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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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**KAWASAKI KISEN KAISHA LTD. ET AL. v. REGAL-
BELOIT CORP. ET AL.****CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE NINTH CIRCUIT**

No. 08–1553. Argued March 24, 2010—Decided June 21, 2010*

Respondents (cargo owners) delivered to petitioners in No. 08–1553 (“K” Line) goods for shipping from China to inland United States destinations. “K” Line issued them four through bills of lading, *i.e.*, bills of lading covering both the ocean and inland portions of transport in a single document. As relevant here, the bills contain a “Himalaya Clause,” which extends the bills’ defenses and liability limitations to subcontractors; permit “K” Line to subcontract to complete the journey; provide that the entire journey is governed by the Carriage of Goods by Sea Act (COGSA), which regulates bills of lading issued by ocean carriers engaged in foreign trade; and designate a Tokyo court as the venue for any dispute. “K” Line arranged the journey, subcontracting with petitioner in No. 08–1554 (Union Pacific) for rail shipment in the United States. The cargo was shipped in “K” Line vessels to California and then loaded onto a Union Pacific train. A derailment along the inland route allegedly destroyed the cargo. Ultimately, the Federal District Court granted the motion of Union Pacific and “K” Line to dismiss the cargo owners’ suits against them based on the parties’ Tokyo forum-selection clause. The Ninth Circuit reversed, concluding that that clause was trumped by the Carmack Amendment governing bills of lading issued by domestic rail carriers, which applied to the inland portion of the shipment.

Held: Because the Carmack Amendment does not apply to a shipment originating overseas under a single through bill of lading, the parties’

*Together with No. 08–1554, *Union Pacific Railroad Co. v. Regal-Beloit Corp. et al.*, also on certiorari to the same Court.

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agreement to litigate these cases in Tokyo is binding. Pp. 4–21.

(a) COGSA, which “K” Line and Union Pacific contend governs these cases, requires a carrier to issue to the cargo owner a bill containing specified terms. It does not limit the parties’ ability to adopt forum-selection clauses. It only applies to shipments from United States ports to foreign ports and vice versa, but permits parties to extend certain of its terms “by contract” to cover “the entire period in which [the goods] would be under [a carrier’s] responsibility, including [a] period of inland . . . transport.” *Norfolk Southern R. Co. v. James N. Kirby, Pty Ltd.*, 543 U. S. 14, 29. The Carmack Amendment, on which respondents rely, requires a domestic rail carrier that “receives [property] for transportation under this part” to issue a bill of lading. 49 U. S. C. §11706(a). “[T]his part” refers to the Surface Transportation Board’s (STB’s) jurisdiction over domestic rail transportation. See §10501(b). Carmack assigns liability for damage on the rail route to “receiving rail carrier[s]” and “delivering rail carrier[s],” regardless of which carrier caused the damage. §11706(a). Its purpose is to relieve cargo owners “of the burden of searching out a particular negligent carrier from among the often numerous carriers handling an interstate shipment of goods.” *Reider v. Thompson*, 339 U. S. 113, 119. Thus, it constrains carriers’ ability to limit liability by contract, §11706(c), and limits the parties’ choice of venue to federal and state courts. §11706(d)(1). Pp. 4–7.

(b) In *Kirby*, as in these cases, an ocean shipping company issued a through bill of lading that extended COGSA’s terms to the inland segment, and the property was damaged during the inland rail portion. This Court held that the through bill’s terms governed under federal maritime law, notwithstanding contrary state laws, 543 U. S., at 23–27, explaining that “so long as a bill of lading requires substantial carriage of goods by sea, its purpose is to effectuate maritime commerce,” *id.*, at 27, and adding that “[a]pplying state law . . . would undermine the uniformity of general maritime law,” *id.*, at 28, and defeat COGSA’s apparent purpose “to facilitate efficient contracting in contracts for carriage by sea,” *ibid.* Here, as in *Kirby*, “K” Line issued through bills under COGSA, in maritime commerce, and extended its terms to the journey’s inland domestic segment. Pp. 7–8.

(c) The Carmack Amendment’s text, history, and purposes make clear that it does not require a different result. Pp. 8–21.

