



U.S. Department of  
Transportation

# Glossary of Shipping Terms



Maritime Administration

The terms in this glossary have been carefully selected from the myriad of terms one can encounter in the shipping business. We hope you will find it useful.



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# A

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## **AA**

Always Afloat.

A contract term requiring that the vessel not rest on the ground. In some ports the ship is aground when approaching or at berth.

## **AAR**

Abbreviation for:

- Against All Risks (insurance clause).
- Association of American Railroads.

## **Abaft**

A point beyond the midpoint of a ship's length, towards the rear or stern.

## **Abandon**

A proceeding wherein a shipper/consignee seeks authority to abandon all or parts of their cargo.

## **Abatement**

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

## **ABI**

U.S. Customs' "Automated Broker Interface," by which brokers file importers' entries electronically.

## **Aboard**

Referring to cargo being put, or laden, onto a means of conveyance.

## **Absorption**

One carrier assumes the charges of another without any increase in charges to the shipper.

## **Acceptance**

- A time draft (or bill of exchange) that the drawee (payer) has accepted and is unconditionally obligated to pay at maturity.
- Broadly speaking, any agreement to purchase goods under specified terms.

**Accessorial Charges**

Charges that are applied to the base tariff rate or base contract rate, e.g., bunkers, container, currency, destination/delivery.

**Acquiescence**

When a bill of lading is accepted or signed by a shipper or shipper's agent without protest, the shipper is said to acquiesce to the terms, giving a silent form of consent.

**Acquittance**

A written receipt in full, in discharge from all claims.

**ACS (A.C.S.) or ACE**

U.S. Customs' master computer system, "Automated Commercial Systems." Now being replaced by the Automated Commercial Environment system.

**Act of God**

An act beyond human control, such as lightning, flood or earthquake.

**Ad Valorem**

A term from Latin meaning, "according to value." Import duty applied as a percentage of the cargo's dutiable value.

**Administrative Law Judge**

A representative of a government commission or agency vested with power to administer oaths, examine witnesses, take testimony, and conduct hearings of cases submitted to, or initiated by, that agency. Also called Hearing Examiner.

**Admiralty (Adm.)**

Refers to marine matters such as an Admiralty Court.

**Advance**

To move cargo up line to a vessel leaving sooner than the one booked.  
*See also Roll.*

**Advanced Charge**

Transportation charge advanced by one carrier to another to be collected by the later carrier from the consignor or consignee.

### **Advanced Notice of Arrival (ANOA)**

Any vessel entering United States waters from a foreign port is required to give a 96-hour ANOV. Any vessel of 300 gross registered tonnage and greater is required to give the ANOA to the U.S. Coast Guard's National Vessel Movement Center. Any vessel under 300 gross registered tons is required to give the ANOA to the appropriate Captain of the Port.

### **Adventure**

Shipment of goods on shipper's own account. A bill of adventure is a document signed by the master of the ship that carries goods at owner's risk. Also, a term used in some insurance policies to mean a voyage or a shipment.

### **Advice of Shipment**

A notice sent to a local or foreign buyer advising that shipment has gone forward and containing details of packing, routing, etc. A copy of the invoice is often enclosed and, if desired, a copy of the bill of lading.

### **Advising Bank**

A bank operating in the seller's country that handles letters of credit on behalf of a foreign bank.

### **Aframax Tanker**

A vessel of 70,000 to 119,000 DWT capacity. The largest tanker size in the AFRA (average freight rate assessment) tanker rate system.

### **Affreightment, Contract of**

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.

### **Aft**

Movement toward the stern (back end) of a ship.

### **Agency Tariff**

A tariff published by an agent on behalf of several carriers.

### **Agent (Agt.)**

A person authorized to transact business for and in the name of another person or company.

Types of agents are:

- (1) brokers,
- (2) commission merchants,
- (3) resident buyers,
- (4) sales agents,
- (5) manufacturer's representatives.

**Aggregate Shipment**

Numerous shipments from different shippers to one consignee that are consolidated and treated as a single consignment.

**Agreed valuation**

The value of a shipment agreed upon in order to secure a specific freight rate.

**Agreed Weight**

The weight prescribed by agreement between carrier and shipper for goods shipped in certain packages or in a certain number.

**A.I.D.**

Agency for International Development.

**Air Waybill**

The forwarding agreement or carrying agreement between shipper and air carrier and is issued only in nonnegotiable form.

