

Freight Brokers Academy

Training Manual



Freight Broker Basics Online Course:

Module 4: Common Freight Terminology

Common Freight Terminology

Abatement -A discount allowed for damage or overcharge in the payment of a bill.

Accessorial Charges -Charges that are applied to the base tariff rate or base contract rate, e.g., bunkers, container, currency, and destination/delivery. **Accessorial** -A service that is not considered 'standard' will incur additional fees. Accessorial charges

may include, but are not limited to: arrival notification, inside delivery, insurance, liftgate service, COD,

hazardous materials, fuel surcharge. **Acquiescence** -When a bill of lading is accepted or signed by a shipper or shipper's agent without protest, the shipper is said to acquiesce to the terms, giving a silent form of consent.

Act of God -An act beyond human control, such as lightning, flood or earthquake.

Advanced Charge -A charge advanced by one carrier to another to be collected by the later carrier from the consignor or consignee. **Aggregate Shipment** -Numerous shipments from different shippers to one consignee that are

consolidated and treated as a single consignment. **Agreed Valuation** -The value of a shipment agreed upon in order to secure

a specific freight rate. **Agreed Weight** -The weight prescribed by agreement between carrier and shipper for goods shipped in

certain packages or in a certain number. **Alternative Rates** -Privilege to use the rate producing the lowest charge. **Ambient**

Temperature -The temperature of a surrounding body. The ambient temperature of a

container is the atmospheric temperature to which it is exposed. **Any Quantity (A.Q.)** -Usually refers to a rating that

applies to an article regardless of size or quantity. **Apparent Good Order** -When freight appears to be free of damage so far as a general survey can

determine. **Arbitrary** -A stated amount over a fixed rate to one point to make a rate to another point. **Arrival**

Notification -Carrier notifies and schedules a delivery date and time with the receiver. **BOL** -Abbreviation for "Bill of

Lading." **Backhaul** -To haul a shipment back over part of a route it has traveled. **Beyond Used** -Reference to charges

assessed for cargo movement past a line-haul terminating point.

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Bill of Lading Multi-Use Documents -that are essential to conduct the day-to-day operations when transportation of supplies, materials, and personal property is required. These primary documents are used to procure freight and express transportation and related services from commercial carriers, including freight forwarders.

Bill to Party -Customer designated as party paying for services. **Billed Weight** -The weight shown in a waybill and freight bill, i.e, the invoiced weight. **Blanket Rate** -A rate applicable to or from a group of points. A special rate applicable to several different articles in a single shipment.

Blind Shipment -Wherein the paying customer has contracted with the carrier that shipper or consignee information is not given. **Block Stowage** -Stowing cargo destined for a specific location close together to avoid unnecessary cargo movement.

Blocked Trains -Railcars grouped in a train by destination so that segments (blocks) can be uncoupled and routed to different destinations as the train moves through various junctions. **Blocking or Bracing Wood or Metal Supports (Dunnage)** -to keep shipments in place to prevent cargo

shifting. **Bobtail** -Movement of a tractor, without trailer, over the highway. **Bogie** -A set of wheels built specifically as rear wheels under the container. **Bolster** -A device fitted on a chassis or railcar to hold and secure the container. **Bonded Freight** -Freight moving under a bond to U.S. Customs or to the Internal Revenue Service, and to be delivered only under stated conditions.

Bonded Warehouse -A warehouse authorized by Customs authorities for storage of goods on which payment of duties is deferred until the goods are removed. **Booking Arrangements** -With a carrier for the acceptance and carriage of freight; i.e., a space reservation.

Booking Number -Reservation number used to secure equipment and act as a control number prior to completion of a BOL.

Bottom Side Rails -Structural members on the longitudinal sides of the base of the container.

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Bottom-Air Delivery -A type of air circulation in a temperature control container. Air is pulled by a fan from the top of the container, passed through the evaporator coil for cooling, and then forced through the space under the load and up through the cargo. This type of airflow provides even temperatures.

Boxcar -A closed rail freight car.

Break Bulk -To unload and distribute A portion or all of the contents of A rail car, container, or trailer.

Broker -A person who arranges for transportation of loads for a percentage of the revenue from the load.

Bulk Cargo -Not in packages or containers; shipped loose in the hold of a ship without mark and count." Grain, coal and sulfur are usually bulk freight.

Bulk-Freight Container -Containers with a discharge hatch in the front wall; allows bulk commodities to be carried.

Bulkhead -A partition separating one part of A ship, Freight car, aircraft or truck from Another part.

Car Pooling -Use of individual carrier/rail equipment through a central agency for the benefit of carriers and shippers.

Car Seal Metal Strip and Lead Fastener -Used for locking freight car or truck doors. Seals are numbered for record purposes.

Carrier -Any person or entity who, in a contract of carriage, undertakes to perform or to procure the performance of carriage by rail, road, sea, air, inland waterway or by a combination of such modes.

Cartage -Usually refers to intra city hauling on drays or trucks.

Cash Against Documents (CAD) -Method of payment for goods in which documents transferring title are given the buyer upon payment of cash to an intermediary acting for the seller, usually a commission house.

Cash in Advance (CIA) -A method of payment for goods in which the buyer pays the seller in advance of the shipment of goods. Usually employed when the goods, such as specialized machinery, are built to order.

Cash With Order (CWO) -A method of payment for goods in which cash is paid at the time of order and the transaction becomes binding on both buyer and seller.

Certificate of Origin -A certified document showing the origin of goods; used in international commerce.

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Container Freight Station -A shipping dock where cargo is loaded ("stuffed") into or unloaded ("stripped") from containers. Generally, this involves less than container load shipments, although small shipments destined to same consignee are often consolidated. Container reloading from/to rail or motor carrier equipment is a typical activity.

Chassis -A frame with wheels and container locking devices in order to secure the container for movement. **Chock** -A piece of wood or other material placed at the side of cargo to prevent rolling or moving sideways.

