS 25 Cartons" or "25 on 1 SWS," our liability is for the quantity of cartons, as the driver has indicated the pieces were counted (by noting pieces and omitting the unable to count, said to contain, or similar notation).

### **Item or Purchase Order Numbers**

Carriers are not liable for item or purchase order numbers, only piece count. This is because item and/or purchase order numbers are not verified at the time of pickup. (Example: If delivery receipt is noted "20 cartons item 123456 over, 20 cartons 654321 short," no carrier liability exists.)

## **Claim Filing**

Per the Bill of Lading Terms and Conditions, claimants have nine (9) months from the date of delivery (or from the date delivery could have reasonably been expected) to file claims for loss and/or damage. If any part of a shipment is refused due to damage, the nine (9) months begins when the shipment was originally tendered for delivery. A claim is not considered to have been filed until it is **received** by the carrier.

All claims are handled in accordance with the NMFC Principles and Practices for the Investigation and Disposition of Freight Claims, the Bill of Lading Terms and Conditions, and applicable Rules Tariff or Contract (see specific sections below).

You have several options for filing loss or damage claims:

- Registered users of FedEx Freight My Account may file claims on-line and scan or attach documents electronically (documentation supporting the claim may also be faxed or mailed to the number or address referenced below).
- You may request blank claim forms from any of our offices. Upon completion the forms may be sent:
  - o Via fax to 1.870.414.0712.
  - o Via mail to FedEx Freight, Attn: Cargo Claims, P O Box 5006, Harrison, AR 72602-5006.

All claims should include:

- The freight bill number.
- Explanation of loss and/or damage.
- Dollar amount being claimed.
- Claimant's contact information (name, address, telephone, fax and e-mail).
- A copy of the original vendor invoice – this is the original invoice issued to the consignee or third party for the merchandise shipped.

Other information may be necessary, including (but not limited to):

- An explanation of why merchandise cannot be repaired or retained with an allowance as well as a contact name and telephone number to arrange salvage pickup of merchandise claimed as a total loss.
- A breakdown of the labor (number of hours, cost per hour) and itemized detail of the claimant's cost of parts if merchandise has been repaired. **(See important information under the Mitigation or Repair section.)**
- Weight of the merchandise claimed if it is released value freight, or subject to maximum liability limitations.

- For partial or complete shortages,
  - o A charge back issued by the consignee.
  - o A credit memo from the shipper.

Providing this information when a claim is filed will greatly reduce the administrative costs for both the claimant and the carrier. Also, complete claims are more likely to be finalized in a timely manner, increasing customer satisfaction.

If merchandise is being claimed as a total loss, it must be retained as salvage until payment is made, or the carrier advises otherwise. If the claimant is unable to retain salvage indefinitely, National Motor Freight Classification (NMFC) ITEM 300150 outlines the proper means of notifying the carrier. Failure to retain salvage or properly notify the carrier may result in amendment or declination of the claim.

### **Liability - Bill of Lading, Rules Tariff, and Contract Information**

Claims are handled in accordance with the Bill of Lading Terms and Conditions, customer-specific contracts or pricing agreements, and/or FedEx Freight published Rules Tariff, in effect at the time of the shipment.

The Bill of Lading serves as the contract of carriage, receipt of goods by the carrier, and in some cases as the title of rightful ownership. Some important items to consider from the Bill of Lading Terms and Conditions are:

- **Section 1(b)** - Carriers are not liable for loss or damage caused by:
  - o Act of God (i.e., tornado, flood, earthquake, etc).
  - o Public enemy.
  - o Authority of law.
  - o Act or default of shipper (i.e., improper packaging, improper labeling).
  - o Defect or inherent vice of the commodity.
- **Section 3(b)** - Claimants have nine (9) months from the date of delivery (or from the date delivery could have reasonably been expected) to file claims for loss and/or damage.