**All In**

The total price to move cargo from origin to destination, inclusive of all charges.

**Allision**

The striking by a moving vessel against a stationary object.

**Alongside**

A phrase referring to the side of a ship. Goods delivered “alongside” are to be placed on the dock or barge within reach of the transport ship’s tackle so that they can be loaded.

**Alternative Rates**

Privilege to use the rate producing the lowest charge.

**Ambient Temperature**

The temperature of a surrounding body. The ambient temperature of a container is the atmospheric temperature to which it is exposed,

**American Bureau of Shipping**

U.S. classification society which certifies seagoing vessels for compliance to standardized rules regarding construction and maintenance.

**AMS**

The U.S. Customs' "Automated Manifest System."

**Anti-Dumping Duty**

A tariff imposed to discourage sale of foreign goods, subsidized to sell at low prices detrimental to local manufacturers.

**Any Quantity (A.Q.)**

Usually refers to a rating that applies to an article regardless of size or quantity.

**Apparent Good Order**

When freight appears to be free of damage so far as a general survey can determine.

**Appraisement**

Determination of the dutiable value of imported merchandise by a Customs official who follows procedures outlined in their country's tariff, such as the U.S. Tariff Act of 1930.

**Appraiser's Stores**

The warehouse or public stores to which samples of imported goods are taken to be inspected, analyzed, weighed, etc. by examiners or appraisers.

**Arbitrary**

A stated amount over a fixed rate to one point to make a rate to another point.

**Arrival Notice**

A notification by carrier of ship's arrival to the consignee, the "Notify Party," and – when applicable – the "Also Notify Party." These parties in interest are listed in blocks 3, 4 and 10, respectively, of the Bill of Lading.

**ASC X12**

American Standards Committee X12 responsible for developing EDI standards for the United States.

**Assignment**

A term commonly used in connection with a bill of lading. It involves the transfer of rights, title and interest in order to assign goods by endorsing the bill of lading.

**Astern**

- Behind a vessel
- Move in a reverse direction.

**A.T.A.**

American Trucking Association.

**ATDNSHINC**

Any time Day or Night Sundays & Holidays Included. A chartering term referring to when a vessel will work.

**Athwartships**

A direction across the width of a vessel.

**Automated Identification System (AIS)**

It is a system used by ships and Vessel Traffic Service (VTS) principally for the identification and the locating of vessels. AIS provides a means for ships to electronically exchange ship data including: identification, position, course, and speed, with other nearby ships and VTS stations.

**Average**

*See Insurance.*

**Avoirdupois Pound**

Same as 0.4535924277 kilograms.

**AWWL**

Always within Institute Warranties Limits (Insurance purpose).



# B

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## **BB**

Abbreviation for:

- **Ballast Bonus:** Special payment above the Chartering price when the ship has to sail a long way on ballast to reach the loading port.
- **Bareboat:** Method of chartering of the ship leaving the charterer with almost all the responsibilities of the owner.

## **B/L**

Abbreviation for “Bill of Lading.”

## **Backhaul**

To haul a shipment back over part of a route it has traveled.

## **BAF**

Abbreviation for “Bunker Adjustment Factor.” Used to compensate steamship lines for fluctuating fuel costs. Sometimes called “Fuel Adjustment Factor” or FAF.

## **Balloon Freight**

Light, bulky articles.

## **Bank Guarantee**

Guarantee issued by a bank to a carrier to be used in lieu of lost or misplaced original negotiable bill of lading.

## **Barratry**

An act committed by the master or mariners of a vessel, for some unlawful or fraudulent purpose, contrary to their duty to the owners, whereby the latter sustain injury. It may include negligence, if so gross as to evidence fraud.

## **Barrel (BBL)**

A term of measure referring to 42 gallons of liquid at 600 degrees.

## **Base Rate**

A tariff term referring to ocean rate less accessorial charges, or simply the base tariff rate.

## **BCO**

Abbreviation for “Beneficial Cargo Owner.” Refers to the importer of record, who physically takes possession of cargo at destination and does not act as a third party in the movement of such goods.

## **Beam**

The width of a ship.

## **Belt Line**

A switching railroad operating within a commercial area.

## **Beneficiary**

- Entity to whom money is payable.
- The entity for whom a letter of credit is issued.
- The seller and the drawer of a draft.

## **Berth Terms**

Shipped under rate that includes cost from end of ship’s tackle at load port to end of ship’s tackle at discharge port.