CL -Abbreviation for "Carload" and "Container load".

Claim -A demand made upon a transportation line for payment on account of a loss sustained through its alleged negligence. **Class** -Refers to the Classification rating or number that specifically identifies the approximate size,

value and difficulty of transporting a particular type of product that can be shipped by a carrier. **Classification** -A publication such as Uniform Freight Classification (railroad) or the National Motor

Freight Classification (motor carrier), that assigns ratings to various articles and provides bill of lading descriptions and rules.

Classification Yard -A railroad yard with many tracks used for assembling freight trains. **Clayton Act** -An anti-trust act of the U.S. Congress making price discrimination unlawful. **Clean Bill of Lading** -A receipt for goods issued by a carrier with an indication that the goods were received in "apparent good order and condition," without damage or other irregularities. If no notation or exception is made, the BOL is assumed to be "clean."

Clearance -The size beyond which cars or loads cannot use Limits bridges, tunnels, etc. **Cleat** -A strip of wood or metal used to afford additional strength, to prevent warping, or to hold in place.

COD -Collect (cash) on Delivery. Carried on Docket (pricing). **Combination Rate** -A rate made up of two or more factors, separately published. **Commercial Invoice** -Represents a complete record of the transaction between exporter and importer with regard to the goods sold. Also reports the content of the shipment and serves as the basis for all other documents about the shipment. **Commodity Rate** -A rate published to apply to a specific article or articles.

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Common Carrier -A transportation company which provides service to the general public at published rates. **Common Law** -Law that derives its force and authority from precedent, custom and usage rather than from statutes, particularly with reference to the laws of England and the United States.

Concealed Damage -Damage that is not evident from viewing the unopened package. **Confirmed Letter of Credit** -A letter of credit, issued by a foreign bank, whose validity has been confirmed by a domestic bank. An exporter with a confirmed letter of credit is assured of payment even if the foreign buyer or the foreign bank defaults. **Confirming Bank** -The bank that adds its confirmation to another bank's (the issuing bank's) letter of credit and promises to pay the beneficiary upon presentation of documents specified in the letter of credit. **Connecting Carrier** -A carrier which has a direct physical connection with, or forms a link between two or more carriers.

Consignee -A person or company to whom commodities are shipped.

Consignee -Mark A symbol placed on packages for identification purposes; generally a triangle, square, circle, etc. with letters and/or numbers and port of discharge. **Consignment (1)** -A stock of merchandise advanced to a dealer and located at his place of business, but

with title remaining in the source of supply. (2) A shipment of goods to a consignee. **Consignor** -A person or company shown on the bill of lading as the shipper. **Consolidation Cargo** -Containing shipments of two or more shippers or suppliers.

Container load

shipments may be consolidated for one or more consignees.

Consolidator -A person or firm performing a consolidation service for others. The consolidator takes advantage of lower full carload (FCL) rates, and savings are passed on to shippers. **Container** -A truck trailer body that can be detached from the chassis for loading into a vessel, a rail car or stacked in a container depot. Containers may be ventilated, insulated, refrigerated, flat rack, vehicle rack, open top, bulk liquid or equipped with interior devices. A container may be 20 feet, 40 feet, 45 feet, 48 feet or 53 feet in length, 8'0" or 8'6" in width, and 8'6" or 9'6" in height.

Container -Booking Arrangements with a steamship line to transport containerized cargo. **Container Load** -A load sufficient in size to fill a container either by cubic measurement or by weight. **Container Manifest** -Document showing contents and loading sequence of a container.

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Container Pool -An agreement between parties that allows the efficient use and supply of containers. A common supply of containers available to the shipper as required.

Container Terminal -An area designated for the stowage of cargoes in container; usually accessible by truck, railroad and marine transportation. Here containers are picked up, dropped off, maintained and housed.

Container Yard (CY) -A materials handling/storage facility used for completely unitized loads in containers and/or empty containers. Commonly referred to as CY.

Contract Carrier -Any person not a common carrier who, under special and individual contracts or agreements, transports passengers or property for compensation.

Corner Posts -Vertical frame components fitted at the corners of the container, integral to the corner fittings and connecting the roof and floor structures. Containers are lifted and secured in a stack using the castings at the ends.

Correspondent Bank -A bank that, in its own country, handles the business of a foreign bank.

Cost, Insurance and Freight (CIF) -Cost of goods, marine insurance and all transportation (freight) charges are paid to the foreign point of delivery by the seller.

Countervailing Duty -An additional duty imposed to offset export grants, bounties or subsidies paid to foreign suppliers in certain countries by the government of that country for the purpose of promoting export.

Cross Member -Transverse members fitted to the bottom side rails of a container, which support the floor.

Cube Out -When a container or vessel has reached its volumetric capacity before its permitted weight limit.

Cubic Foot -1,728 cubic inches. A volume contained in a space measuring one foot high, one foot wide and one foot long.

Customhouse -A government office where duties are paid, import documents filed, etc., on foreign shipments.

Customhouse Broker -A person or firm, licensed by the treasury department of their country when required, engaged in entering and clearing goods through Customs for a client (importer).

Customs -Government agency charged with enforcing the rules passed to protect the country's import and export revenues.

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Customs -Entry all countries require that the importer make a declaration on incoming foreign goods.

The importer then normally pays a duty on the imported merchandise. **Customs Invoice** -A form requiring all data in a commercial invoice along with a certificate of value and/or a certificate of origin. Required in a few countries (usually former British territories) and usually serves as a seller's commercial invoice.

Cut-Off Time -The latest time cargo may be delivered to a terminal for loading to a scheduled train or ship. **CWT** -Hundred weight (United States, 100 pounds: U.K.,112) See Hundredweight below. **CY** -Abbreviation for Container Yard. **D&H** -Abbreviation for "Dangerous and Hazardous" cargo.