The Rules Tariff contains all pertinent information to doing business with FedEx Freight, including rules and accessorial rates. Important items from the Rules Tariff include (please review specific items for complete details):

- **Item 220** releases the carrier from liability for any direct, indirect or consequential damages which result from a delay in delivery.
- **Item 420** outlines carrier liability
  - o Maximum of \$25.00 per pound per package or \$100,000.00 per incident for new freight not released to a lower value, unless excess liability coverage (additional charges apply) is requested.
  - o **Used merchandise is released to a value not exceeding \$0.50 per pound**, unless the merchandise is described as used and excess liability coverage (additional charges apply) is requested.
  - o When freight is shipped under Freight All Kinds (FAK) pricing governed by the provisions of this tariff (currently FFX Series 100) for merchandise with available declared or released value provisions in the NMFC, liability is limited to the lowest declared or released value provided in the NMFC.
  - o The weight of packaging and/or shipping containers, pallets, skids, etc, are not included when determining EXCESS LIABILITY COVERAGE or carrier's maximum liability .
- **Item 578** outlines Shipper Load and Consignee Unload provisions
  - o If a shipment is received as "SLC" (shipper's load and count)
    - The shipment is to be counted, loaded and properly blocked and braced for transit by the shipper.
    - In the event of shortage or damage noted at first break, the carrier will not be liable if the exception is reported to the shipper within 24 hours.
    - If the exception is not noted at first break and properly reported, the carrier agrees to accept liability for the shipment as if it were a "live load".
  - o If a shipment is spotted at a consignee location for unloading
    - The shipment is to be unloaded and counted by the consignee.
    - In the event of shortage or damage, the consignee will not be liable if the exception is reported to the carrier within 24 hours.
    - If the exception is not properly reported, the consignee agrees to accept liability for the shipment as a clear delivery.

- **Item 960** incorporates Bill of Lading section 3(b) into our Rules tariff (reference above).

### **Requesting Additional Liability Coverage**

FXF Series 100 Rules Tariff Item 420 also outlines the steps to be taken if a customer wishes to request additional liability coverage. In any case, carrier liability is limited to the **lesser** of destination value, or the applicable released value or limited liability.

- **Shipments of used items** may be covered up to \$5.00 per pound per package or \$10,000.00 per incident (additional charges apply). This coverage **must be specifically requested on the original Bill of Lading by describing the articles as used and noting**, "Excess liability coverage requested: \$5.00 per pound."
- **Shipments of new items** may be covered up to \$50.00 per pound per package or \$100,000.00 per incident (additional charges apply). This coverage **must be specifically requested on the original Bill of Lading by noting**, "Excess liability coverage requested: (amount of excess coverage)."

### **Freight Charge Recoverability**

In most cases, FedEx Freight does not move replacement freight free astray. However, you may include original **or** replacement freight charges as part of your claim (recoverability will be determined through investigation).

If only a portion of the shipment is lost or damaged, any recoverable freight charges will be prorated to reflect only the lost or damaged portion. If no freight charges are recoverable, but a greater freight cost is incurred to ship a replacement, the claimant may be entitled to recover the difference between the replacement freight charge and the prorated original.

### **Special Damages**

Special damages are those which are a result of a breach in the contract of carriage, but are not ordinarily foreseeable at the time of pickup. In order to be held liable for special damages, carriers must be given notice of the special circumstance and the consequences before or at the time of pickup. Special damages may include:

- Expedited labor (for repair) or freight charges.
- Operational shutdowns.
- Travel expenses.
- Lost use or rental of equipment.
- Lost sale due to delay.

Generally speaking, carrier liability is limited to the actual cost of goods at destination and any amount beyond this amount would not be considered recoverable.

### **Mitigation or Repair**

Claimants have a legal obligation to mitigate claims and reduce the damages as much as possible. This can be accomplished through:

- Repair - Claims for repair should reflect the claimant's *cost* for parts and labor.
- Sorting damaged and undamaged pieces to reduce the quantity being claimed (see labor rate in the section titled Claim Filing).
- Cutting sheet, roll and wire goods to salvage and reuse as much material as is possible.
- Sale through the most profitable means available. (Claim would then reflect the difference between the destination value and the amount recovered through the secondary sale.)
- Retaining damaged but useable goods for an allowance.
- Any other means resulting in a reduction in the claim equal to or greater than that which the carrier may have obtained through salvage of the goods.

