

# Glossary of Shipping Terms

## A

### **ABI**

Automated Broker Interface - A system available to brokers with the computer capabilities and customs certification to transmit and exchange customs entries and other information, facilitating the prompt release of imported cargo.

### **Acceptance**

1. A time draft (or bill of exchange) which the drawee has accepted and is unconditionally obligated to pay at maturity.
2. Drawee's act in receiving a draft and thus entering into the obligation to pay its value at maturity.
3. Broadly speaking, any agreement to purchase goods under specified terms.

### **Ad Hoc Charter**

A one-off charter operated at the whim of an airline or charterer.

### **Ad Valorem**

Latin term for "according to the value."

1. An ad Valorem duty is an import duty based on the value of an article as defined in the customs law of a particular country, rather than on weight or volume. A percentage of that value is charged, for example, 5% ad Valorem.
2. A freight rate set at a certain percentage of the value of an article is known as an ad Valorem rate.

### **Admiralty Court**

A court having jurisdiction over maritime questions pertaining to ocean transport, including contracts, charters, collisions, and cargo damages.

### **Advance against Documents**

A loan made on the security of the documents covering a shipment.

### **Advising Bank**

A bank operating in the exporter's country, that handles letters of credit for a foreign bank by notifying the exporter that the credit has been opened in his favor.

### **Advisory Capacity**

A term indicating that a shipper's agent or representative is not empowered to make definitive decisions or adjustments without approval of the party represented.

### **Affiliate**

A company that controls or is controlled by another company, or is one of two or more commonly controlled companies.

### **Affreightment**

Contract of - An agreement by a steamship line to provide cargo space on a vessel at a specified time and for a specified price to accommodate an exporter or importer who then becomes liable for payment even though he is later unable to make the shipment.

### **Agency Agreement**

An agreement, whereby the steamship line appoints the steamship agent and defines the specific duties and areas of responsibility of that agent.

### **Air Cargo Agent**

A type of freight forwarder, who specializes in air cargo and acts for airlines that pay him a fee (usually 5%). He is registered with the International Air Transport Association (IATA). (See also Air Freight Forwarder and Forwarder, Freight Forwarder, Foreign Freight Forwarder).

### **Air Freight Forwarder**

A type of freight forwarder who specializes in air cargo. He usually consolidates the air shipments of various exporters, charging them for actual weight and deriving his profit by paying the airline the lower consolidated rate. He issues his own air waybills to the exporter and has the status of an indirect air carrier. (See also Air Cargo Agent and Forwarder, Freight Forwarder, and Foreign Freight Forwarder)

### **Air Waybill**

A non-negotiable contract for carriage of air transportation between an air carrier and a shipper, or an air carrier and an air freight forwarder. In the latter case the forwarder, as an indirect air carrier, issues his own house air waybill to the shipper.

### **AITA**

The French and German acronym for the International Air Transport Association (IATA).

### **All-Risk Insurance**

The broadest form of coverage available, providing protection against all risk of physical loss or damage from any external cause. Does not cover loss or damage due to delay, inherent vice, per-shipment conditions, inadequate packaging, or loss of market. Loss must be fortuitous to be covered.

### **Alongside**

The side of the ship. Goods to be delivered alongside are to be placed on the dock or lighter within reach of the ship's tackle from which they can be loaded aboard the ship.

### **Anti-Trust Exemption**

The immunity from prosecution under the Sherman Act, granted to steamship companies in 1916, in recognition of the special services and value American Flag merchant vessels provide in the defense of the country in time of war.

### **Arbitration Clause**

A standard clause to be included in the contracts of exporters and importers, as suggested by the American Arbitration Association. It states that any controversy or claim will be settled by arbitration in accordance with the rules of the American Arbitration Association.

### **ASEAN**

Association of Southeast Asian Nations.

### **AT (American Terms)**

A marine insurance term used to differentiate between the conditions of American policies and those of other nations, principally England.

### **Automated Commercial System**

(ACS) - The electronic system of the U.S. Customs Service, encompassing a variety of industry sectors, that permits on-line access to information in selected areas.

### **Automated Manifest System**

(AMS) - The electronic system allowing a manifest inventory to be transmitted to the U.S. Customs Service data center by carrier, port authority, or service center computers.

## **B**

### **BAA**

British Airports Authority.

### **BACA**

Baltic Air Charter Association.

### **BAF**

(Bunker Adjustment Factor) - An adjustment in shipping charges to offset price fluctuations in the cost of bunker fuel. Also known as a Bunker Surcharge (B/S).

### **Barter**

The direct exchange of goods and/or services, without the use of money as a medium of exchange and without third party involvement.

### **Belly Cargo**

Freight accommodation below the main deck.

### **BENELUX**

An economic union among Belgium, the Netherlands, and Luxembourg.

### **Bermuda Agreement**

An agreement concluded in 1946 between the U.K. and the U.S.A. designed to regulate future international air traffic. Most governments accept its principles and follow it by limiting traffic rights on international routes to one or two carriers.

### **Berth**

The place beside a pier, quay, or wharf, where a vessel can be loaded or discharged.

### **Berth Liner Service**

A regularly scheduled steamship line with regularly published schedules (ports of call) from and to defined trade areas.

### **Berth or Liner Terms**

An expression covering assessment of ocean freight rates generally implying that loading and discharging expenses will be for the ship owner's account, and usually applying from the end of the ship's tackle in the port of loading to the end of the ship's tackle in the port of discharge.

### **Bilateral Rights**

Agreements on traffic rights concluded between two governments.

### **Bill of Lading**

A document issued by a common carrier to a shipper that serves as:

1. A receipt for the goods delivered to the carrier for shipment.
2. A definition of the contract of carriage of the goods from the port of shipment to the Port of destination listed in the bill of lading.
3. Evidence of title to the relative goods. When in order form, a bill of lading is negotiable.

### **Bill of Lading, Claused**

A bill of lading, which has exemptions to the receipt of merchandise in "apparent good order" noted.

### **Bill of Lading, Clean**

1. A bill of lading which bears no superimposed clause or notation which expressly declares a defective condition of the goods and/or the packaging (Article 18, uniform Customs and Practice for Documentary Credits). A bill of lading that contains a clause declaring defective goods is called a Foul Bill of Lading.

2. A bill of lading that is silent as to the place of storage, indicating that the goods Have been stowed under deck. (See Bill of Lading, Unclean).

### **Bill of Lading, Forwarder's**

A bill of lading issued by a forwarder to a shipper as a receipt for merchandise that the forwarder will consolidate with cargo obtained from other exporters and ship to his agent at the port of destination. In most cases, the Forwarder's Bill of Lading has legal standing for banking purposes. Also called House Bill of Lading.

### **Bill of Lading, Foul**

A receipt for goods issued by a carrier bearing a notation that the outward containers or the goods have been damaged.

### **Bill of Lading, Inland**

A bill of lading used in transporting goods overland to the exporter's international carrier.

### **Bill of Lading, Ocean**

A document defining the terms and conditions of carriage for transport of cargo by sea freight.

### **Bill of Lading, On Board**

A bill of lading acknowledging that the relative goods have been received on board for shipment on a specified vessel.

### **Bill of Lading, Order**

A negotiable bill of lading. There are two types:

1. A bill drawn to the order of a foreign consignee, enabling him to endorse the bill to a third party.
2. A bill drawn to the order of the shipper and endorsed by him either "in blank" or to a named consignee.

The purpose of the latter bill is to protect the shipper against the buyer's obtaining the merchandise before he has paid or accepted the relative draft. (See also Endorsement in Blank)

### **Bill of Lading, Received for Shipment**

A bill of lading acknowledging the receipt of goods, by a carrier for shipment on a specified vessel. This type of bill of lading is not acceptable under a letter of credit unless it is specially authorized. English law does not regard these bills as a valid tender under CIF contracts because the CIF seller is obligated to ship the goods, and a Received for Shipment Bill of Lading is not considered proof of shipment.