## **Beyond**

Used with reference to charges assessed for cargo movement past a line-haul terminating point.

## **Bilateral**

A contract term meaning both parties agree to provide something for the other.

## **Bill of Exchange**

In the United States, commonly known as a “Draft.” However, bill of exchange is the correct term.

## **Bill of Lading (B/L)**

A document that establishes the terms of a contract between a shipper and a transportation company. It serves as a document of title, a contract of carriage and a receipt for goods.

- **Amended B/L:** B/L requiring updates that do not change financial status; this is slightly different from corrected B/L.
- **B/L Terms & Conditions:** the fine print on B/L; defines what the carrier can and cannot do, including the carrier’s liabilities and contractual agreements.
- **B/L’s Status:** represents whether the bill of lading has been input, rated, reconciled, printed, or released to the customer.

- **B/L's Type:** refers to the type of B/L being issued. Some examples are: a Memo (ME), Original (OBL), Non–negotiable, Corrected (CBL) or Amended (AM) B/L.
- **Canceled B/L:** B/L status; used to cancel a processed B/L; usually per shipper's request; different from voided B/L.
- **Clean B/L:** A B/L which bears no superimposed clause or notation which declares a defective condition of the goods and/or the packaging.
- **Combined B/L:** B/L that covers cargo moving over various transports.
- **Consolidated B/L:** B/L combined or consolidated from two or more B/L's.
- **Corrected B/L:** B/L requiring any update which results in money –or other financially related changes.
- **Domestic B/L:** Non–negotiable B/L primarily containing routing details; usually used by truckers and freight forwarders.
- **Duplicate B/L:** Another original Bill of Lading set if first set is lost. Also known as reissued B/L.
- **Express B/L:** Non–negotiable B/L where there are no paper copies printed of originals.
- **Freight B/L:** A contract of carriage between a shipper and forwarder (who is usually a NVOCC); a non–negotiable document.
- **Government B/L (GBL):** A bill of lading issued by the U.S. government.
- **Hitchment B/L:** B/L covering parts of a shipment which are loaded at more than one location. Hitchment B/L usually consists of two parts, hitchment and hitchment memo. The hitchment portion usually covers the majority of a divided shipment and carries the entire revenue.
- **House B/L:** B/L issued by a freight forwarder or consolidator covering a single shipment containing the names, addresses and specific description of the goods shipped.
- **Intermodal B/L:** B/L covering cargo moving via multimodal means. Also known as Combined Transport B/L, or Multimodal B/L.
- **Long Form B/L:** B/L form with all Terms & Conditions written on it. Most B/L's are short form which incorporate the long form clauses by reference.
- **Memo B/L:** Unfreighted B/L with no charges listed.
- **Military B/L:** B/L issued by the U.S. military; also known as GBL, or Form DD1252.

- **B/L Numbers:** U.S. Customs’ standardized B/L numbering format to facilitate electronic communications and to make each B/L number unique.
- **Negotiable B/L:** The B/L is a title document to the goods, issued “to the order of” a party, usually the shipper, whose endorsement is required to effect is negotiation. Thus, a shipper’s order (negotiable) B/L can be bought, sold, or traded while goods are in transit and is commonly used for letter-of-credit transactions. The buyer must submit the original B/L to the carrier in order to take possession of the goods.
- **Non-Negotiable B/L:** See Straight B/L. Sometimes means a file copy of a B/L.
- **“Onboard” B/L:** B/L validated at the time of loading to transport. Onboard Air, Box-car, Container, Rail, Truck and Vessel are the most common types.
- **Optional Discharge B/L:** B/L covering cargo with more than one discharge point option possibility.
- **“Order” B/L:** See Negotiable B/L.
- **Original B/L:** The part of the B/L set that has value, especially when negotiable; rest of set are only informational file copies. Abbreviated as OBL.
- **Received for Shipment B/L:** Validated at time cargo is received by ocean carrier to commence movement but before being validated as “Onboard”.
- **Reconciled B/L:** B/L set which has completed a prescribed number of edits between the shipper’s instructions and the actual shipment received. This produces a very accurate B/L.
- **Short Term B/L:** Opposite of Long Form B/L, a B/L without the Terms & Conditions written on it. Also known as a Short Form B/L. The terms are incorporated by reference to the long form B/L.
- **Split B/L:** One of two or more B/L’s which have been split from a single B/L.
- **Stale B/L:** A late B/L; in banking, a B/L which has passed the time deadline of the Letter of Credit (L/C) and is void.
- **Straight (Consignment) B/L:** Indicates the shipper will deliver the goods to the consignee. It does not convey title (non-negotiable). Most often used when the goods have been pre-paid.
- **“To Order” B/L:** See Negotiable B/L.
- **Unique B/L Identifier:** U.S. Customs’ standardization: four-alpha code unique to each carrier placed in front of nine digit B/L number; APL’s unique B/L Identifier is “APLU”. Sea-land uses “SEAU”. These prefixes are also used as the container identification.

