

## Freight & Shipping Glossary

### A

**Accessorial charge / accessories** – an amount billed for extra services provided (often this is a flat fee). May include, for example, detention (see below) or layovers (also see below) – really, extra work beyond just ordinary dock-to-dock transport.

**Adjustments** – Costs after a shipment has been delivered. They can be added to the bill for any discrepancies.

**Agent** – Someone who does business on behalf of another person or company. Usually, agents may do work like supervise customs or provide insurance. They will usually get a cut of any money they bring in.

**Airwaybill** – A Bill of Lading (see below) covering domestic and international flights.

**All-in Line Haul** – FSC + Line Haul (see below).

**Allotment** – Term used to describe blocked space by airlines.

**All Risks Coverage** – a broad type of marine insurance (excluding damage caused by war, strikes and riots).

### B

**Backhaul (head haul):** Returning a transport vehicle from its delivery point back to its point of origin (i.e. where it originally came from).

**BAF (Bunker Adjustment Factor)** – An adjustment in shipping charges to consider fluctuations in the fuel costs.

**Bill of Lading** – A contract of carriage between the Shipper, Consignee, and Carrier stating the terms and conditions of carriage.

**Bill of Sale** – A legal document made by a 'seller' to a purchaser saying that the seller sold something.

**Blank Sailing** – Cancelled sailing. In order to reduce capacity and increase freight rates, organized groups of carriers or shipping lines in the international shipping industry create blank sailings by omitting sailings that were previously scheduled.

**Block and bracing** – Where wood or something else is used to keep shipments in place in trailers or containers.

**Blind shipment** – A freight shipment where the shipper and receiver are not aware of one another's existence.

**Bonded Warehouse** – A warehouse authorized by Customs authorities for storage of goods on which payment of duties is deferred until the goods are removed.

**Broker** – Someone serving as a liaison (or middleman) between a company/person that needs shipping services, and a motor carrier.

**Brokerage license** – A license a Broker needs in order to do their jobs.

**Bulk freight** – Freight not in packages or containers. Usually comes in the form of a liquid.

**Bunkers** – A maritime term referring to fuel used aboard the ship. In the past, fuel coal stowage areas aboard a vessel were in bins or bunkers.

## C

**CAF (Currency Adjustment Factor)** – Freight surcharge imposed by an international carrier to consider foreign currency fluctuations.

**Carrier** – Someone who uses trucks or trailers to move goods from A to B.

**Carnet** – a document from customs allowing the holder of goods to carry/send merchandise temporarily into certain countries for display without paying import taxes.

**Cartage** – A term used in trucking referring to the movement of goods.

**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.

**C&F / CFR (Cost and Freight)** – see Incoterms for more information.

**CFR (Container freight station)** – is where LCL cargo is taken for consolidation (at origin) and deconsolidation (at destination). The CFS charges a fee for this service, based on the volume of the cargo.

**CIF (Cost, Insurance and Freight)** – see Incoterms for more information.

**CIP (Carriage and Insurance Paid to)** – see Incoterms for more information.

**CPT (Carriage Paid to)** – see Incoterms for more information.

**Certificate of Origin** – A declaration that details the country in which your goods are made.

**Chassis** – A frame with wheels and locking devices which secures containers while they are being shipped.

**Classification** – Freight classifications are assigned to a shipment to determine how much they are charged.

**Clean Bill of Lading** – receipt for goods issued by a carrier indicating the goods are in good order and not damaged.

**Commercial Invoice** – a key document, detailing the price and quantity of the sold goods. It will also contain the incoterm used.

**Common Carrier** – a carrier which carries freight for multiple companies whilst driving on a set route.

**Concealed damage** – damage not visible to the items until a package is open.

**Consignee** – The business to whom the shipment is being delivered (usually the purchaser of the goods).

**Consignor** – Someone (usually the seller) who sends goods to the consignee – they are the legal owner until a consignee pays them.

**Consolidation / Consolidated shipment** – when 2+ shipments are combined to save shipping costs.

**Contract of Affreightment** – An agreement by an ocean carrier to provide cargo space on a vessel at a specified time and for a specified price to accommodate an exporter or importer.

**Customs** – government bodies who collect duties imposed by a country on imports and exports.

**Customs Clearance** – Procedures where cargo is formally reviewed by customs.

## D

**DAT (Delivered at Terminal)** – see Incoterms for more information.

**DAP (Delivered at Place)** – see Incoterms for more information.

**DDP (Delivered Duty Paid)** – see Incoterms for more information.

**Dead Heading** – Operating a truck without cargo.

**Declared value** – A shipment value imported for resale, as declared by the shipper/owner.

**Dedicated Lane** – A “lane” (see below) run on a regular basis.

**Detention/Demurrage** – A charge imposed by the carrier for excess retention of their equipment (such as poorly timed loading or unloading).