D.B.A. -Abbreviation for "Doing Business As." A legal term for conducting business under a registered name.

Deadhead -One leg of a move without a paying cargo load. Usually refers to repositioning an empty piece of equipment.

Declared Value -To receive a lower rate a shipper declares a lower than actual value for a shipment. Similar to released value. Declared value is for a complete shipment whereas released value is for each piece in a shipment.

Deconsolidation Point -Place where loose or other non-containerized or truckload cargo is ungrouped for delivery.

Deficit Weight -The weight by which a shipment is less than the minimum weight.

Delivery Instructions -Order to pick up goods at a named place and deliver them to a pier. Usually issued by exporter to trucker but may apply to a railroad, which completes delivery by land. Use is limited to a few major U.S. ports. Also known as shipping delivery order.

Delivery Receipt (DR) -A document which evidences delivery of a shipment. Same as POD.

Demurrage -A penalty charge against shippers or consignees for delaying the carrier's equipment beyond the allowed free time. The free time and demurrage charges are set forth in the charter party or freight tariff.

Density -The weight of cargo per cubic foot or other unit.

Destination Control Statements -Various statements that the U.S. government requires to be displayed on export shipments. The statements specify the authorized destinations.

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Detention -A penalty charge against shippers or consignees for delaying carrier's equipment beyond allowed time. Demurrage applies to cargo; detention applies to equipment. See Per Diem.

Devanning -The unloading of a container or cargo van.

Differential -An amount added or deducted from base rate to make a rate to or from some other point or via another route.

Discrepancy Letter of Credit -When documents presented do not conform to the requirements of the letter of credit (L/C), it is referred to as a "discrepancy." Banks will not process L/C's which have discrepancies. They will refer the situation back to the buyer and/or seller and await further instructions.

Displacement -The weight, in tons of 2,240 pounds, of the vessel and its contents. Calculated by dividing the volume of water displaced in cubic feet by 35, the average density of sea water.

Diversión -A change made either in the route of a shipment in transit (see Reconsignment) or of the entire ship.

Dock Receipt -A form used to acknowledge receipt of cargo and often serves as basis for preparation of the ocean bill of lading.

Docket -Present a rate proposal to a conference meeting for adoption as a conference group rate.

Documents Against Acceptance (D/A) -Instructions given by a shipper to a bank indicating that documents transferring title to goods should be delivered to the buyer only upon the buyer's acceptance of the attached draft.

Documents Against Payment (D/P) -An indication on a draft that the documents attached are to be released to the drawee only on payment.

Dolly -A set of wheels that support the front of a container; used when the automotive unit is disconnected.

Door-to-Door -The through transportation of a container or trailer and its contents from consignor to consignee. Also known as House to House. Not necessarily a through rate.

Double Drop -A type of open deck trailer which has a raised section at the front and rear and a "well" in the middle. Used for transporting very tall equipment.

Drawback -A partial refund of an import fee. Refund usually results because goods are re-exported from the country that collected the fee.

Drawee -The individual or firm that issues a draft and thus stands to receive payment.

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Dry Cargo -Cargo that is not liquid and normally does not require temperature control.

Dry-Bulk Container -A container constructed to carry grain, powder and other free-flowing solids in bulk. Used in conjunction with a tilt chassis or platform. **Dry Van** -A trailer, generally 53' in length by 8'6" wide by 9'6" tall (13'6" from ground). A dry van may

be heated or vented but does not have refrigeration equipment. **Dunnage** -Term used to describe material used for the securing of freight. **Edge Protector** -An angle piece fitted over the edge of boxes, crates, bundles and other packages to

prevent the pressure from metal bands or other types from cutting into the package. **EDI** -Abbreviation for "Electronic Data Interface." Generic term for transmission of transactional data

between computer systems. EDI is typically via a batched transmission, usually conforming to consistent standards. **Elkins Act** -An act of Congress (1903) prohibiting rebates, concession, intentional misbilling, etc. and

providing specific penalties for such violations. **Embargo** -Order to restrict the hauling of freight. **Eminent Domain** -The sovereign power to take property for a necessary public use, with reasonable Compensation. **Endorsement** -A legal signature usually placed on the reverse of a draft; signifies transfer of rights from

the holder to another party.

Entry -Customs documents required for clearing an import shipment for entry into the general commerce of a country.

Equalization -A monetary allowance to the customer for picking up or delivering at a point other than the destination shown on the bill of lading. This provision is covered by tariff publication.

Equipment Interchange Receipt (EIR) -A document transferring a container from one carrier to another, or to/ from a terminal. **Exception Notations** -Made when the cargo is received at the carrier's terminal or loaded aboard a

vessel. They show any irregularities in packaging or actual or suspected damage to the cargo. Exceptions

are then noted on the bill of lading. **Export Declaration** -A government document declaring designated goods to be shipped out of the country. To be completed by the exporter and filed with the U.S. Government.

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Export License -A government document which permits the "Licensee" to engage in the export of designated goods to certain destinations. **Export Rate** -A rate published on traffic moving from an interior point to a port for transshipment to a foreign country.

Flat Car -A rail car without a roof and walls.

Flat Rack/Flat Bed Container -A container with no sides and frame members at the front and rear. Container can be loaded from the sides and top. **FOB** -Freight allowed the same as FOB named inland carrier, except the buyer pays the transportation

charge and the seller reduces the invoice by A like amount.

FOB -Freight Prepaid the same as FOB named inland carrier, except the seller pays the Freight charges of the inland carrier.

Factor -A factor is an agent who will, at a discount (usually 2 to 8% of the gross), buy receivables. **FAK** -Abbreviation for "Freight All Kinds." Usually refers to full container loads of mixed shipments. **Fifth Wheel** -The semi-circular steel coupling device mounted on a tractor which engages and locks with

a chassis semi-trailer.