- **Voided B/L:** Related to Consolidated B/L; those B/L's absorbed in the combining process. Different from Canceled B/L.

**Bill of Lading Port of Discharge**

Port where cargo is discharged from means of transport.

**Bill of Sale**

Confirms the transfer of ownership of certain goods to another person in return for money paid or loaned.

**Bill to Party**

Customer designated as party paying for services.

**Billed Weight**

The weight shown in a waybill and freight bill, i.e, the invoiced weight.

**BIMCO**

The Baltic and International Maritime Council, the world's largest private shipping organization.

**Blanket Bond**

A bond covering a group of persons, articles or properties.

**Blanket Rate**

- A rate applicable to or from a group of points.
- A special rate applicable to several different articles in a single shipment.

**Blanket Waybill**

A waybill covering two or more consignments of freight.

**Blind Shipment**

A B/L wherein the paying customer has contracted with the carrier that shipper or consignee information is not given.

**Block Stowage**

Stowing cargo destined for a specific location close together to avoid unnecessary cargo movement.

**Blocked Trains**

Railcars grouped in a train by destination so that segments (blocks) can be uncoupled and routed to different destinations as the train moves through various junctions. Eliminates the need to break up a train and sort individual railcars at each junction.

**Blocking or Bracing**

Wood or metal supports to keep shipments in place to prevent cargo shifting.  
*See also Dunnage.*

**Bls.**

Abbreviation for “Bales.”

**Board**

To gain access to a vessel.

**Board Feet**

The basic unit of measurement for lumber. One board foot is equal to a one-inch board, 12 inches wide and 1 foot long. Thus, a board 10 feet long, 12 inches wide, and 1 inch thick contains 10 board feet.

**Boat**

A relatively small, usually open craft/vessel a small, often open vessel for traveling on waterAn inland vessel of any size.

**Bobtail**

Movement of a tractor, without trailer, over the highway.

**Bogie**

A set of wheels built specifically as rear wheels under the container.

**Bolster**

A device fitted on a chassis or railcar to hold and secure the container.

**Bond Port**

Port of initial Customs entry of a vessel to any country. Also known as First Port of Call.

**Bonded Freight**

Freight moving under a bond to U.S. Customs or to the Internal Revenue Service, to be delivered only under stated conditions.

**Bonded Warehouse**

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

**Booking**

Arrangements with a carrier for the acceptance and carriage of freight; i.e., a space reservation.

**Booking Number**

Reservation number used to secure equipment and act as a control number prior to completion of a B/L.

**Bottom Side Rails**

Structural members on the longitudinal sides of the base of the container.

**Bottom–Air Delivery**

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

**Bow**

The front of a vessel.

**Boxcar**

A closed rail freight car.

**Break Bulk**

- To unload and distribute a portion or all of the contents of a rail car, container, trailer, or ship.
- Loose, non–containerized mark and count cargo.
- Packaged cargo that is not containerized.

**Bridge Point**

An inland location where cargo is received by the ocean carrier and then moved to a coastal port for loading.

**Bridge Port**

A port where cargo is received by the ocean carrier and stuffed into containers but then moved to another coastal port to be waded on a vessel.

**Broken Stowage**

- The loss of space caused by irregularity in the shape of packages.
- Any void or empty space in a vessel or container not occupied by cargo.

**Broker**

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

**Brokerage**

Freight forwarder/broker compensation as specified by ocean tariff or contract.

**Bulk Cargo**

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

**Bulk–Freight Container**

A container with a discharge hatch in the front wall; allows bulk commodities to be carried.

**Bulkhead**

A partition separating one part of a ship, freight car, aircraft or truck from another part.

**Bull Rings**

Cargo–securing devices mounted in the floor of containers; allow lashing and securing of cargo.