## Principles and Practices for the Investigation and Disposition of Freight Claims

Copied from the National Motor Freight Classification 100-Series

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| ITEM   | <p>PRINCIPLES AND PRACTICES FOR THE INVESTIGATION AND DISPOSITION OF FREIGHT CLAIMS<br/>(Provisions named herein are NOT applicable on interstate or foreign commerce for account of carriers referenced with 'WATCAR' (except SEAU or TOTE) shown in the list of participating interstate and intrastate carriers of this Classification, or as amended)</p>  |
| 300100 | <p>APPLICATION<br/>These Rules are published in compliance with the report and order of the Interstate Commerce Commission in Ex Parte No. 263, Rules, Regulations, and Practices of Regulated Carriers with Respect to the Processing of Loss and Damage Claims, served February 24, 1972. The purposes of these Principles and Practices are:</p> <ul style="list-style-type: none"> <li>(a) To obtain uniformity on the part of all carriers and uniform treatment of all claimants in the disposition of claims of like nature.</li> <li>(b) To secure and preserve harmonious relationships in claim matters between carriers and their patrons.</li> <li>(c) To effect and maintain a prompt and efficient service to the public in connection with the investigation and disposition of freight claims.</li> </ul>  |
| 300105 | <p>FILING OF CLAIMS</p> <ul style="list-style-type: none"> <li>(a) Compliance with regulations. A claim for loss or loss or damage to baggage or for loss, damage, injury, or delay to cargo will not be voluntarily paid by a carrier unless filed in writing, as provided in subparagraph (b) below, with the receiving or delivering carrier, or carrier issuing the bill of lading, receipt, ticket, or baggage check, or carrier on whose line the alleged loss, damage, injury, or delay occurred, within the specified time limits applicable thereto and as otherwise may be required by law, the terms of the bill of lading or other contract of carriage, and all tariff provisions applicable thereto.</li> <li>(b) Minimum filing requirements. A communication in writing from a claimant, filed with a proper carrier within the time limits specified in the bill of lading or contract of carriage or transportation, and (1) containing facts sufficient to identify the baggage or shipment (or shipments) of property involved, (2) asserting liability to alleged loss, damage, injury, or delay, and (3) making claim for the payment of a specified or determinable amount of money, will be considered as sufficient compliance with the provisions for filing claims embraced in the bill of lading or other contract of carriage.</li> <li>(c) Bad order reports, appraisal report of damage, notations of exceptions on freight bills or other documents, inspection reports issued by carrier inspectors or inspection agencies, tracers or inspection requests do not comply with claim filing requirements.</li> </ul>   |
| 300110 | <p>DOCUMENTS REQUIRED IN SUPPORT OF CLAIMS</p> <ul style="list-style-type: none"> <li>(a) A written demand for payment, asserting carrier liability for alleged loss, damage, injury or delay, and containing facts sufficient to identify the shipment or shipments involved will constitute a claim, regardless of form, and will be required.</li> <li>(b) When claimant does not appear from the supporting documents to be an interested party, carrier will require any necessary written assignment or other proof to determine the claimant is the proper party to receive any claim payment.</li> <li>(c) Claim must be supported by either the original invoice; a photographic copy of the original invoice; an exact copy thereof, or an extract therefrom, certified by the claimant or his authorized representative to be true and correct with respect to the property involved in the claim and reflecting all trade or other discounts, allowances, or deductions of any nature. When the original invoice is not submitted, such document must be made available for inspection by carrier representative upon request.</li> <li>(d) When determined by the carrier to be a necessary part of the investigation, the following will be required:             <ol style="list-style-type: none"> <li>1. The original freight bill and bill of lading or other contract of carriage. When claimant cannot furnish these documents, carrier may require suitable indemnity from the claimant.</li> <li>2. When the property involved in the claim has not been invoiced to the consignee or where invoice does not show price or value, or where the property has not been sold but transferred at bookkeeping values only, or where property as been shipped on consignment or approval, documentation to establish destination value in the quantity shipped and certification of the correctness thereof.</li> <li>3. In order to establish the full recoverable loss caused by the carriers, the original account of sale, showing the date of sale and the amounts realized on the damaged and undamaged portions, respectively, showing grade, brands, quality, variety, size and condition, together with any deductions, allowances, and commissions, or a copy thereof certified correct over the signature of the claimant or an authorized representative thereof.</li> </ol> </li> </ul> |