Fixed Costs -Costs that do not vary with the level of activity. Some fixed costs continue even if no cargo is carried. Terminal leases, rent and property taxes are fixed costs. **Flatbed** -A type of open deck trailer. Generally 40-48 feet in length some maybe as long as 53 feet. **Force Majeure** -The title of a common clause in contracts, exempting the parties for non-fulfillment of

their obligations as a result of conditions beyond their control, such as earthquakes, floods or war. **Fork Lift** -A machine used to pick up and move goods loaded on pallets or skids. **Four-Way Pallet** -A pallet designed so that the forks of a fork lift truck can be inserted from all four

sides.

Free Alongside (FAS) -The seller must deliver the goods to a pier and place them within reach of the ship's loading equipment. See Terms of Sale. **Free Astray** -An astray shipment (a lost shipment that is found) sent to its proper destination without

additional charge.

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Free on Board (FOB -U.S. Domestic Use) -Shipped under a rate that includes costs of delivery to and the loading onto a carrier at a specified point. Also means the point at which title to the goods passes from seller to buyer.

Free Port -A restricted area at a seaport for the handling of duty-exempted import goods. Also called a Foreign Trade Zone.

Free Time -That amount of time that a carrier's equipment may be used without incurring additional charges.

Free Trade Zone -A port designated by the government of a country for duty-free entry of any non-prohibited goods. Merchandise may be stored, displayed, used for manufacturing, etc., within the zone and re-exported without duties.

Freight Bill -A document issued by the carrier based on the bill of lading and other information; used to account for a shipment operationally, statistically, and financially. An Invoice.

Freight Forwarder -A person whose business is to act as an agent on behalf of the shipper. A freight forwarder frequently makes the booking reservation.

Fuel Surcharge (FSC) -An additional charge to the customer to make up for an increase in fuel prices.

Full Visible Capacity -Defined as that quantity of freight which, in the manner loaded, so fills a vehicle that no additional article in the shipping form tendered identical in size to the largest article in the shipment can be loaded in or on the vehicle; or that maximum quantity of freight that can be legally loaded in or on a vehicle due to weight limitations.

General Order (G.O.) -When U.S. Customs orders shipments without entries to be kept in their custody in a bonded warehouse.

Gooseneck -The front rails of the chassis that raise above the plane of the chassis and engage in the tunnel of a container leading to the connection to tractor.

GRI -Abbreviation for "General Rate Increase." Used to describe an across-the-board tariff rate increase implemented by conference members and applied to base rates.

Gross Weight -Entire weight of goods, packaging and freight car or container, ready for shipment. Generally, 80,000 pounds maximum container, cargo and tractor for highway transport.

Groupage -A consolidation service, putting small shipments into containers for shipment.

GVW -Abbreviation for "Gross Vehicle Weight." The combined total weight of a vehicle and its container, inclusive of prime mover.

HAZ MAT -An industry abbreviation for "Hazardous Material."

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High-Density Compression -Compression of a flat or standard bale of cotton to approximately 32

pounds per cubic foot. Usually applies to cotton exported or shipped coastwise. **Humping** -The process of connecting a moving rail car with a motionless rail car within a rail classification yard in order to make up a train. The cars move by gravity from an incline or "hump" onto the appropriate track.

Hundredweight -A unit of weight arrived at by dividing the actual weight by 100. Hundredweight (also called CWT) is a standard presentation of LTL carrier rates.

Import -To receive goods from a foreign country. **Import License** -A document required and issued by some national governments authorizing the importation of goods.

In Bond Cargo -Moving under Customs control where duty has not yet been paid.

In-Transit Entry (I.T.) -Allows foreign merchandise arriving at one port to be transported in bond to another port, where a superseding entry is filed. **Jacket** -A wood or fiber cover placed around such containers as cans and bottles. **JIT** -

Abbreviation for "Just In Time." In this method of inventory control, warehousing is minimal or

nonexistent; the container is the movable warehouse and must arrive "just in time;" not too early or too late. **Joint Rate** -A rate applicable from a point on one transportation line to a point on another line, made by Agreement and published in a single tariff by all transportation lines over which the rate applies. **Kilogram** -1,000 grams or 2.2046 pounds.

King Pin -A coupling pin centered on the front underside of a chassis; couples to the tractor. **Knocked Down (KD)** -Articles which are taken apart to reduce the cubic footage displaced or to make a better shipping unit and are to be re-assembled. In truck transportation KD is defined as an object which when knocked down can be shipped at less than 2/3 of its normal size.

Knot One -Nautical mile (6,076 feet or 1852 meters) per hour. In the days of sail, speed was measured by tossing overboard a log, which was secured by a line. Knots were tied into the line at intervals of approximately six feet. The number of knots measured was then compared against time required to travel the distance of 1000 knots in the line.

Known Loss -A loss discovered before or at the time of delivery of a shipment.

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L/C -Abbreviation for "Letter of Credit."

Laden -Loaded aboard a vessel.

Lading -Refers to the freight shipped; the contents of a shipment.

Landbridge -Movement of cargo by water from one country through the port of another country, thence, using rail or truck, to an inland point in that country or to a third country. As example, a through movement of Asian cargo to Europe across North America.

Landed Cost -The total cost of a good to a buyer, including the cost of transportation.

Landing Gear -A support fixed on the front part of a chassis (which is retractable); used to support the front end of a chassis when the tractor has been removed.

LCL -Abbreviation for "Less than Container Load." The quantity of freight which is less than that required for the application of a container load rate. Loose Freight.

LTL -Less Than Truckload Also known as LCL. Is an acronym for Less-Than-Load, meaning cargo that is not of the quantity to require an entire truckload (TL) by itself. Typically, an LTL shipment ranges from 100 lbs to 20,000 lbs.

Letter of Credit (LC) -A document, issued by a bank per instructions by a buyer of goods, authorizing the seller to draw a specified sum of money under specified terms, usually the receipt by the bank of certain documents within a given time.