**Bunker Charge**

An extra charge sometimes added to steamship freight rates; justified by higher fuel costs. Also known as Fuel Adjustment Factor or FAF.

**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.

**Bureau Veritas**

A French classification society which certifies seagoing vessels for compliance to standardized rules regarding construction and maintenance.



# C

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## **C&F Terms of Sale, or INCOTERMS**

Obsolete, although heavily used, term of sale meaning “cargo and freight” whereby Seller pays for cost of goods and freight charges up to destination port. In July, 1990 the International Chamber of Commerce replaced C&F with CFR.

## **Cabotage**

Water transportation term applicable to shipments between ports of a nation; commonly refers to coastwise or intercoastal navigation or trade. Many nations, including the United States, have cabotage laws which require national flag vessels to provide domestic interport service.

## **CAF**

Abbreviation for “Currency Adjustment Factor.” A charge, expressed as a percentage of a base rate, that is applied to compensate ocean carriers of currency fluctuations.

## **Capesize Vessel**

A dry bulk vessel above 80,000dwt or whose beam precludes passage via the Panama Canal and thus forces them to pass around Cape Horn or the Cape of Good Hope.

## **Captain’s Protest**

A document prepared by the captain of a vessel on arriving at port; shows conditions encountered during voyage, generally for the purpose of relieving ship owner of any loss to cargo and shifting responsibility for reimbursement to the insurance company.

## **Car Pooling**

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

## **Car Seal**

Metal strip and lead fastener used for locking freight car or truck doors. Seals are numbered for record purposes.

## **Carfloat**

A barge equipped with tracks on which up to approximately 12 railroad cars are moved in harbors or inland waterways.

**Cargo**

Freight loaded into a ship.

**Cargo Manifest**

A manifest that lists all cargo carried on a specific vessel voyage.

**Cargo NOS**

Cargo Not Otherwise Specified. Usually the rate entry in a tariff that can apply to commodities not covered under a specific item or sub- item in the applicable tariff.

**Cargo Preference**

Cargo reserved by a Nation's laws for transportation only on vessels registered in that Nation. Typically the cargo is moving due to a direct or indirect support or activity of the Government.

**Cargo Tonnage**

Most ocean freight is billed on the basis of weight or measurement tons (W/M). Weight tons can be expressed in short tons of 2000 pounds, long tons of 2240 pounds or metric tons of 1000 kilos (2204.62 pounds). Measurement tons are usually expressed as cargo measurement of 40 cubic feet (1.12 meters) or cubic meters (35.3 cubic feet.)

**Carload Rate**

A rate applicable to a carload of goods.

**Carnet**

A customs document permitting the holder to temporarily carry or send merchandise into certain foreign countries (for display, demonstration or similar purposes) without paying duties or posting bonds. Any of various Customs documents required for crossing some international borders.

**Carrier**

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

**Carrier's Certificate**

A certificate required by U.S. Customs to release cargo properly to the correct party.

**Cartage**

Usually refers to intra-city hauling on drays or trucks. Same as drayage.

**Cartment**

Customs form permitting in-bond cargo to be moved from one location to another under Customs control, within the same Customs district. Usually in motor carrier's possession while draying cargo.

**Cash Against Documents (CAD)**

Method of payment for goods in which documents transferring title are given the buyer upon payment of cash to an intermediary acting for the seller, usually a commission house.

**Cash in Advance (CIA)**

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

**Cash With Order (CWO)**

A method of payment for goods in which cash is paid at the time of order and the transaction becomes binding on both buyer and seller.

**CBM (CM)**

Abbreviation for "Cubic Meter."

**CE**

Abbreviation for "Consumption Entry." The process of declaring the importation of foreign-made goods for use in the United States.

**Cells**

The construction system employed in container vessels; permits ship containers to be stowed in a vertical line with each container supporting the one above it

**Center of Gravity**

The point of equilibrium of the total weight of a containership, truck, train or a piece of cargo.

**Certificate of Inspection**

- A document certifying that merchandise (such as perishable goods) was in good condition immediately prior to its shipment.
- The document issued by the U.S. Coast Guard certifying an American
- Flag vessel's compliance with applicable laws and regulations.

**Certificate of Origin**

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

## **CFS**

Abbreviation for “Container Freight Station.” A shipping dock where cargo is loaded (“stuffed”) into or unloaded (“stripped”) from containers. Generally, this involves less than containerload shipments, although small shipments destined to same consignee are often consolidated. Container reloading from/to rail or motor carrier equipment is a typical activity. These facilities can be located in container yards, or off dock.