### **Bill of Lading, Straight**

A non-negotiable bill of lading whereby the consignee named in the bill is the owner of the relative goods.

### **Bill of Lading, Through**

A bill of lading that covers transportation by more than one carrier from the point of issue to the final destination (e.g., a bill from New York, via Curacao, to Pampatar, Venezuela).

### **Bill of Lading, Through Railway Export**

A bill of lading showing the place of receipt by the carrier at an inland point, with transport to the port of exit accomplished using rail/intermodal connections.

### **Bill of Lading, Unclean**

A bill containing reservations as to the good order and condition of the goods or the packaging or both. Examples: "bags torn," "drums leaking," "one case damaged," and "rolls chafed."

### **Bill of Sight**

A written description of goods given by an importer to a customs officer in the event shipping documents have not arrived in time and the importer wishes to avoid delayed entry charges. When an importer enters goods on a bill of sight, he usually must make a cash deposit covering the estimated amount of duty. When the shipping documents are received and a correct entry is made, the exact amount of duty is levied.

### **Bloodstock**

Pedigreed livestock. Often race horses or cattle for breeding.

### **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 steamship companies for the acceptance and carriage of freight.

### **Break-bulk Cargo**

Cargo which is shipped as a unit (e.g., palletized cargo, boxed cargo, large machinery, trucks, and pre-slung cargo).

### **Break-bulk Vessel**

A vessel designed to handle palletized, pre-slung, boxed, and unitized cargo. Holds can be at the open bay or between deck type. Between deck means the hold can be converted from multi levels to open bay. This type of vessel is usually self-sustaining.

### **Breakpoint**

The weight at which freight charges change, e.g., 100 kilos.

### **Broker**

A person or firm that establishes a connection between a buyer and a seller. Brokers operate in many fields: insurance, steamship transport, securities, drafts, and other phases of foreign trade. Not only do brokers bring buyers and sellers together, but they help to negotiate and close contracts and agreements between them.

### **Brussels Nomenclature**

Kennedy Round - A standardized system, established in 1950, for classifying commodities for customs purposes. The ECU common external tariff and the tariffs of other major trading nations, except the U.S.A., are based on this nomenclature. The U.S. tariff schedule (TSUS) contains about 5,000 items compared to 2,800 in the Brussels Nomenclature.

**B/s** Bags; bales.

**B.T.** Berth terms.

### **Bulk Cargo**

Loose cargo that is loaded directly into a ship's hold.

### **Bulk Carrier**

There are two types of bulk carriers, the dry-bulk carrier and the liquid-bulk carrier, better known as a tanker. Bulk cargo is a shipment such as oil, grain, or one which is not packaged, bundled, bottled, or otherwise packed and is loaded without counting or marking.

### **Bulk Solids**

Dry cargo shipped in containers, loose and in bulk, without counting or marking.

### **Bureau of Standards**

A bureau of the U.S Department of Commerce that maintains research and testing laboratories, working standards, weights, measurements, and norms by which business and government are guided. The Bureau of Standards furnishes development and consulting services to the government and helps business to establish quality standards in all industries other than food and drugs.

## **C**

### **CAA**

(Civil Aviation Authority) - The government body responsible for regulating U.K. airlines.

### **Cabotage**

Where cargo is carried on what is essentially a domestic flight and therefore not subject to international agreements that fix set rates. Cabotage rates are negotiable between shipper and airline and apply on flights within a country and to its overseas territories.

### **CAD**

(Cash Against Documents) - A method of payment for goods in which documents transferring title are given to the buyer upon payment of cash to an intermediary acting for the seller.

### **CAF**

(Currency Adjustment Factor) - A surcharge on freight charges by a carrier to offset foreign currency fluctuations.

### **Cargo**

Merchandise/commodities carried by means of transportation.

### **Cargo Insurance**

Insurance to protect the financial interest of the cargo owner during transportation in the event of a loss.

### **Cargo Receipt**

Receipt of cargo for shipment by a consolidator (used in ocean freight).

### **CARICOM**

Caribbean Common Market.

### **Carnet**

A customs document permitting the holder to carry or send merchandise temporarily into certain foreign countries without paying duties or posting bonds.

### **Carrier**

Any person who, through a contract of carriage, undertakes to perform or procure the performance of carriage by rail, road, sea, air, inland waterway, or by a combination of modes. (See also Common Carrier)

### **Carrier Container/Shipper Container**

A container over which the carrier or the shipper has control either by ownership or by the acquisition thereof under lease or rental from container companies or container suppliers or from similar sources. Carriers are prohibited from purchasing, leasing, or renting a shipper-owned container.

### **Cartel**

An association of several independent national or international business organizations that regulates competition by controlling the prices, the production, or the marketing of a product or industry.

**CCEF**

Customs Centralized Examination Facility.

**CE**

(Communauté Européene) Mark - A "passport" that allows manufacturers to trade industrial products freely within the internal EU market. The CE Mark is not a quality mark, but indicates conformity to the legal requirements of the EU Directives. It is mandatory for a wide range of products sold in the EU.

**Certificate of Analysis**

A certificate issued by a recognized organization or government authority confirming the quality and composition of goods. This is often required in importing countries for animal and plant products for consumption as well as pharmaceuticals.

**Certificate of Inspection**

A certificate usually required for industrial equipment and meat products. There are companies in every port city that specialize in issuing certificates of inspection for machinery. The Meat Inspection Division of the U.S. Department of Agriculture issues certificates of inspection for meat products that are recognized throughout the world.

**Certificate of Manufacture**

A document used under a letter of credit containing an affidavit that goods have been manufactured and are being held for the account and risk of the buyer. In war times when transportation facilities are disrupted, it is common for letters of credit to be paid against presentation of a certificate of manufacture. This is rare in ordinary times, except in the case of specially manufactured goods.

**Certificate of Origin**

A document containing an affidavit to prove the origin of imported goods. It is used for customs or foreign exchange purposes or both. Certificates of origin are commonly certified by an official organization in the country of origin such as a consular office or a chamber of commerce.

**CFS**

(Container Freight Station) - The term CFS at loading port means the location designated by carriers for the receiving of cargo to be packed into containers by the carrier. At discharge ports, the term CFS means the bonded location designated by carriers in the port area for unpacking and delivery of cargo.

**CFS/CFS**

(Pier to Pier) - The term CFS/CFS means cargo delivered by breakbulk to carrier's container freight station (CFS) to be packed by carrier into containers and to be unpacked by carrier from the container at carrier's destination port CFS.

**CFS Charge**

(Container Freight Charge) - The charge assessed for services performed at the loading or discharging port in the packing or unpacking of cargo into/from containers at CFS.

**CFS/CY**

(Pier to House) - The term CFS/CY means cargo delivered breakbulk to carrier's CFS to be packed by carrier into containers and accepted by consignee at carrier's CY and unpacked by the consignee off carrier's premises, all at consignee's risk and expense.

**CFS Receiving Services**

The service performed at the loading port in receiving and packing cargo into containers from CFS to CY or shipside. "CFS Receiving Services" referred herein are restricted to the following:

1. Moving empty containers from CY to CFS.
2. Drayage of loaded containers from CFS to CY and/or ship's tackle.
3. Tallying.
4. Issuing dock receipt/shipping order.
5. Physical movement of cargo into, out of, and within CFS.
6. Stuffing, sealing, and marking containers.
7. Storage.
8. Ordinary sorting and stacking.
9. Preparing carrier's internal container load plan.

**Chargeable Kilo**

Rate for air freight goods where volume exceeds six cubic meters to the ton.

**Charter**

Originally meant a flight where a shipper contracted hire of an aircraft from an airline, but has usually come to mean any non-scheduled commercial service.