Letter of Indemnity -In order to obtain the clean bill of lading, the shipper signs a letter of indemnity to the carrier on the basis of which may be obtained the clean bill of lading, although the dock or mate's receipt showed that the shipment was damaged or in bad condition.

Licenses -Some governments require certain commodities to be licensed prior to exportation or importation. Clauses attesting to compliance are often required on the B/L. Various types issued for export (general, validated) and import as mandated by government(s).

Lien -A legal claim upon goods for the satisfaction of some debt or duty.

Liftgate Service -A liftgate is a motorized platform affixed to the back of some trucks that raises and lowers cargo between the ground and the truck. When the shipping or receiving location does not have a loading dock, manual loading or unloading is necessary. Accessorial fees will apply for this service

Line-Haul -Transportation from one city to another as differentiated from local switching service.

Liner -A vessel sailing between specified ports on a regular basis.

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Liquidated Damages -The penalty a seller must pay if the construction project does not meet contractual standards or deadlines. **Liter** -1.06 liquid U.S. quarts or 33.9 fluid ounces. **Load Locks** -A rubber footed bar used to secure freight from moving .

Load Ratio -The ratio of loaded miles to empty miles. Also sometimes called load bars **Local Cargo** -Cargo delivered to/from the carrier where origin/destination of the cargo is in the local area.

Logistics -Logistics is that part of the supply chain process that plans, implements, and controls the efficient, effective flow and storage of goods, services, and related information from the point of origin to the point of consumption in order to meet customers' requirements.

Logistics Trailer or Logistics Van -A type of trailer outfitted with special load protections and restraints. Typically logistics trailers will have a combination of E-Track, straps, pads, and other equipment. The term logistics trailer is a term of art and types of equipment carried vary.

Long Ton -2,240 pounds **Longshoreman** -Individual employed in a port to load and unload ships. **Low-Boy** -A trailer or semi-trailer with no sides and with the floor of the unit close to the ground. **Manifest** -Document that lists in detail all the bills of lading issued by a carrier or its agent or master for

a specific voyage or trip. A detailed summary of the total cargo of a vessel or trailer. **MBM** -1,000 board feet. One MBM equals 2,265 C.M. **Measurement Cargo** -Freight on which transportation charges are calculated on the basis of volume

measurement. **Measurement Ton** -40 cubic feet. **Mechanically Ventilated Container** -A container fitted with a means of forced air ventilation. **Memorandum Bill of Lading** -An in-house bill of lading. A duplicate copy. **Meter** - 39.37 inches. **Metric Ton** -2,204.6 pounds or 1,000 kilograms.

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Microbridge -A cargo movement in which the water carrier provides a through service between an inland point and the port of load/discharge. The carrier is responsible for cargo and costs from origin on to destination. Also known as IPI or Through Service.

Mini Landbridge -An intermodal system for transporting containers by ocean and then by rail or motor to a port previously served as an all water move (e.g., Hong Kong to New York over Seattle).

Minimum Bill of Lading -A clause in a Bill of lading which specifies the least charge that the carrier will make for issuing a lading. The charge may be a definite sum or the current charge per ton for any specified quantity.

Minimum Charge -The lowest charge that can be assessed to transport a shipment.

Mixed Container Load -A container load of different articles in a single consignment.

Moving Van -Similar to a logistics trailer except generally having a dropped floor to increase volume and ease loading from the ground.

N.M.F.C. -National Motor Freight Classification.

Nautical Mile -Distance of one minute of longitude at the equator, approximately 6,076.115. The metric equivalent is 1852.

NEC -Abbreviation for "Not Elsewhere Classified." **Negotiable Instruments** -A document of title (such as a draft, promissory note, check, or bill of lading) transferable from one person to another in good faith for a consideration. Non-negotiable bills of lading are known as "straight consignment." Negotiable bills are known as "order b/l's."

NES -Abbreviation for "Not Elsewhere Specified." **Nested** -Articles packed so that one rests partially or entirely within another, thereby reducing the cubic-foot displacement.

Net Tare Weight -The weight of an empty cargo-carrying piece of equipment plus any fixtures permanently attached. **Net Weight** -Weight of the goods alone without any immediate wrappings, e.g., the weight of the contents of a tin can without the weight of the can.

NOI -Abbreviation for "Not Otherwise Indexed." **NOIBN** -Abbreviation for "Not Otherwise Indexed By Name."

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Non-Vessel Operating Common Carrier (NVOCC) -A cargo consolidator in ocean trades who will buy space from a carrier and sub sell it to smaller shippers. The NVOCC issues bills of lading, publishes tariffs and otherwise conducts itself as an ocean common carrier, except that it will not provide the actual ocean or intermodal service.

On Board -A notation on a bill of lading that cargo has been loaded on board a vessel. Used to satisfy the requirements of a letter of credit, in the absence of an express requirement to the contrary.

Open Account -A trade arrangement in which goods are shipped to a foreign buyer without guarantee of payment.

Open Top Container -A container fitted with a solid removable roof, or with a tarpaulin roof so the container can be loaded or unloaded from the top.

Operating Ratio -A comparison of a carrier's operating expense with its net sales. The most general measure of operating efficiency.

Optimum Cube -The highest level of cube utilization that can be achieved when loading cargo into a container.

Order-Notify (O/N) -A bill of lading term to provide surrender of the original bill of lading before freight is released; usually associated with a shipment covered under a letter of credit.

Origin -Location where shipment begins its movement.

Original Bill of Lading (OBL) -A document which requires proper signatures for consummating carriage of contract. Must be marked as "original" by the issuing carrier.

OS&D -Abbreviation for "Over, Short or Damaged" Usually discovered at cargo unloading.

Overcharge -To charge more than the proper amount according to the published rates.

Over-Height Cargo -Cargo more than 9 feet high which thus cannot fit into a standard container or trailer. Also defines a shipment more than 11 feet high which cannot be loaded on a lowboy so as to remain lower than 13'6" from the ground.