(1) Carmack divides the realm of rail carriers into receiving, delivering, and connecting rail carriers. Its first sentence requires a compliant bill of lading (1) if a rail carrier provid[es] transportation or service subject to the [STB’s] jurisdiction” and (2) if that carrier “receives” the property “for transportation . . .” 11706(a). It thus requires the receiving rail carrier—but not the delivering or connect-

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ing rail carrier—to issue a bill of lading. This conclusion is consistent with statute’s text and this Court’s precedent. See *St. Louis, I. M. & S. R. Co. v. Starbird*, 243 U. S. 592, 595, 604. A receiving rail carrier is the initial carrier, which “receives” the property for domestic rail transportation at the journey’s point of origin. If the Carmack’s bill of lading requirement referred not to the initial carrier, but to any carrier “receiving” the property from another carrier, then every carrier during the shipment would have to issue its own separate bill. This would be contrary to Carmack’s purpose of making the receiving and delivering carriers liable under a single, initial bill for damage caused by any carrier within a single course of shipment. This conclusion is consistent with *Mexican Light & Power Co. v. Texas Mexican R. Co.*, 331 U. S. 731, where the Court held that a bill of lading issued by a subsequent rail carrier when the “initial carrier” has issued a through bill is “void” unless it “represents the initiation of a new shipment,” *id.*, at 733–734. And *Reider, supra*, is not to the contrary. There, absent a through bill of lading, the original journey from Argentina terminated at the port of New Orleans, and the first rail carrier in the United States was the receiving rail carrier for Carmack purposes. *Id.*, at 117. Carmack’s second sentence establishes that it applies only to transport of property for which a receiving carrier is required to issue a bill of lading, regardless of whether that carrier actually issues such a bill. See §11706(a). Thus, Carmack applies only if the journey begins with a receiving rail carrier that had to issue a compliant bill of lading, not if the property is received at an overseas location under a through bill that covers transport into an inland location in this country. The initial carrier in that instance receives the property at the shipment’s point of origin for overseas multimodal import transport, not domestic rail transport. Carmack did not require “K” Line to issue bills of lading because “K” Line was not a receiving rail carrier. That it chose to use rail transport to complete one segment of the journey under its “essentially maritime” contracts, *Kirby, supra*, at 24, does not put it within Carmack’s reach. Union Pacific, which the cargo owners concede was a mere delivering carrier that did not have to issue its own Carmack bill of lading, was also not a receiving rail carrier under Carmack. Because the Ninth Circuit ignored Carmack’s “receive[d] . . . for transportation” limitation, it reached the wrong conclusion. Its conclusion is also an awkward fit with Carmack’s venue provisions, which presume that the receiving carrier obtains the property in a judicial district within the United States. If “K” Line were a receiving carrier in a case with a “point of origin” in China, there would be no place under Carmack to sue “K” Line, since China is not within a judicial district “of the United States or in a State Court.”

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§11706(d)(1). Pp. 8–15.

(2) Carmack’s statutory history supports this conclusion. None of its legislative versions—the original 1906 statute or the amended 1915, 1978, or 1995 ones—have applied to the inland domestic rail segment of an import shipment from overseas under a through bill. Pp. 15–17.

(3) This interpretation also attains the most consistency between Carmack and COGSA. Applying Carmack to the inland segment of an international carriage originating overseas under a through bill would undermine Carmack’s purposes, which are premised on the view that a shipment has a single bill of lading and any damage is the responsibility of both receiving and delivering carriers. Under the Ninth Circuit’s interpretation, there might be no venue in which to sue the receiving carrier. That interpretation would also undermine COGSA and international, container-based multimodal transport: COGSA’s liability and venue rules would apply when cargo is damaged at sea and Carmack’s rules almost always would apply when the damage occurs on land. Moreover, applying Carmack to international import shipping transport would undermine COGSA’s purpose “to facilitate efficient contracting in contracts for carriage by sea.” *Kirby, supra*, at 29. The cargo owners’ contrary policy arguments are unavailing. Pp. 17–20.

557 F. 3d 985, reversed and remanded.

KENNEDY, J., delivered the opinion of the Court, in which ROBERTS, C. J., and SCALIA, THOMAS, BREYER, and ALITO, JJ., joined. SOTOMAYOR, J., filed a dissenting opinion, in which STEVENS and GINSBURG, JJ., joined.