**Charter Agreement/Charter Party**

A lease or agreement to hire an airplane, vessel, or other means of conveyance to transport goods to one or more designated locations. Among other specifications, the contract usually stipulates the exact obligations of the vessel owner (loading the goods, carrying the goods to a certain point, returning to the charterer with other goods, etc.), or it provides for an outright leasing of the vessel to the charterer, who then is responsible for his own loading and delivery. In either case, the charter party sets forth the exact conditions and requirements agreed upon by both sides.

**Charter Party Bill of Lading**

A bill of lading issued under a charter party. It is not acceptable by banks under letters of credit unless so authorized in the credit.

**Chassis**

A wheel assemble including bogies constructed to accept mounting of containers.

**CIA**

(Cash in Advance) - A method of payment for goods whereby the buyer pays the seller prior to shipping the goods.

**CITES**

Committee on International Trade of Endangered Species.

**Class Rates**

A class of goods or commodities is a large grouping of various items under one general heading, and all items in the group make up a class. The freight rates that apply to all items in the class are called class rates.

**Classification**

A customs term for the placement of an item under the correct number in the customs tariff for duty purposes. At times this procedure becomes highly complicated; it is not uncommon for importers to resort to litigation over the correct duty to be assessed by customs on a given item.

**Clean Draft**

A draft to which no documents have been attached.

**cm** Centimeters.

**CNS**

(Cargo Network Services) - An agency to which IATA forwarders pay their freight bills.

**Collective Paper**

All documents (commercial invoices, bills of lading, etc.) submitted to a buyer for the purpose of receiving payment for a shipment.

**Combi**

An aircraft with pallet or container capacity on its main deck as well as in its belly holds.

**Combination Vessels**

A type of ship that accommodates both container and break-bulk cargo. It can be either self-sustaining or non-self sustaining. Also known as a Container/Break-bulk Vessel.

**Commercial Invoice**

An itemized list of goods shipped that is usually included among an exporter's collection papers.

**Commodity Specialist**

An official authorized by the U.S. Treasury to determine the proper tariff and value of imported goods.

**Common Carrier**

A publicly or privately owned firm or corporation that transports the goods of others over land, sea, or through the air, for a stated freight rate. By government regulation, a common carrier is required to carry all goods offered if accommodations are available and the established rate is paid.

### **Common External Tariff (CET or CXT)**

A uniform tariff adopted by a customs union or common market on imports from countries outside the union. It is often a required part of the entry process.

### **Conference**

A group of vessel operators joined together for the purpose of establishing freight rates.

### **Confiscation**

The taking and holding of private property by a government or an agency acting for a government. Compensation may or may not be given to the owner of the property.

### **Consignee**

The individual or company to whom a seller or shipper sends merchandise and who, upon presentation of necessary documents, is recognized as the merchandise owner for the purpose of declaring and paying customs duties.

### **Consignee Mark**

A symbol placed on packages for identification purposes generally consisting of a triangle, square, circle, diamond, or cross, with letters or numbers as well as the port of discharge.

### **Consignment**

The physical transfer of goods from a seller (consignor) with whom the title remains until the goods are sold, to another legal entity (consignee) who acts as a selling agent. Only if there is a subsequent sale does the seller receive any payment.

### **Consignor**

A term used to describe any person who consigns goods to himself or to another party in a bill of lading or equivalent document. A consignor might be the owner of the goods, or a freight forwarder who consigns goods on behalf of his principal.

### **Consolidated Shipment**

An arrangement whereby, various shippers pool their boxed goods on the same shipment, sharing the total weight charge for the shipment.

### **Consolidator**

An agent who brings together a number of shipments for one destination to qualify for preferential rates.

### **Consortium**

The name for an agreement under which several nations or nationals (usually corporations) of more than one nation join together for a common purpose (e.g., a shipping consortium).

### **Consul**

A government official residing in a foreign country charged with representing the interests of his or her country and its nationals.

### **Consular Documents**

Special forms signed by the consul of a country to which cargo is destined.

### **Consular Invoice**

A document required by some countries describing a shipment of goods and showing information such as the consignor, consignee, and value of the shipment. Certified by a consular official, a consular invoice is used by the country's customs officials to verify the value, quantity, and nature of the shipment.

### **Container**

A single, rigid, sealed reusable metal "box" in which merchandise is shipped by vessel, truck, or rail. Container types include standard, high cube, hardtop, open top, flat, platform, ventilated, insulated, refrigerated, or bulk. Containers (except for flat-rack vehicle rack and portable liquid tank types) have a closure or permanently hinged door that allows ready access to cargo. All containers have constructions, fittings, and fastenings able to withstand, without permanent distortion, all stresses that may be applied in normal service use of continuous transportation. Containers must bear the manufacturer's specifications. (See also Container Dimensions)

### **Container (Air Cargo)**

Air cargo containers are designed in various sizes and irregular shapes to conform to the inside dimensions of a specific aircraft.



### **Container (Ocean)**

Designed to be moved inland on its own chassis, an ocean container can be loaded at the shipper's plant for shipment overseas. The average outside dimensions are generally 20, 35, and 40 feet in length, 8 feet wide, and 8 feet high.

### **Container Ship**

An ocean-going ship designed to carry containers both internally and on deck. Some are self sustaining.

### **Containerization**

A concept for the ultimate unitizing of cargo used by both steamship lines and air cargo lines. Containers allow a greater amount of cargo protection from weather, damage, and theft.

### **Continuous Bond**

An annual customs bond insuring compliance with all regulations and requirements.

### **Contract Rate**

This can refer to "service contract" rates which are low, favorable rates fixed over an extended period of time in exchange for which the carrier receives a volume commitment from the shipper.

### **Counter trade**

A reciprocal trading arrangement in which the seller is required to accept goods or other instruments or trade in partial or whole payment for its products. Common transactions include: barter, buyback, counter purchase, offset requirements, swap, switch; or triangular trade, evidence, or clearing accounts.

### **Countervailing Duties**

Special duties imposed on imports to offset the benefits of subsidies to producers or exporters of the exporting country.

### **Customs Broker**

An individual or service company that transacts customhouse formalities on behalf of an importer. In the U.S.A., a customs broker must be licensed by the Treasury Department and pass a government examination covering a broad range of knowledge, including all phases of import regulations, rates of duties, and customs law. Licensing and requirements vary from country to country, so check with your local United Shipping Partner for details.

### **Customs Court**

The court to which importers must appeal or protest decisions made by customs officers.

### **Customs Tariff**

A schedule of charges assessed by a federal government on imported goods.

### **Customs Union**

An agreement between two or more countries in which they arrange to abolish tariffs and other import restrictions on each other's goods and establish a common tariff for the imports of all other countries.

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

## **D**

### **Dangerous Goods**

Articles or substances capable of posing a significant risk to health, safety, or property, and that ordinarily require special attention when being transported.

### **DAT**

Dangerous Articles Tariff.

### **Date Draft**

A draft that matures in a specified number of days after issuance without regard to date of acceptance.

### **DCA (Department of Civil Aviation)**

Denotes the government department of any foreign country that is responsible for aviation regulation and granting traffic rights.

### **DDC**

Destination Delivery Charge.

**DDP (Delivered Duty Paid)**

Also known, as "free domicile."

**DDU (Delivered Duty Unpaid)**

This reflects the emergence of "door-to-door" intermodal or courier contracts or carriage where only the destination customs duty and taxes (if any) are paid by consignee.

**Dead Leg**

A sector flown without payload.

**Dead Freight**

Freight charges paid by the charterer of a vessel for the contracted space which is left partially unoccupied.

**Deck Cargo**

Cargo carried on deck rather than stowed under deck. On-deck carriage is required for certain commodities, such as explosives.

**Deferred Rebate**

The return of a portion of the freight charges by a carrier or a conference shipper in exchange for the shipper giving all or most of his shipments to the carrier or conference over a specified period of time (usually six months). Payment of the rate is deferred for a further similar period, during which the shipper must continue to give all or most of his shipments to the rebating carrier or conference. The shipper thus earns a further rebate which will not, however, be paid without an additional period of exclusive or almost exclusive patronage with the carrier of conference. In this way, the shipper becomes tied to the rebating carrier or conference. Although the deferred rebate system is illegal in U.S. foreign commerce, it generally is accepted in the ocean trade between other countries.