Owner Code -(SCAC) Standard Carrier Abbreviation Code identifying an individual common carrier. A three letter carrier code followed by a suffix identifies the carrier's equipment. A suffix of "U" is a container and "C" is a chassis.

P&I -Abbreviation for "Protection and Indemnity," an insurance term.

Packing List -Itemized list of commodities with marks/numbers but no cost values indicated.

Common Freight Terminology

Pallet -A platform with or without sides, on which a number of packages or pieces may be loaded to facilitate handling by a lift truck. Standard size is 42" x 48". Note what maybe "standard" to a shipper may not be industry standard size. Be sure and check what your shipper means by "standard"

Paper Ramp -A technical rail ramp, used for equalization of points not actually served. A truck will perform pickup and delivery to the nearest rail ramp and part of that pickup cost is subsidized by the railroad.

Paper Rate -A published rate that is never assessed because no freight moves under it. **Parcel** -Receipt An arrangement whereby a steamship company, under rules and regulations

established in the freight tariff of a given trade, accepts small packages at rates below the minimum bill of lading, and issues a parcel receipt instead of a bill of lading. **Partial Shipments** -Under letters of credit, one or more shipments are allowed by the phrase "partial

shipments permitted." When used in domestic (US) truck transportation is the same a LTL (Less than

Truckload) **Payee** -A party named in an instrument as the beneficiary of the funds. Under letters of credit, the payee is either the drawer of the draft or a bank.

Payer -A party responsible for the payment as evidenced by the given instrument. Under letters of credit, the payer is the party on whom the draft is drawn, usually the drawee bank. **Per Diem** -A charge, based on a fixed daily rate. **Permits** -Usually refers to permits issued by the state for the transport of heavy or oversized goods. **Pickup** -The act of calling for freight by truck at the consignor's (shipper) shipping platform.

Piggy Packer -A mobile container-handling crane used to load/unload containers to/from railcars. **Piggyback** -A transportation arrangement in which truck trailers with their loads are moved by train to a destination. Also known as Rail Pigs or Intermodal.

Place of Delivery -Place where cargo leaves the care and custody of carrier. **Place of Receipt** -Location where cargo enters the care and custody of carrier. **POD** -Abbreviation for: Port of Discharge, or Port of Destination.

Point of Origin -The place at which a shipment is received by a carrier from the shipper. **POL** -Abbreviation for: Port of Loading, or Petroleum, Oil, and Lubricants.

Common Freight Terminology

Pomerene Act -Also known as (U.S.) Federal Bill of Lading Act of 1916. U.S. federal law enacting conditions by which a BOL may be issued. Penalties for issuing BOL 's containing false data include monetary fines and/or imprisonment.

Port -Left side of A ship when facing forward. Also opening in a ship's side for handling freight. **Port of Call** -Port where a ship discharges or receives traffic. **Port of Entry** -Port where cargo is unloaded and enters a country. **Port of Exit** -Place where cargo is loaded and leaves a country. **Pre-Cooling** -A process employed in the shipment of citrus fruits and other perishable commodities. The fruit is packed and placed in a cold room from which the heat is gradually extracted. The boxes of fruit are packed in containers that have been thoroughly cooled and transported through to destination without opening the doors.

Pro Forma -A Latin term meaning "For the sake of form." **Pro Forma Invoice** -An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and specifications (weight, size, etc.). **PRO Number** - This is a tracking number assigned by the carrier to reference your shipment.

(PROgressive number) **Proof of Delivery (POD)** -Same as delivery receipt (above) **Pro Rata** -A Latin term meaning "In proportion." **Project Rate** -Single tariff item, established to move multiple commodities needed for a specified project, usually construction. **Proof of Delivery** -A document required from the Carrier or driver FOR proper payment.

Publishing Agent -Person authorized by transportation lines to publish tariffs or rates, rules, and regulations for their account. **Pulp Temperature** -Procedure where carrier tests the temperature of the internal flesh of refrigerated commodities to assure that the temperature at time of shipment conforms to prescribed temperature ranges. **Pup** -A short semi-trailer used jointly with a dolly and another semi-trailer to create a twin trailer.

Common Freight Terminology

Quarantine -A restraint placed on an operation to protect the public against a health hazard. A ship may be quarantined so that it cannot leave a protected point. During the quarantine period, the Q flag is hoisted.

Quay -A structure attached to land to which a vessel is moored. See also Pier and Dock. **Quoin** -A wedge-shaped piece of timber used to secure barrels against movement. **Quota** -The quantity of goods that may be imported without restriction during a set period of time. **Quotation** -An offer to sell goods or provide a service (transportation) at a stated price and under stated terms. **Rag Top** -A slang term for an open-top trailer or container with a tarpaulin cover. **Rail Division** -The amount of money another carrier pays to the railroad for overland carriage. **Rail Grounding** -The time that the container or trailer was discharged (grounded) from the train. **Ramp** -Railroad terminal where containers are received or delivered and trains loaded or discharged.

Originally, trailers moved onto the rearmost flatcar via a ramp and driven into position in a technique known as "circus loading." Most modern rail facilities use lifting equipment to position containers onto the flatcars.

Rate -Basis A formula of the specific factors or elements that control the making of a rate. A rate can be based on any number of factors (i.e., weight, measure, equipment type, package, box, etc.). **Reasonableness** -Under federal regulations and common law, the requirement that a rate not be higher than is necessary to reimburse the carrier for the actual cost of transporting the traffic and allow a fair profit. Usually used in rail transportation where the shipper is captive to one railroad.

Rebate -A generally illegal form of discounting or refunding that has the net effect of lowering the tariff price. **Reconsignment** -The changing the consignee or destination on a bill of lading while shipment is still in transit.