**Dunnage** – Filler material in empty spaces to keep cargo from moving or falling.

## E

**EFF** – Environmental Fuel Fee. A new term for the IMO regulations.

**Embargo** – An event stopping freight from being accepted or handled (like sanctions or a war).

**Escorts** – Vehicles used to move large shipments.

**ETA** – Estimated Time of Arrival.

**ETD** – Estimated Time of Departure.

**Excess Value** – Amount of declared value of a shipment that is above the carrier's liability limit.

**Expedited** – shipping at a faster rate than normal.

**Ex Works (EXW)** – see Incoterms for more information.

## F

**FAS (Free Alongside Ship)** – see Incoterms for more information.

**FCA (Free Carrier)** – see Incoterms for more information.

**FOB (Free On Board)** – see Incoterms for more information.

**Freight Broker:** A liaison between another individual or company that needs shipping services and a motor carrier. They provide transportation but they are not the shipper or the carrier (unlike a Freight Forwarder).

**Freight Forwarder** – Someone who facilitates the shipping of goods for someone else. Kind of like a 'Freight Broker' but freight forwarders handle international goods.

**Freight for all Kinds (FAK)** – a shipping classification covering all general cargo. Rates for FAKs are usually charged higher than those marked with a certain classification and often used to describe a container including a range of cargo classes.

**Fuel Surcharge (FSC)** – A fuel price which can substantially change the cost of moving freight.

## G

**Gateway** – A major airport or seaport (sometimes where customs clearance takes place).

**General Cargo** – Goods (whether unpacked or packed) for example in cartons, crates, bags or bales. General cargo can be shipped either in break-bulk or containerized. It is really any consignment that's not valuable cargo.

**GCR (General Cargo Rate)** – Rate for carrying cargo other than a class rate or specific commodity rate (air cargo).

**GST (Goods and Services Tax)** – payable on the landed cost of goods.

## H

**HAWB (House Airway Bill)** – issued by carrying airlines' agents, usually a freight forwarder.

**Harmonized System** – a system used for classifying goods in international trade (developed by the Customs Co-operation Council, now called the World Customs Organization).

**Hazmat** – Hazardous materials; the transport of hazardous material is strictly regulated by government authorities.

## I

**IATA (International Air Transport Association)** – an international trade association serving airlines, passengers, shippers, and others in the industry. Their aim is to promote air safety and provide uniform standard in aviation generally.

**IATA Designator** – A two-character airline identification assigned by IATA.

**Import Certificate** – how governments of the ultimate destination country exercise control over the internal channeling of commodities covered by the certificate.

**Incoterms** – Terms maintained by the International Chamber of Commerce (ICC) and used in foreign trade contracts to define who pays and is responsible for what.

**Institute Cargo Clauses** – standard clauses generally used in insurance policies developed by the International Chamber of Commerce (separated into Clauses A, B and C).

**Insurance Certificate** – certificate used to assure the consignee that marine insurance is provided.

**Integrated Carriers** – Carriers that have both air and ground fleets or other combinations.

**Interchange Agreement** – Agreement between two companies to switch trailers in order to pick up and deliver shipments (common at a border between two countries).

**Intermediate Consignee** – the bank or other intermediary that acts in a foreign country as an agent for the exporter, the purchaser or whomever to make sure the delivery is completed.

**Intermodal** – Moving goods by more than one type of transport, i.e. road, rail, air and sea.

**Irrevocable Letter of Credit** – Letter of credit (see below) where a certain payment is guaranteed by the issuing bank if all terms and conditions are met.

## J

**JIT (Just in Time)** – Manufacturing system relying on frequent yet small deliveries of parts in order to keep on-site inventory to a certain minimum level.

## L

**Lane** – A move from point A to point B.

**Layover** – When a driver is detained overnight or for a 24-hour window, waiting to pick up or deliver something.

**LCL (Less-than-Container-Load)** – a consolidated container load.

**Letter of Credit** – Financial document issued by a bank at the consignee's request guaranteeing payment for cargo.

**Line Haul** – Rate per mile/kilometer in dollars and cents for transporting items.

**Load Line** – The waterline corresponding to the maximum draft to which a vessel is permitted to load, either by freeboard regulations, the conditions of classification, or the conditions of service.

**Logbooks** – Books carried by truckers where they record their hours of service. In Australia, this is required by the Heavy Vehicle National Law.

**LTL (Less-Than-Truckload)** – The amount of freight less than the amount required for the application of a full truckload (FTL) rate.