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|        | <p>4. When shipment has received prior transportation and is reshipped from a distribution or warehousing point but has been opened and examined and contents verified as being in undamaged condition, certification thereof must be made by a person having actual knowledge of such inspection and a statement to that effect incorporated in such certification.</p> <p>5. When an asserted claim for loss of an entire package or on an entire shipment cannot be otherwise authenticated upon investigation, the carrier will obtain from the consignee of the shipment involved, a certified statement in writing that the property for which the claim is filed has not been received from any source.</p>   |
| 300115 | <p><b>CLAIMS FILED FOR UNCERTAIN AMOUNTS</b></p> <p>Whenever a claim is presented against a proper carrier for an uncertain amount, such as "\$100 more or less," the carrier against whom such claims filed will determine the condition of the shipment involved at the time of delivery by it, if it was delivered, and will ascertain as nearly as possible the extent, if any, of the loss or damage for which it may be responsible. It will not however, voluntarily pay a claim under such circumstances unless and until a formal claim in writing for a specified or determinable amount of money has been filed in accordance with the provisions of item 300105.</p>   |
| 300120 | <p><b>ACKNOWLEDGMENT AND DISPOSITION OF CLAIMS</b></p> <p>Carrier will acknowledge claim in writing within 30 days after receipt thereof, informing the claimant of identifying number assigned thereto, and will pay, refuse payment, or make a firm compromise offer within 120 days after receipt of claim, except, that if claim cannot be disposed of within this period, carrier will at that time and at the end of each succeeding 60-day period thereafter while claim remains pending, inform the claimant in writing of the reason for failure to conclude claim. The carrier shall indicate in its acknowledgement to the claimant what, if any, additional documentary evidence or other pertinent information may be required by further to process the claim as its preliminary examination of the claim, as filed, may have revealed. A separately numbered file will be established for each claim filed in accord with the provisions of this tariff. All documents, records and correspondence pertaining to such claim will be identified with this file number.</p>   |
| 300122 | <p><b>TWO OR MORE CLAIMS PRESENTED ON SAME SHIPMENT</b></p> <p>When investigation of a claim develops that one or more other carriers has been presented with a similar claim on the same shipment, the carrier investigating such claim will communicate with each other carrier and, prior to any agreement entered into between or among them as to the proper disposition of such claim or claims, will notify all claimants of the receipt of conflicting or overlapping claims and will require further substantiation, on the part of each claimant of his title to the property involved or his right with respect to such claim.</p>  |
| ITEM   | <p><b>REGULATIONS GOVERNING THE INSPECTION OF FREIGHT BEFORE OR AFTER DELIVERY TO CONSIGNEE AND ADJUSTMENT OF CLAIMS FOR LOSS OR DAMAGE</b></p>  |
| 300125 | <p><b>APPLICATION</b></p> <p>Loss of or damage to contents of package, not definitely known to exist at time of delivery by carrier to consignee may be due to negligence in packing, handling or unpacking, or abstraction from containers, and is the subject of frequent claims and contravenes. In order to avoid any discrimination, and so that practices will be certain and uniform in the treatment of claims of this character, the following rules apply.</p>   |
| 300130 | <p><b>PILFERAGE</b></p> <p>When offering a shipment for delivery, if any portion of shipment bears any indication of having been pilfered, a joint inventory of contents must be made by carrier and consignee and the results of inventory so noted on carrier's delivery receipt.</p>  |
| 300135 | <p><b>REPORTING CONCEALED DAMAGE</b></p> <p>When damage to contents of a shipping container is discovered by the consignee which could not have been determined at time of delivery, it must be reported by the consignee to the delivering carrier upon discovery and a request for inspection by the carrier's representative made. Notice of loss or damage and request for inspection may be given by telephone or in person, but in either event must be confirmed in writing by mail. If more than fifteen days pass between date of delivery of shipment by carrier and date of report of loss or damage, and request for inspection by consignee, it is incumbent upon the consignee to offer reasonable evidence to the carrier's representative when inspection is made that loss or damage was not incurred by the consignee after delivery of shipment by carrier. While awaiting inspection by carrier, the consignee must hold the shipping container and its contents in the same condition they were in when damage was discovered insofar as it is possible to do so.</p> |