**Demurrage**

A penalty for exceeding free time allowed for loading or unloading at a pier or freight terminal. Also a charge for undue detention of transportation equipment or carriers in port while loading or unloading.

**Density**

Density means pounds per cubic foot. The cubage of loose articles or pieces, or packaged articles of a rectangular, elliptical, or square shape on one plane, shall be determined by multiplying the greatest straight line dimensions of length, width, and depth in inches, including all projections, and dividing the total by 1728 (to obtain cubic feet). The density is the weight of the article divided by the cubic feet thus obtained.

**DEQ**

Delivered Ex Quay (duty paid).

**DF** Dead Freight.

**DGR**

Dangerous Goods Requirement.

**Dim Weight (Dimensional Weight)**

An international airfreight formula determined by calculating length x width x height and dividing by 166. It is charged when the actual weight is less than the dimensional weight.

**DO**

Delivery Order

**Dock Receipt**

When cargo is delivered to a steamship company at the pier, the receiving clerk issues a dock receipt.

**DOT**

U.S. Department of Transportation.

**Draft**

An unconditional order in writing from one person (the Drawer) to another (the Drawee), directing the drawee to pay a specified amount to a named drawer on a fixed date. Also known as a Bill of Exchange.

**Drawback**

A remission of duty or charges paid, in whole or in part, when imported goods are re-exported or used in the manufacture of exported goods.

### **Drawee**

The individual or firm on whom a draft is drawn and who owes the stated amount to the drawer.

### **Dry Lease**

The rental of a "clean" aircraft without crew, ground staff, or supporting equipment.

### **DST (Double Stack Train)**

The transport by rail between two points of a trainload of containers with two containers per chassis, one on top of the other.

### **D.W. ( Dead weight)**

The maximum carrying capacity of a ship expressed in tons of cargo, stores, provisions, and bunker fuel.

### **D.W.C. (Dead Weight Cargo)**

Cargo of such weight and volume that a long ton (2,240 lbs) is stowed in an area of less than 70 cubic feet.

## **E**

### **EAON**

Except As Otherwise Noted

### **EDI or EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport)**

From the United Nations-backed electronic data interchange standards body, this is used to create electronic versions of common business documents that will work on a global scale.

### **Empty Leg**

Results from an aircraft primarily chartered outbound having cargo capacity inbound or vice versa. A cheap form of airfreight.

### **Endorsement in Blank**

1. Commonly used on a bank check, an endorsement in blank is an endorsement to the bearer. It contains only the name of the endorser and specifies no particular payee.
2. Also, a common means of endorsing bills of lading down to the order of the shipper. The bills are endorsed "For..." (See Bill of Lading, Order)

### **Ex. BL**

Exchange Bill of Lading.

### **Export Broker**

The individual who brings together buyer and seller for a fee, eventually withdrawing from any transaction.

### **Export Declaration**

A form completed by the exporter or its authorized agent and filed in triplicate by a carrier with the U.S. Collector of Customs at the point of exit. It serves a twofold purpose:

1. primarily, it is used by the U.S. Bureau of Census for the compilation of export statistics on U.S. foreign trade. (For this reason, an export declaration is required for practically all shipments from the U.S.A. to foreign countries and the U.S. possessions, except for mail shipments of small value or for those of a non-commercial character.)
2. The declaration also serves as an export control document because it must be presented, together with the export license, to the U.S. Customs at the port of export. If the goods may be exported under general export license, this fact must be stated on the export declaration.

### **Export License**

A document secured from a government authorizing an exporter to export a specific quantity of a particular commodity to a certain country. An export license is often required if a government has placed embargoes or other restrictions upon exports. (See General Export License.)

### **Export Trading Company**

A corporation or other business unit organized and operated primarily for the purpose of exporting goods and services, or of providing export-related services to other companies.

### **Express**

Premium-rated service for urgent deliveries.

## F

### **FAA (Federal Aviation Administration)**

The U.S. federal agency responsible for promulgating operational standards and procedures for U.S. aviation.

### **FAK (Freight All Kinds)**

A carrier's tariff description for products pooled and all shipped at one rate. FAK cargo is usually shipped in a container filled with different merchandise or commodities.

### **Fathom**

A nautical measurement with the following conversion equivalents: 6 feet; 1.83 meters.

### **FCL**

Full Container Load, Full Car Load.

### **F.C.S.:**

Free of capture and seizure.

### **F.C.S.R.C.C.:**

Free of capture, seizure, riots, and civil commotions.

### **F&D:**

Freight and Demurrage.

### **Federal Maritime Commission (FMC)**

The U.S. Federal agency responsible for overseeing rates and practices of ocean carriers that handle cargo at U.S. ports.

### **Feeder Vessel**

A vessel that connects with a line vessel to service a port not directly served by that line vessel.

### **FEU**

Forty foot equivalent.

### **FIATA**

International Federation of Freight Forwarders Associations.

### **F.I.B.:**

Free in bunkers; free into barge.

### **Flag Carrier**

An airline or vessel of one national registry whose government gives it partial or total monopoly over international routes.

### **Flat Bed Chassis**

A semi-trailer with a level bed and no sides or tops. The floor is a standard height from the ground.

### **Flat Rack**

A container without sides or frame members at the front and back. It can be loaded from the sides and top.

### **FMC**

(See Federal Maritime Commission)

### **F.O.D.**

Free of damage.

### **Force Majeure**

The title of a standard clause found in marine contracts exempting the parties for non-fulfillment of their obligations by reasons of occurrences beyond their control, such as earthquakes, floods, or war.

### **Foreign Trade Zone (FTZ)**

A port designated by the government for duty-free entry of any non-prohibited goods. Merchandise may be stored, displayed, and used for manufacturing within the zone and re-exported without duties being paid. Duties are imposed only when the original goods or items manufactured from those goods pass from the zone into an area of the country subject to customs authority. Also called a Free Trade Zone.

### **Foreign Trade Zone Entry**

A form declaring goods which are brought duty free into a Foreign Trade Zone for further processing or storage and subsequent exportation from the zone into the commerce of another country.

### **Forwarder, Freight Forwarder, Foreign Freight Forwarder**

An independent business, that dispatches shipments for exporters for a fee. The firm may ship by land, air, or sea, or it may specialize. Usually it handles all the services connected with an export shipment, including preparation of documents, booking cargo space, warehousing, pier delivery, and export clearance. The firm may also handle banking and insurance services on behalf of a client. The U.S. forwarder is licensed by the Federal Maritime Commission for ocean shipments.

### **Free In (FI)**

Means the cost of loading a vessel is borne by the charterer.

### **Free In and Out (FIO)**

Means the cost of loading and unloading a vessel is borne by the charterer.

### **Free of Capture and Seizure (FC&S)**

An insurance clause providing that loss is not insured if due to capture, seizure, confiscation, and like actions, whether legal or not, or from such acts as piracy, civil war, rebellion, and civil strife.

### **Free of Particular Average (FPA)**

A marine insurance clause relating to the recoverability of partial and total losses from perils of the sea. The American and English coverages vary as follows:

1. American Conditions (FPAAC). The underwriter does not assume responsibility for partial losses unless caused by sinking, stranding, burning, or colliding with another vessel.
2. English Conditions (FPAEC). The underwriter assumes responsibility for partial losses if the vessel is sunk, stranded, burned, on fire, or in collision, even though such an event did not actually cause the damage suffered by the goods.

### **Free Out (FO)**

The cost of unloading a vessel is borne by the charterer.

### **Free Port**

A port which is a Foreign Trade Zone open to all traders on equal terms, or more specifically a port where merchandise may be stored duty-free pending re-export or sale within that country.

