



Storage in Transit or Permanent Storage?

How do you tell the difference?

This question comes up frequently, and under Illinois law it's important to keep several things in mind

FIRST:

- Everyone offering to provide **storage service for hire** in Illinois must **first** have a **warehouse licensed** by the Illinois Commerce Commission.
- It is illegal to conduct storage for hire in a self-storage or "Public Storage" type facility. A mover may deliver a shipment to such a facility on behalf of the shipper who has rented the space in the shipper's name, but the mover must not be the one renting the storage unit.

When is it Storage in Transit and when is it Permanent Storage?

Here's what the regulation says:

Section 1457.630 Storage Charges

a) Upon receiving a request for storage service, the carrier shall ascertain whether it is the intent of the shipper to have the shipment stored in excess of 180 days. The storage service shall be treated as permanent storage if the storage is in excess of 180 days or if the time period of intended storage is indefinite. Only storage incidental to transportation shall be deemed storage in transit.

b) Charges for storage in transit shall be stated in an amount per 100 pounds per day or a fraction thereof

The determination needs to be made from the beginning, based on these things:

Permanent Storage:

- If the **destination address** is the mover's warehouse, and the final address after storage is unknown or uncertain, the shipment should be considered Permanent Storage.
- If the period of storage is for an **indefinite period** of time ("*I don't know when I will want this back...*") and there is **no indication where the shipment will be taken after storage**, the shipment should be considered Permanent Storage.
- Rates for Permanent Storage are not regulated, but the **transportation** to and from permanent storage **IS governed by the mover's tariff**. The warehouse receipt/storage contract is the governing document for permanent storage rates

and any limit of liability. A new bill of lading will be executed for the move out of perm storage.

Storage in Transit:

- If the final destination recorded on the paperwork is an address other than the mover's warehouse address, then the shipment should be considered Storage in Transit and tariff rates will apply.
- Rates for Storage-in-Transit shipments are stated in rates per 100 pounds per day (not by vault or any other method) and are dictated by the mover's tariff.
- The bill of lading is the governing document for Storage in Transit shipments, and valuation or insurance provisions apply as signed on the B/L by the customer.
- After 180 days, Storage in Transit shipments automatically convert to Permanent Storage.

IMPORTANT REMINDERS:

- It's always recommended that a storage contract/warehouse receipt be executed on any shipments going into storage, even on SIT shipments, to ensure that all the contracts are in place if the shipment does convert from SIT to Perm Storage after 180 days. It's much easier to get the documents executed properly in the beginning, while shippers are in the "signing" mood, rather than trying to track them down somewhere in the world after 6 months.
- To avoid controversy and confusion in the event of a claim, the valuation or insurance option chosen by the customer should be *exactly the same* from the time the mover picks up the shipment until it is delivered at the final destination (after storage). These details should be written and signed on the bills of lading and storage contracts from the very beginning of the move.
- Without a properly executed warehouse receipt/storage contract, you face issues with payment, liability, and ability to sell delinquent storage lots. No contract, little recourse. It's intended to protect both parties!

For more information, contact Illinois Movers' and Warehousemen's Association.

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