Recourse -A right claim against the guarantors of a loan or draft or bill of exchange. **Red Label** -A label required on shipments of flammable articles. **Reefer** -Refrigerated container or trailer. **Relay** -A method of continuous transportation of a trailer. In this method multiple drivers or tractor and drivers are stationed along a line of intended travel.

Common Freight Terminology

Remittance -Funds sent by one person to another as payment.

Restricted Articles -Articles handled only under certain conditions.

Revenue Ton (RT) -A ton on which the shipment is freighted. If cargo is rated as weight or measure (W/M), whichever produces the highest revenue will be considered the revenue ton. Weights are based on metric tons and measures are based on cubic meters. RT=1 MT or 1 CBM.

Reverse IPI -An inland point provided by an all-water carrier's through bill of lading in the U.S. by first discharging the container in an East Coast port.

RFQ -Request for quotation.

RGN -Removable Goose Neck A type of open deck equipment used for hauling tall equipment which is driven on and off. The front portion of the trailer detaches from the body of the trailer and a ramp is extended to facilitate the loading.

RO/RO -A shortening of the term, "Roll On/Roll Off." A method of ocean cargo service using a vessel with ramps, which allows wheeled vehicles to be loaded and discharged without cranes. -

Route -The manner in which a shipment moves; i.e., the carriers handling it and the points at which the carriers interchange.

Running Gear -Complementary equipment for terminal and over-the-road handling containers.

RVNX -Abbreviation for "Released Value Not Exceeding." Usually used to limit the value of goods transported. The limitation refers to carrier liability when paying a claim for lost or damaged goods.

Shipment -The tender of one lot of cargo at one time from one shipper to one consignee on one bill of lading.

Shipper -The person or company who is usually the supplier or owner of commodities shipped. Also called consignor.

Shipper's Export Declaration (SED) -A joint Bureau of the Census' International Trade Administration form used for compiling U.S. exports. It is completed by a shipper and shows the value, weight, destination, etc., of export shipments as well as Schedule B commodity code.

Shipper's Instructions -Shipper's communication(s) to its agent and/or directly to the international water-carrier. Instructions may be varied, e.g., specific details/clauses to be printed on the B/L, directions for cargo pickup and delivery.

Shipper's Letter of Instructions for issuing an Air Waybill -The document required by the carrier or freight forwarders to obtain (besides the data needed) authorization to issue and sign the air waybill in the name of the shipper.

Common Freight Terminology

Shipper's Load & Count (SL&C) -Shipments loaded and sealed by shippers and not checked or verified

by the carriers. **Shipping Order** -Shipper's instructions to carrier for forwarding goods; usually the triplicate copy of the bill of lading.

Shore -A prop or support placed against or beneath anything to prevent sinking or sagging. **Short Ton (ST)** -Standard measure in the United States 2,000 pounds. **Shrink Wrap** -Polyethylene or similar substance (usually heat-treated) and shrunk into an envelope around several units, thereby securing them as a single pack for presentation or to secure units on a pallet.

Side Loader -A lift truck fitted with lifting attachments operating to one side for handling containers. **Side-Door Container or Trailer** -A container or trailer fitted with a rear door and a minimum of one side door. Generally used in transportation of furniture, household goods and store deliveries.

Sight Draft -A draft payable upon presentation to the drawee. **Sleepers** -Loaded containers moving within the railroad system that are not clearly identified on any

internally generated reports. When used in truck transportation denotes a tractor with a sleeper berth for the driver. **Sling** -A wire or rope contrivance placed around cargo and used to load or discharge it to/from a vessel. **Slip** -A vessel's berth between two piers. **Spine Car** -An articulated five-platform railcar. Used where height and weight restrictions limit the use

of stack cars. It holds five 40-foot containers or combinations of 40-and 20-foot containers. **Spotting** -Placing a container or trailer where required to be loaded or unloaded. **Spot and Pull** -Placing a trailer at a location for pickup and delivery (see above) and then rotating in

additional trailers and pulling out the completed trailer. **SPQ** -Specific Price Quotation **Spreader** -A piece of equipment designed to lift containers by their corner castings. **Stability** -The force that holds a vessel upright or returns it to upright if keeled over. Weight in the lower

hold increases stability. A vessel is stiff if it has high stability, tender if it has low stability. **Stack Car** -An articulated five-platform rail car that allows containers to be double stacked. A typical stack car holds ten 40-foot equivalent units (FEU's).

Common Freight Terminology

Stack-Train -A rail service whereby rail cars carry containers stacked two high on specially operated unit trains. Each train includes up to 35 articulated multi-platform cars. Each car is comprised of 5 well-type platforms upon which containers can be stacked. No chassis accompany containers.

Standard Industrial Classification (SIC) -The standard numerical code used by the U.S. Government to classify products and services. **Standard International Trade Classification (SITC)** -A standard numeric code developed by the United Nations to classify commodities used in international trade, based on a hierarchy.

Starboard -The right side of a ship when facing the bow. **STCC** -Abbreviation for "Standard Transportation Commodity Code." **Steamship Conference** -A group of vessel operators joined together for the purpose of establishing

freight rates. **Steamship Guarantee** -An indemnity issued to the carrier by a bank; protects the carrier against any possible losses or damages arising from release of the merchandise to the receiving party. This instrument is usually issued when the bill of lading is lost or is not available. **Step Deck** -A type of open deck equipment which has a raised or standard flatbed height section in the

nose and a dropped section towards the tail. Used for transporting shipment between 8'6" and 10'. **Stern** -The end of a vessel. Opposite of bow. **Stevedore** -Individual or firm that employs longshoremen and who contracts to load or unload the ship. **Store-Door Pick-up Delivery** -A complete package of pick up or delivery services performed by a carrier

from origin to final consumption point. **Stowage** -A marine term referring to loading freight into ships' holds. **Straddle**

Carrier -Mobile truck equipment with the capacity for lifting a container or trailer within its

own framework. Used for loading rail cars and ships.