## **G**

### **Gang**

A group of stevedores, usually four to five members, with a supervisor assigned to a hold or portion of the vessel being loaded or unloaded.

### **Gateway**

A port of entry into a country or region.

### **GATT (General Agreement on Tariffs and Trade)**

A multilateral treaty intended to help reduce trade barriers and promote tariff concessions.

### **GCR (General Cargo Rate)**

The basic tariff category which was originally introduced to cover most air cargo. It now covers only a minority, the remainder being under SCR or class rates.

### **General Export License**

Any of various export licenses covering export commodities for which validated export licenses are not required.

### **General Order Warehouse**

A government contract warehouse for the storage of cargoes left unclaimed for a designated number of days after availability. Unclaimed cargoes may later be auctioned publicly.

### **Gross Weight**

The full weight of a shipment, including containers and packaging materials.

**GR Wt./GW**

Gross Weight.

**H****Harmonized Code**

An internationally accepted and uniform description system for classifying goods for customs, statistical, and other purposes.

**Harmonized System (HS)**

A key provision of the international trade bill, effective January 1, 1989, that established international uniformity for classifying goods moving in international trade under a single commodity code.

**Hatch**

The cover of, or opening in, the deck of a vessel through which cargo is loaded.

**Heavy Lifts**

Freight too heavy to be handled by regular ship's tackle.

**Heavy Lift Vessel**

A vessel specifically designed to be self-sustaining with heavy lift cranes to handle unusually heavy or oversized cargoes.

**Hi (or High) Cube**

Any container exceeding 102 inches in height.

**House Air Waybill**

An air waybill issued by a freight consolidator. (See also Air Waybill)

**Hub**

A central location to which traffic from many cities is directed and from which traffic is fed to other areas.

**Hundredweight (cwt.)**

Short ton hundredweight = 100 pounds. Long ton hundredweight = 112 pounds.

**Husbanding**

A term used by steamship lines, agents, or port captains who are appointed to handle all matters in assisting the master of the vessel while in port to obtain such services as bunkering, fresh water, food and supplies, payroll for the crew, doctors appointments, and ship repair.

**I****IATA**

International Air Transport Association

**ICAO (International Civil Aviation Organization)**

A specialized agency of the United Nations headquartered in Montreal. It promotes general development of civil aviation such as aircraft design and operation, safety procedures, and contractual agreements.

**ICC (International Chamber of Commerce)**

A non-governmental organization serving as a policy advocate on world business.

**ICTF (Intermodal Container Transfer Facility)**

An on-dock facility for moving containers from ship to rail or truck.

**IFF**

Institute of Freight Forwarders.

**Igloo**

A container designed to occupy the full main deck width of carrying aircraft.

**Import License**

A certificate issued by countries exercising import controls that permits importation of the articles stated in the license. The issuance of such a permit frequently is collected with the release of foreign exchange needed to pay for the shipment for which the import license has been requested.

### **In-Bond**

A customs program for inland ports that provides for cargo arriving at a seaport to be shipped under a customs bond to a more conveniently located inland port where the entry documents have been filed. Customs clears the shipment there and the cargo is trucked to its destination, which normally is close to the inland port.

### **INCOTERMS**

A set of international rules for the uniform interpretation of common contract clauses in international trade. See Incoterms.

### **Independent Action**

A move whereby a member of a shipping conference elects to depart from the specific freight rates, terms, or conditions set forth by the conference. No prior approval of the conference is needed.

### **Inducement**

When steamship lines publish in their schedules the name of a port and the words "by inducement" in parentheses, this means the vessel will call at the port if there is a sufficient amount of profitable cargo available and booked.

### **Inland Carrier**

Transportation line which hauls export or import traffic between ports and inland points.

### **Inspection Certificate**

A document certifying that merchandise (such as perishable goods) was in good condition immediately prior to shipment.

### **Integrated Carrier**

A forwarder that uses its own aircraft, whether owned or leased, rather than scheduled airlines.

### **Intellectual Property**

Ownership of the legal rights to possess, use, or dispose of products created by human ingenuity, including patents, trademarks and copyrights.

### **Interline**

A mutual agreement between airlines to link their route network.

### **Intermodal**

This refers to the capacity to go from ship to train to truck or the like. The adjective generally refers to containerized shipping or the capacity to handle the same.

**I.P.A.** Including particular average

**ISO 9000** A series of voluntary international quality standards.

## **J**

### **Jetsam**

Goods from a ship's cargo or parts of its equipment that have been thrown overboard to lighten the load in time of danger or to set a stranded ship adrift.

### **Joint Venture**

A term of business partnership involving joint management and the sharing of risks and profits between enterprises sometimes based in different countries.

### **Jones Act**

An act of the U.S. Congress prohibiting foreign flag carriers from participating in the U.S. intercostals trade by water. It is currently applicable in such trade lanes as the U.S. continental states to and from Hawaii and Alaska.

### **Just in Time (JIT)**

The principle of production and inventory control in which goods arrive when needed for production or use.

### **J&WO**

Jettison and Washing Overboard.

## **K**

### **Kanban**

The Japanese word referring to the manufacturing control system in which suppliers deliver needed parts just in time to the assembly line for use.

**KD Flat**

An article taken apart, folded, or telescoped to reduce its bulk at least 66-2/3% below its assembled size.

**KDCL**

Knocked Down in Carload Lots.

**KDLCL**

Knocked Down in Less than Carload Lots.

**Knocked Down (KD)**

An article taken apart, folded, or telescoped in such a manner as to reduce its bulk at least 33-1/3% below its assembled bulk.

**Knot, Nautical**

The unit of speed equivalent to one nautical mile: 6,080.20 feet per hour or 1.85 kilometers per hour.

**L****Lagan**

Cargo or equipment to which an identifying marker or buoy is fastened and thrown overboard in time of danger to lighten a ship's load. Under maritime law, if the goods are later found they must be returned to the owner whose marker is attached. The owner must make a salvage payment.

**LASH**

Lighter Aboard Ship. (See Lighter)

**Lash Vessels**

Barges specifically designed to load on a vessel internally and for quick vessel turnaround. The concept is to quickly float the barges to the vessel (using tugs or ships winches), load the barges through the rear of the vessel, then sail. Upon arrival at the foreign port, the reverse happens. Barges are quickly floated away from the vessel and another set of waiting barges quickly are loaded. Usually crane-equipped, these barges handle mostly breakbulk cargo.

**Lay Days**

The dates between which a chartered vessel is to be available in a port for loading of cargo.

**L/C**

(See Letter of Credit)

**LCL**

Less than Container Load; Less than Car load.

**L&D**

Loss and Damage.

**Legal Weight**

The weight of the goods plus any immediate wrappings that are sold along with the goods, e.g., the weight of a tin can as well as its contents. (See also Gross Weight)

**Less than Truckload (LTL)**

Rates applicable when the quantity of freight is less than the volume or truckload minimum weight.

**Letter of Credit (L/C)**

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. Issued as revocable or irrevocable.

**Letter of Credit, Confirmed**

A letter of credit containing a guarantee on the part of both the issuing and advising banks of payment to the seller, provided the seller's documentation is in order and the terms of the letter of credit are met.

**Lighter**

An open or covered barge equipped with a crane and towed by a tugboat. Used mostly in harbors and inland waterways.

**Lighterage**

The cost of loading or unloading a vessel by means of barges alongside.



**Line haul**

The management of freight between cities, usually more than 1000 miles.

**Liner**

The word "liner" is derived from the term "line traffic," which denotes operation along definite routes on the basis of definite, fixed schedules. A liner thus is a vessel that engages in this kind of transportation, which usually involves the haulage of general cargo as distinct from bulk cargo.

**Liquidation**

The finalization of a customs entry.

**Livestock**

Common farm animals.

**Lkg. & Bkg**

Leakage and Breakage.

**Load Factor**

Capacity sold as against capacity available and expressed as a percentage.