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| 300140 | <p><b>INSPECTION BY CARRIER</b></p> <p>Inspection by carrier will be made as promptly as possible and practicable after receipt of request by consignee. Inspection will be made within five normal work days after receipt of request from consignee, excluding Saturdays, Sundays and holidays. A day will be considered as the passing of twenty-four (24) hours from 9 A.M., local time from the date of receipt of request for inspection. Inspection of carrier will include examination of the damaged merchandise, the shipping container, and any other action necessary to establish all facts. If a shortage is involved, inspector will check contents of package with invoice, weigh the shipping container and contents, or conduct any other type of investigation necessary to establish that a loss has occurred. In either case inspection will be limited to factual report. Consignee must cooperate with carrier in every way possible to assist in the inspection. A written record of carrier's findings will be made at least in duplicate. The original of the report will be given to the consignee for claim support. Any inspection report issued must be incorporated in claim file.</p>   |
| 300145 | <p><b>FAILURE TO INSPECT</b></p> <p>In the event carrier does not make an inspection, the consignee must make the inspection and record all information to the best of his ability pertinent to the cause. Consignee's inspection, in such case, will be considered as the carrier's inspection and will not jeopardize any recovery the consignee is due based on the facts contained in the report.</p>   |
| 300150 | <p><b>SALVAGE RETENTION</b></p> <p>When visible or open damage to a shipment has been established by notation having been given at time of delivery or concealed damage established by inspection report, it is the duty of the consignee to retain damaged merchandise and shipping container until carrier desires to take possession of merchandise as salvage. If record conclusively reflects carrier liability, carrier will take possession of the damaged merchandise as soon as possible and in any event, within thirty (30) days from date shipment was noted damaged on carrier delivery receipt or from date of inspection report, if damage was concealed. If carrier does not take possession of the damaged merchandise within the time prescribed above, consignee must contact delivering carrier and request removal of goods from his premises within fifteen (15) days from the date of such communication. The above applies only when the carrier and consignee agree that the carrier will handle disposition of the salvage, and does not in any manner affect the legal duty that the consignee, when there is substantial value in the salvage, must accept and handle it in such a manner as to mitigate the carrier's loss as much as possible. If there is doubt of carrier liability, the carrier will so advise consignee; in which event the consignee may hold the merchandise until liability of carrier is determined, or may dispose of it so as to mitigate the damage, and may file claim for such damage. Carrier will remove the damaged goods within the fifteen (15) day period or advise consignee that carrier liability is in doubt and that damaged merchandise is to be retained by the consignee until carrier has completed investigation of claim.</p> |
| 300155 | <p><b>PRIOR TRANSPORTATION</b></p> <p>If a concealed damage inspection report covers merchandise which has had prior transportation movement, consignee is required to assist carrier in determining if shipment was opened and inspected by shipper prior to reshipment, and if not, shall then assist carrier in every way possible to establish record of prior transportation.</p>  |