Straight Bill of Lading -A non-negotiable bill of lading, which states a specific identity to whom the goods should be delivered. See Bill of Lading. **Stripping** -Removing cargo from a container or trailer. **Stuffing** -Putting cargo into a container or trailer.

Common Freight Terminology

Supply Chain -A logistical system which integrates the sequence of activities from delivery of raw materials to the manufacturer through to delivery of the finished product to the customer into measurable components.

Surface Transportation Board (STB) -The U.S. federal body charged with enforcing acts of the U.S. Congress that affect common carriers in interstate commerce. STB replaced the Interstate Commerce Commission (ICC) in 1997.

T&E. -Abbreviation for "Transportation and Exportation." Customs form used to control cargo movement from port of entry to port of exit, meaning that the cargo is moving from one country, through the United States, to another country.

Tare Weight -In railcar or container shipments, the weight of the empty railcar or empty container. **Tariff** -A publication setting forth the charges, rates and rules of transportation companies. **Temperature Recorder** -A device to record temperature in a container while cargo is en route. **Tender** -The offer of goods for transportation or the offer to place cars or containers for loading or

unloading. **Tenor** -Time and date for payment of a draft. **Terminal** -An assigned area in which containers are prepared for loading into a vessel, train, truck, or

airplane or are stacked immediately after discharge from the vessel, train, truck, or airplane. **Terminal Charge** -A charge made for a service performed in a carrier's terminal area. **Third Party Billing** -Means Specific Account Pricing or Specific billing procedures and provisions which apply when the freight charges are to be billed to and paid by the specific account shown as the third party payor of the freight bill, and that party has no direct affiliation with either the shipper or the consignee.

Through Rate -The total rate from the point of origin to final destination.

Time Draft -A draft that matures either a certain number of days after acceptance or a certain number of days after the date of the draft. **TL** -Abbreviation for "Trailer Load." **TOFC** -Abbreviation for "Trailer on Flat Car." The movement of a highway trailer on a railroad flatcar.

Also known as Piggyback. **Ton-Mile** -A unit used in comparing freight earnings or expenses. The amount earned from the cost of hauling a ton of freight one mile. Also, the movement of a ton of freight one mile.

Common Freight Terminology

Ton -Unit of weight measure. In the US a standard ton is 2000 lbs. In the rest of the world a long ton is common. A long ton is 2240 lbs and roughly equivalent to a Kiloton. **Top-Air Delivery** -A type of air circulation in a container or refrigerated trailer. In top air units, air is drawn from the bottom, filtered through the evaporator for cooling and then forced through the ducted passages along the top of the container. This type of airflow requires a special loading pattern.

Tractor -Unit of highway motive power used to pull one or more trailers/containers.

Trade Acceptance -A time or a date draft that has been accepted by the buyer (the drawee) for payment at maturity. **Traffic** - Persons and property carried by transport lines. **Trailer** -The truck unit into which freight is loaded as in tractor-trailer combination. See Container.

Standard trailer sizes (van) are 53' and 48' by 8'6" wide. **Transport** -To move cargo from one place to another. **Transportation & Exit (T&E)** -Allows foreign merchandise arriving at one port to be transported in bond through the U.S. to be exported from another port, without paying duty. **Transship** -To transfer goods from one transportation line to another, or from one ship to another. **Transshipment Point** -Place where cargo is transferred to another carrier. **Trust Receipt** -Release of merchandise by a bank to a buyer while the bank retains title to the merchandise. The goods are usually obtained for manufacturing or sales purposes. The buyer is obligated to maintain the goods (or the proceeds from their sales) distinct from the remainder of the assets and to hold them ready for repossession by the bank.

Twist Locks -A set of four twistable bayonet type shear keys used as part of a spreader to pick up a container or as part of a chassis to secure the containers. **Two-Way Pallet** -A pallet so designed that the forks of a fork lift truck can be inserted from two sides only.

U.S. Consular Invoice -A document required on merchandise imported into the United States. **UFC** -Abbreviation for "Uniform Freight Classification." **Ullage** -The space not filled with liquid in a drum or tank. **Unclaimed Freight** -Freight that has not been called for or picked up by the consignee or owner. **Undercharge** -To charge less than the proper amount.

Common Freight Terminology

Unit Load -Packages loaded on a pallet, in a crate or any other way that enables them to be handled at one time as a unit. **Unit Train** -A train of a specified number of railcars, perhaps 100, which remain as a unit for a designated destination or until a change in routing is made.

Unitization -Loading one or more large items of Cargo onto A single piece of equipment, such as a pallet.

Unloading -Removal of a shipment from a vessel or trailer. **Validated Export License** -A document issued by the U.S. government; authorizes the export of commodities for which written authorization is required by law.

Vanning -A term for stowing cargo in a container or trailer.

Ventilated Container or Trailer -A container or trailer designed with openings in the side and/or end walls to permit the ingress of outside air when the doors are closed. **War Risk Insurance** -Coverage for loss of goods resulting from any act of war.

Warehouse -A place for the reception, delivery, consolidation, distribution, and storage of goods/cargo. **Warehouse**

Entry Document -Document that identifies goods imported when placed in a bonded warehouse. The duty is not imposed on the products while in the warehouse but will be collected when they are withdrawn for delivery or consumption.

Warehousing -The storing of goods/cargo. **Waybill (WB)** -A document prepared by a transportation line at the point of a shipment; shows the point of the origin, destination, route, consignor, consignee, description of shipment and amount charged for the transportation service. It is forwarded with the shipment or sent by mail to the agent at the transfer point or waybill destination.

Weights and Measures -Measurement ton 40 cubic ft or one cubic meter. Net ton, or short ton 2,000 lbs. Gross ton/long ton 2,240 lbs. Metric ton/kilo ton 2,204.6 lbs. Cubic meter 35.314 cubic ft. **Yard** -A classification, storage or switching area.

Zulu Time -Time based on Greenwich Mean Time.