**Logistics Management**

The efficient and cost-effective management of the physical movement of goods from supply points to final sale and the associated transfer and holding of such goods at various intermediate storage points.

**Lo/Lo (Lift-On/Lift-Off)**

Denotes the method by which cargo is loaded onto and discharged from an ocean vessel, which in this case is by the use of a crane.

**L.T. or L.TN.**

Long ton (2240 lbs).

**LTGE**

Lighterage.

**LTL**

(See Less than Truckload)

**M****Manifest**

A list of the goods being transported by a carrier.

**Maquiladora**

A foreign plant operating under an in-bond program whereby components may be shipped into Mexico duty-free for assembly and subsequent re-export. Maquiladora plants are also known as Twin Plants.

**Maritime Administration (MARAD)**

A U.S. government agency, while not actively involved in vessel operation, that administers laws for maintenance of merchant marine for the purposes of defense and commerce.

**Mark**

(See Consignee Mark, Markings, Port Marks)

**Markings**

The physical markings on a product indicating the country of origin where the article was produced.

**Mate's Receipt**

Receipt of cargo by the vessel, signed by the mate (similar to a dock receipt).

**Measurement Ton**

The measurement ton (also known as the cargo ton or freight ton) is a space measurement, usually 40 cubic feet or one cubic meter. Cargo is assessed a certain rate for every 40 cubic feet or one cubic meter it occupies.

**MERCOSUR**

A trade alliance between Argentina, Brazil, Paraguay and Uruguay, with Chile and Bolivia as associate members.

**Min. B/L** Minimum Bill of Lading.

**MM** Mercantile Marine.

**M/R** Mate's Receipt.

**M/T** Metric Ton (2204 lbs).

**mt.** Empty.

**M/V or MV** Motor Vessel.

**MW** Minimum Weight Factor.

## **N**

### **NAFTA (North American Free Trade Agreement)**

A free trade agreement comprising the U.S.A, Canada and Mexico.

**National Carrier** A flag carrier owned or controlled by the state.

**N.E.M.** Not elsewhere mentioned.

**N.E.S.** Not elsewhere specified.

### **Nested**

When three or more different sizes of an article are placed within each other so that each article will not project above the next lower article by more than 33-1/3% of its height.

### **Nested Solid**

When three or more different sizes of an article are placed within each other so that each article will not project above the next lower article by more than 1/4 inch.

### **Net Terms**

Free of charters' commission.

### **Net Weight (Actual Net Weight)**

The 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.

### **NMFC**

National Motor Freight Classification.

### **No Objection Certificate**

A document provided by scheduled or national airlines of many countries declaring no objection to a proposed charter flight operated by another airline. It is often demanded by government authorities before they grant permission for a charter flight to take place.

### **No Objection Fee**

A sum of money normally paid by a charter airline to a scheduled airline in order that it waives its right of objection to its government, thus allowing a charter to take place. The amount is usually a fixed percentage of the gross cost of a charter. Tantamount to a bribe, this is common practice in the Middle East and Africa.

### **NOE**

Not Otherwise Enumerated.

### **NOHP**

Not Otherwise Herein Provided.

### **NOI**

Not Otherwise Indicated.

**NOIBN** Not Otherwise Indicated By Number; Not Otherwise Indicated By Name.

**Non-Scheduled Flight** (See Scheduled Flight)

**Non-Vessel Operating Common Carrier (NVOCC)**

An FMC-Licensed cargo consolidator of small shipments in ocean trade, generally soliciting business and arranging for or performing containerization functions at the port.

**NOS** Not Otherwise Specified.

**NT** Net Tons.

**NVOCC** (See Non-Vessel-Operating Common Carrier)

**O**

**OD** Outside Diameter.

**ODS (Operating Differential Subsidy)**

A payment to an American-flag carrier by the U.S. federal government to offset the difference in operating costs between U.S. and foreign vessels.

**Off-Line**

An airline that sells in a market to which it does not operate. An off-line carrier will use another operator to link with its network.

**O/N** Order Notify; Own Name.

**O/o** Order of.

**Open Account**

A trade arrangement in which goods are shipped to a foreign buyer without guarantee of payment such as a note, mortgage, or other formal written evidence of indebtedness.

**Open Policy**

A cargo insurance policy that is an open contract; e.g., it provides protection for all of an exporter's shipments afloat or in transit within a specified geographical trade area for an unlimited period of time, until the policy is cancelled by the insured or by the insurance company. It is "open" because the goods that are shipped are also detailed at that time. This usually is shown in a document called a marine insurance certificate.

**O/R** Owner's Risk.

**O&R** Ocean and Rail.

**O.r.b.** Owner's risk of breakage.

**O.R. Det.** Owner's Risk of Deterioration.

**ORF** Owner' Risk of Fire or Freezing.

**ORL** Owner's Risk of Leakage.

**ORW** Owner's Risk of Becoming Wet.

**OS&D** Over, Short and Damaged.

**P**

**PA** (See Particular Average)

**PAIRED (Port of Arrival Immediate Release and Enforcement Determination)**

A U.S. Customs program that allows entry documentation for an import shipment to be filed at one location, usually an inland city, while the merchandise is cleared by customs at the port of entry, normally a seaport. May be ineffective with certain types of high-risk cargoes, such as quota-regulated textiles or shipments from drug production regions. Cities where there is a natural flow of cargo are actually "paired" in the program; e.g., Atlanta, an inland city, is linked with Savannah, a seaport.

**Pallet**

A load-carrying platform to which loose cargo is secured before placing aboard the aircraft.

### **Paperless Release**

Under ABI, certain commodities from low-risk countries not designated for examination may be released through an ABI-certified broker without the actual submission of documentation.

### **Part Charter**

Where part of an airline's scheduled flight is sold as if it were a charter in its own right. Often incorrectly used as a synonym for split charter.

### **Part Load Charter**

Where a part of an aircraft's load is discharged at one destination and a part of it at another. This is distinct from a split charter where a number of consignments are carried to the same destination. Inbound, part loads are treated as single entity charters under the regulations in most countries.

### **Particular Average (PA)**

Partial loss or damage to goods.

### **Perils of the Sea**

Fortuitous accidents or casualties peculiar to transportation on navigable water, such as sinking, collision of vessel, striking a submerged object, or encountering heavy weather or other unusual forces of nature.

### **Perishables**

Any cargo that loses considerable value if it is delayed in transportation. This usually refers to fresh fruit and vegetables.

### **Phytosanitary Inspection Certificate**

A certificate issued by the U.S. Department of Agriculture indicating that a shipment has been inspected and is free of harmful pests and plant diseases.

### **Pilferage**

As used in marine insurance policies, the term denotes petty thievery-the taking of small parts of a shipment-as opposed to the theft of a whole shipment or large unit. Many ordinary marine insurance policies do not cover against pilferage, and when this coverage is desired it must be added to the policy.

### **Pivot Weights**

That weight of a ULD above which a higher tariff applies. In effect, it is an incentive to maximize cargo density.

### **Place**

A particular street address or other designation of a factory, store, warehouse, place of business, private residence, construction camp, or the like at a point.

### **Place of Rest**

This term, as used in the Containerized Cargo Rules, means the location of the floor, dock, platform, or doorway at the CFS to which cargo is first delivered by the shipper or agent thereof.

### **Point**

A particular city, town, village, or other community or area which is treated as a unit for the application of rates.

### **Port Authority**

A government body (city, county, or state) which in international shipping maintains various airports and/or ocean cargo pier facilities, transit sheds, loading equipment, or warehouses for air cargo. It has the power to levy dockage and wharfage charges, landing fees, and other costs.

### **Port Marks**

An identifying set of letters, numbers, or geometric symbols followed by the name of the port of destination that are placed on export shipments. Foreign government requirements may be exceedingly strict in the matter of port marks.

### **Port of Discharge (POD)**

A port where a vessel is off-loaded and cargo discharged.