## M

**Marine Cargo Insurance** – Insurance covering loss of or damage to goods.

**Motor Carrier** – A person providing motor vehicle transportation for money.

## N

**Nested** – Where materials are stacked so that one item goes inside another (used in LTL freight shipping).

**NVD** – No value declared.

**NVOCC (Non-Vessel Operating Common Carrier)** – a common carrier that holds itself out to the public to provide ocean transportation, issues its own house bill of lading

or equivalent document, and does not operate the vessels by which ocean transportation is provided.

## O

**Owner-Driver** – Truck driver who owns and operators their own truck.

**Owner-Operator** – See ‘Owner-Driver’.

**Over-Dimensional (Wide Load)** – Cargo larger than the legally defined limits for width, length, height, and/or weight and cannot be broken down.

## P

**Packing Declaration** – a letter telling customs the kind of packing material used in your goods – generally only required for sea freight shipments.

**Packing List** – document issued by shipper to carrier and by Customs to the consignee showing all information about the packages.

**Pallet Jack** – Tool to lift and move pallets and other heavy objects.

**Partial** – A truck used to get multiple shipments from several customers together so as to use the whole truck (resulting in longer transit times).

**POD (Proof of Delivery)** – Signed documents (usually a Bill of Lading) showing a shipment was received.

**PRO number:** A number assigned by the carrier to reference shipments (also used for tracking).

**Pro Forma Invoice** – Invoices given by a supplier before shipping merchandise, informing the buyer of the type of goods to be sent, how much, the value and certain specifications of those goods.

**Project Cargo** – Term used when shipping cargo not falling within standard methods (might be too high or oversized, and so would require special equipment).

## R

**Rate Confirmation** – Document confirming the agreed upon amount for the service cost between shipper and carrier.

**Reefer** – Trailer with insulated walls and a self-powered refrigeration unit (generally used for transporting food).

**Roll-On, Roll-Off (RORO)** – Type of ship designed to load and discharge cargo rolling on wheels or tracks (like a huge car ferry).

## S

**Shipper** – Consignor, exporter or seller named in the bill of lading.

**Shipping Mark** – Letters, numbers, symbols used outside cargo to allow for identification.

**Shipping Weight** – The gross weight in kilograms of shipments (including the weight of crates, boxes, container, etc.).

**Short shipped** – Half the cargo is sent while the other half is made to wait for the next aircraft or ship.

**Standard Carrier Alpha Code (SCAC):** A unique 2-4 letter code used to identify transport companies.

## T

**TACT (The Air Cargo Tariff and Rules)** – an IATA publication and a reference for air cargo transportation.

**Tanker** – Cylinder designed to haul liquids such as fuel or oil.

**Tare Weight** – Weight of a ULD (see below) or carrying container without the weight of the goods it contains.

**Third Party Logistics** – See ‘Freight Broker’.

**Through Bill of Lading** – Single bill of lading covering receipt of cargo using 2+ modes of transportation.

**Through Rate** – Applies to a distance between point of origin and delivery destination.

**Time-Critical** – A delivery of this nature is set to earliest possible delivery time.

**Time-Definite** – Guarantee that a delivery will occur at a specific day and/or time.

**Title** – Refers to the legal form of ownership.

**TTS (Thru Trailer Service):** When cargo stays on the same trailer during an international shipment (opposite of a trans-load and generally considered safer).

**Trans-Load** – Moving product from one trailer to another to keep a shipment going.

**Transshipment** – Act of sending an exported product through an intermediate country before routing it to the country of final destination.

**Transit Time** – Total amount of time from freight being pick up to freight being delivered.

**TL** – Truckload.



**Twenty-Foot Equivalent Unit (TEU)** – Measure of a ship's cargo-carrying capacity.

**TORD (Truck Order Not Used)** – When a shipper orders a truck to pick up but cancels after the truck has been dispatched (will usually incur a fee).

## U

**ULD (Unit Load Device)** – Any type of container, aircraft container, aircraft pallet or container with integral pallet.

**Ultimate Consignee** – Person located abroad who is the true party in interest (they are the ones who get the goods at the very end).

## V

**Value for Customs Purposes Only** – The value of imported merchandise for customs purposes should be based on the actual value of the imported.

## W

**War/Strike Clause** – Insurance provision covering loss due to war and/or strike.

**Wharfage** – Charge imposed by a pier or dock owner for handling cargo coming in and out.

**Without Reserve** – Where a shipper's agent or representative can make decisions and adjustments abroad without the approval of the person they represent.

**W/M** – Abbreviation for "Weight or Measurement;" , which is one of the bases for assessing freight charges especially in LTL or LCL shipments. The rate charged under W/M will be whichever produces the highest revenue between the weight of the shipment and the measure of the shipment. The comparison is based on the number of metric tons the cargo weights compared to the number of cubic meters of space the cargo measures.