**Port of Entry (POE)** A port at which foreign goods are admitted into the receiving country.

**Port of Loading (POL)** A port where cargo is loaded aboard the vessel, lashed, and stowed.

### **Power of Attorney**

A document that authorizes a customs broker to sign all customs documents on behalf of an importer or exporter.

### **Prepaid Freight**

Generally speaking, freight charges both in ocean and air transport may be either prepaid in the currency of the country of export or they may be billed collect for payment by the consignee in his local currency. On shipments to some countries, however, freight charges must be prepaid because of foreign exchange regulations of the country of import or rules of steamship companies or airlines.

### **Pre-Slung Cargo**

Cargo shipped already in a cargo sling or net, such as coffee in bags or coconut shells. It is usually prepared and loaded at the pier, ready for the vessel's arrival and subsequent loading.

### **Prima Facie**

A Latin term frequently encountered in foreign trade that means "on first appearance." When a steamship company issues a clean bill of lading, it acknowledges that the goods were received "in apparent good order and condition" and this is said by the courts to constitute prima facie evidence of the conditions of the containers; that is, if nothing to the contrary appears, it must be inferred that the cargo was in good condition when received by the carrier.

### **Proforma**

When used with the title of a document, the term refers to an informal document presented in advance of the arrival or preparation of the required document, in order to satisfy a customs requirement.

### **Pro Number**

A number assigned by the carrier to a single shipment, used in all cases where the shipment must be referred to.

### **Proof of Delivery (POD)**

The delivery receipt copy of a freight bill indicating the name of the person who signed for a package with the date and time of delivery.

### **Protest**

U.S. Customs Form 19 allows for a refund of an overpayment of duty if filed within 90 days of liquidation.

**PW** Packed Weight.

## **R**

**R&C** Rail and Canal.

**R/C** Re-consigned.

**R.&C.C.** Riots and civil commotions.

**R.C.C. & S.** Riots, civil commotions, and strikes.

### **Rebate**

A deduction taken from a set payment or charge. Because a rebate is given after payment of the full amount has been made, it differs from a discount which is deducted in advance of the payment. In foreign trade, a full or partial rebate may be given on import duties paid on goods which are later reexported.

**Reciprocity** A practice by which governments extend similar concessions to one another.

**Reefer** A refrigerated trailer or railcar for hauling perishables.

**REFG** Refrigerating refrigeration.

**Regs.** Registered tonnage.

### **Retaliation**

An action taken by a country to restrain imports from another country that has increased a tariff or imposed other measures that adversely affect the first country's exports.

### **Ro/Ro (Roll-on/Roll-Off) Vessel**

A ship designed to accommodate cargo that is rolled on and rolled off. Some Ro/Ro vessels can accommodate containers and/or break-bulk cargo. A Ro/Ro Vessel can be self-sustaining.

**Route** An established air passage, from the point of departure to the terminating station.

## **Royalty**

A charge on charter flights levied by some governments before traffic rights are granted. Sometimes called a "no objection fee." It is usually a fixed proportion of a total charter value.

## **S**

## **Salvage**

The rescue of goods from loss at sea or by fire. Also, goods so saved, or payment made or due for their rescue.

## **Schedule B**

Refers to "Schedule B, Statistical Classification of Domestic and Foreign Commodities exported from the U.S.A." This is being replaced under the Harmonized System.

**Scheduled Flight** Any service that operates under a set timetable.

## **SCR (Specified Commodity Rate)**

A rate applied to narrowly specified commodities and usually granted on relatively large shipments. Theoretically, it is of limited time duration.

**Sector** The distance between two ground points within a route.

**SED** (See Shipper's Export Declaration)

## **Self-Sustaining**

A vessel that has its own cranes and equipment mounted on board for loading and unloading. Used in ports where shore cranes and equipment are lacking.

**Service** The defined, regular pattern of calls made by a carrier in the pick-up and discharge of cargo.

## **Service Contract**

A contract between a shipper and an ocean carrier of conference, in which the shipper makes a commitment to provide a minimum quantity of cargo over a fixed time period.

**Set-Up** Articles in their assembled condition.

**S&FA** Shipping and Forwarding Agent.

**Ship's Manifest** An instrument in writing containing a list of the shipments constituting the ship's cargo.

**Ship's Tackle** All rigging, etc., utilized on a ship to load or discharge cargo.

## **Shipment**

Freight tendered to a carrier by one consignor at one place at one time for delivery to one consignee at one place on one bill of lading.

**Shipper** Term used to describe an exporter (usually a manufacturing company).

## **Shipper's Export Declaration (SED)**

A form required by the U.S. Treasury Department and completed by a shipper showing the value, weight, consignee, and destination of export shipments as well as the Schedule B identification number.

## **Shipping Act**

Created in 1916 and revised in 1984, the Shipping Act is a comprehensive legislative act defining the U.S. ocean freight industry. This legislation defines the rules and regulations governing the business practices of steamship companies, non vessel operating carriers, and freight forwarders.

**Short-Shipped** Cargo manifested but not loaded.

**Sight Draft** A draft payable upon presentation to the drawee. (Compare with Date Draft and Time Draft.)

**Single Entry Charter** A non-scheduled flight carrying the cargo of one shipper.

**SIP** (Solicitud de Inspección Pre-Embarque) - A pre-inspection order.

**SIT** Stopped in Transit.

**Site** A particular platform or location for loading or unloading at a place.

**SL&C** Shipper's Load and Count.

**SL&T** Shipper's Load and Tally.

**S/N** Shipping Note.

**SOL** Ship Owner's Liability.

### **Split Charter**

Where a number of consignments from different shippers are carried on the same non-scheduled aircraft. Under U.K. regulations a non-scheduled flight chartered by a single forwarder or agent on behalf of a number of shippers is still classified as a split charter. Under U.S. regulations, a forwarder-chartered flight is classified as a single entity although it can consolidate.

**SR** Shipping Receipt.

**SR&CC** Strikes, riots, and civil commotions.

**SS** Steamship; Steam-powered Ship (steam-driven turbines).

### **Standard International Trade Classification (SITC)**

A standard numerical code system developed by the United Nations to classify commodities used in international trade.

### **Steamship Agent**

A duly appointed and authorized representative in a specified territory acting on behalf of a steamship line or lines and attending to all matters relating to the vessels owned by his principals.

### **Steamship Line**

A company usually having the following departments: vessel operations, container operations, tariff department, booking, outbound rates, inward rates, and sales. The company can maintain its own in-country offices to handle regional sales, operations, or other matters, or appoint steamship agents to represent them doing the same. Some lines have liner offices in several regions and appointed agents in others.

**S. tn.** Short ton

### **Stowage**

The lacing of cargo in a vessel in such a manner as to provide the utmost safety and efficiency for the ship and the goods it carries.

### **Strikes, Riots, and Civil Commotions**

An insurance clause referring to loss or damage directly caused by strikers, locked-out workmen, persons' participation in labor disturbances, and riots of various kinds. The ordinary marine insurance policy does not cover this risk. Coverage against it can be added only by endorsement.

### **Subsidy**

An economic benefit granted by a government to producers of goods or services, often to strengthen their competitive position.

### **Sue & Labor Cause**

A provision in marine insurance obligating the assured to do things necessary after a loss to prevent further loss and to act in the best interests of the insurer.

**Surety Bond** A bond insuring against loss or damage or for the completion of obligations.

**Surety Company** An insurance company.

**SW** Shipper's Weights

## **T**

**Tally Sheet** A list of incoming and outgoing cargo checked by the tally clerk on the dock.

**Tare Weight** The weight of packing and containers without the goods to be shipped.

**Tariff**

A general term for any listing of rates or charges. The tariffs most frequently encountered in foreign trade are: tariffs of international transportation companies operating on sea, land, and in the air; tariffs of international cable, radio, and telephone companies; and the customs tariffs of the various countries that list goods that are duty free and those subject to import duty, giving the rate of duty in each case. There are various classes of customs duties.

**TBL** (See Bill of Lading, Through)

**Temperature Controlled Cargo** Any cargo requiring carriage under controlled temperature.

**TEU**

A twenty-foot equivalent unit (6.1m). A standard unit for counting containers of various lengths and for describing container ship or terminal capacity. A standard 40' container equals 2 TEUs.

**THC (Terminal Handling Charge)** A charge made for certain handling services performed at terminals.

**Third Freedom Right** Where cargo is carried by an airline from the country in which it is based to a foreign country.

**TIB (Temporary Importation under Bond)**

A U.S. Customs' temporary admission into the U.S.A. under a conditional bond for articles not imported for sale or for sale on approval.

**Time Draft** A draft that matures in a certain number of days, either from acceptance or the date of the draft.

**Title, Passing**

The passing of title to exported goods is determined in large measure by the selling terms and must be clearly specified and understood by both parties. (See INCOTERMS)

**TL** Truckload

**Ton**

Freight rates for liner cargo generally are quoted on the basis of a certain rate per ton, depending on the nature of the commodity. This ton, however, may be a weight ton or a measurement ton.

**Ton-Deadweight**

The carrying capacity of the ship in terms of the weight in tons of the cargo, fuel, provisions, and passengers which a vessel can carry.

**Ton-Displacement** The weight of the volume of water which the fully loaded ship displaces.

**Ton-Kilometer** A measure of airline freight capacity.

**Tracking** A carrier's system of recording movement intervals of shipments from origin to destination.

**Trade** A term used to define a geographic area or specific route served by carriers.

**Tramp**

A vessel that does not operate along a definite route on a fixed schedule, but calls at any port where cargo is available.

**Transport Index** The number expressing the maximum radiation level in a package or ULD.

**Transshipment**

The transfer of a shipment from one carrier to another in international trade, most frequently from one ship to another. Because the unloading and reloading of delicate merchandise is likely to cause damage, transshipments are avoided whenever possible.

**Truckload**

Truckload rates apply where the tariff shows a truckload minimum weight. Charges will be at the truckload minimum weight unless weight is higher.

**Trust Receipt**

The release of merchandise by a bank to a buyer for manufacturing or sales purposes in which the bank retains title to the merchandise.

**Twin Plant** See Maquiladora.



## U

**UKACC** United Kingdom Air Cargo Club.

**ULD (Unit Load Device)** A pallet or container for freight.

**Unclean Bill of Lading** (See Bill of Lading, Unclean)

### **Uniform Commercial Code**

The Uniform Commercial Code, or Uniform Customs and Practice for Documentary Credits ICC Publication No. 500, was first established and published in 1933 by the International Chamber of Commerce. Revisions were made in 1951, 1962, 1974, 1983, and 1993. The code defines documentation standards to be followed by international banks when negotiating letters of credit. The code is binding, and seeks to define a worldwide standard applicable to all involved in international trade, exchanging goods and money using the international letter of credit.

**Unitization** The packing of single or multiple consignments into ULDs or pallets.

**Universal Postal Union** The organization which negotiates international mail charges.

## V

### **Valuation Charges**

Transportation charges assessed shippers who declare a value of goods higher than the value of carriers' limits of liability.

**Ves.** Vessel.

**Visa** An invoice properly validated by the Minister of Trade in regard to quota entries.

### **Volume Weight**

Used when calculating air freight when the size of the carton is greater than the average weight. It is calculated by multiplying the length times the width times the height and dividing by 166.

## W

**WA** (See With Average)

### **War Risk**

The possible aggressive actions against a ship and its cargo by a belligerent government. This risk can be insured by a marine policy with a risk clause.

### **War Risk Insurance**

Insurance issued by marine underwriters against war-like operations specifically described in the policy. In former times, war risk insurance was taken out only in times of war, but currently many exporters cover most of their shipments with war risk insurance as a protection against losses from derelict torpedoes and floating mines placed during former wars, and also as a safeguard against unforeseen warlike developments. In the U.S.A., war risk insurance is written in a separate policy from the ordinary marine insurance; it is desirable to take out both policies with the same underwriter in order to avoid the ill effects of a possible dispute between underwriters as to the cause (marine peril or war peril) of a given loss.

### **Warehouse Receipt**

A receipt of commodities deposited in a warehouse identifying the commodities deposited. It is non-negotiable if permitting delivery only to a specified person or firm, but it is negotiable if made out to the order of a person or firm or to a bearer. Endorsement (without endorsement if made out to bearer) and delivery of a negotiable warehouse receipt serves to transfer the property covered by the receipt. Warehouse receipts are common documents in international banking.

### **Warehouse-to-Warehouse**

A clause in marine insurance policy whereby the underwriter agrees to cover the goods while in transit between the initial point of shipment and the point of destination with certain limitations, and also subject to the law of insurable interest. The warehouse-to-warehouse clause was once extremely important, but marine extension clauses now often override its provisions.

### **Warranties**

1. Expressed Warranty: An agreement written in a marine underwriter's insurance policy which must be strictly and literally complied with. A violation voids the insurance, e.g., trading warranties.

2. Implied Warranty: Fundamental conditions implied in a contract of marine insurance are sea worthiness of the vessel and the legality of the venture.

### **Weight**

**Gross** - The weight of the goods including packing, wrappers, or containers, both internal and external. The total weight as shipped.

**Net** - The weight of the goods themselves without the inclusion of any wrapper.

**Tare** - The weight of the packaging or container.

**Weight/Measurement Ton** - In many cases, a rate is shown per weight/measurement ton, carrier's option. This means that the rate will be assessed on either a weight ton or measurement ton basis, whichever will yield the carrier the greater revenue. For example, the rate may be quoted on the basis of 2,240 pounds, 40 cubic feet, one metric ton, or one cubic meter.

**Weight Ton** - There are three types of weight ton: the short ton, weighing 2,000 pounds; the long ton, weighing 2,240 pounds; and the metric ton weighing 2,204.68 pounds. The last is frequently quoted for cargo being exported from Europe.

**Weight, Legal** Net weight of goods plus the inside packing.

### **Weight Load Factor**

Payload achieved as against available, expressed as a percentage. Cargo is frequently limited by volume rather than weight; load factors of 100 percent are rarely achieved.

### **Wet Lease**

An arrangement for renting an aircraft under which the owner provides crews, ground support equipment, fuel and so on (of dry lease).

**w.g.** Weight guaranteed.

**Wharfage** A charge assessed by a pier or dock owner against the cargo or a steamship company for use of the pier or dock.

**W&I** Weighing and Inspection.

### **With Average (WA)**

A marine insurance term meaning that shipment is protected for partial damage whenever the damage exceeds a stated percentage.

### **With Particular Average (WPA)**

An insurance term meaning that partial loss or damage of goods is insured. The damage generally must be caused by sea water, and many terms specify a minimum percentage of damage before payment. It may be extended to cover loss by theft, pilferage, delivery, leakage, and breakage.

**W/M** Weight and/or Measurement.

### **Without Reserve**

A term indicating shipper's agent or representative is empowered to make definitive decisions and adjustments abroad without approval of the group or individual represented. (See Advisory Capacity)

**WPA** (See With Particular Average)

**W/R** Warehouse Receipt.

**WR** War Risk.

**X**

**X HEAVY** Extra Heavy.

**X STRONG** Extra Strong.

**XX HEAVY** Double Extra Heavy.

**XX STRONG** Double Extra Strong.

**Y**

### **Y/A (York-Antwerp Rules)**

A code of rules adopted by an international convention in 1890, amended in 1924 and again in 1950, for the purpose of establishing a uniform basis for adjusting general average. Certain nationalities decline to observe some of the rules adopted. U.S. shipping interests generally abide by general rule "F" and numbered rules 1 to 15 and 17 to 22, inclusive, and specifically set this forth in a bill of lading clause.

**Yield** Revenue, not necessarily profitable, per unit of traffic.