## **Charter Party**

A written contract between the owner of a vessel and the person desiring to employ the vessel (charterer); sets forth the terms of the arrangement, such as duration of agreement, freight rate and ports involved in the trip.

## **Chassis**

A frame with wheels and container locking devices in order to secure the container for movement.

## **Chock**

A piece of wood or other material placed at the side of cargo to prevent rolling or moving sideways.

## **CCC Mark**

A mark or label indicating the cargo conforms to standards required by China for certain products.

## **CE Mark**

A mark or label indicating the cargo conforms to standards required by the European Union for certain products.

## **CI**

Abbreviation for “Cost and Insurance.” A price that includes the cost of the goods, the marine insurance and all transportation charges except the ocean freight to the named point of destination.

## **CIF (Named Port)**

Abbreviation for “Cost, Insurance, Freight.” (Named Port) Same as C&F or CFR except seller also provides insurance to named destination.

## **CIF&C**

Price includes commission as well as CIF.

## **CIF&E**

Abbreviation for “Cost, Insurance, Freight and Exchange.”

**CIFCI**

Abbreviation for “Cost, Insurance, Freight, Collection and Interest.”

**CIFI&E**

Abbreviation for “Cost, Insurance, Freight, Interest and Exchange.”

**CKD**

Abbreviation for “Completely Knocked Down.” Parts and subassemblies being transported to an assembly plant.

**CL**

Abbreviation for “Carload” and “Containerload”.

**Claim**

A demand made upon a transportation line for payment on account of a loss sustained through its alleged negligence.

**Classification**

A publication, such as Uniform Freight Classification (railroad) or the National Motor Freight Classification (motor carrier), that assigns ratings to various articles and provides bill of lading descriptions and rules.

**Classification Rating**

The designation provided in a classification by which a class rate is determined.

**Classification Society**

An organization maintained for the surveying and classing of ships so that insurance underwriters and others may know the quality and condition of the vessels offered for insurance or employment.

*See also ABS, BV, DNV, LR and NK.*

**Classification Yard**

A railroad yard with many tracks used for assembling freight trains.

**Clayton Act**

An anti-trust act of the U.S. Congress making price discrimination unlawful.

### **Clean Bill of Lading**

A receipt for goods issued by a carrier with an indication that the goods were received in “apparent good order and condition,” without damage or other irregularities. If no notation or exception is made, the B/L is assumed to be “cleaned.”

### **Cleaning in Transit**

The stopping of articles, such as peanuts, etc., for cleaning at a point between the point of origin and destination.

### **Clearance Limits**

The size beyond which cars or loads cannot use bridges, tunnels, etc.

### **Cleat**

A strip of wood or metal used to afford additional strength, to prevent warping, or to hold in place.

### **Clip-On**

Refrigeration equipment attachable to an insulated container that does not have its own refrigeration unit.

### **CM**

Abbreviation for “Cubic Meter” (capital letters).

### **cm**

Abbreviation for “centimeter.”

### **Coastwise**

Water transportation along the coast.

### **COD**

Abbreviation for:

- Collect (cash) on Delivery.
- Carried on Docket (pricing).

### **COFC**

Abbreviation for the Railway Service “Container On Flat Car.”

## **COGSA**

Carriage of Goods by Sea Act. U.S. federal codification passed in 1936 which standardizes carrier's liability under carrier's bill of lading. U.S. enactment of The Hague Rules.

## **Collecting**

A bank that acts as an agent to the seller's bank (the presenting bank). The collecting bank assumes no responsibility for either the documents or the merchandise.

## **Collection**

A draft drawn on the buyer, usually accompanied by documents, with complete instructions concerning processing for payment or acceptance.

## **Combination Export Mgr.**

A firm that acts as an export sales agent for more than one non-competing manufacturer.

## **Combination Rate**

A rate made up of two or more factors, separately published.

## **Commercial Invoice**

Represents a complete record of the transaction between exporter and importer with regard to the goods sold. Also reports the content of the shipment and serves as the basis for all other documents relating to the shipment.

## **Commercial Transport Vessel**

Any ship which is used primarily in commerce

- (1) For transporting persons or goods to or from any harbor(s) or port(s) or between places within a harbor area;
- (2) In connection with the construction, change in construction, servicing, maintenance, repair, loading, unloading, movement, piloting, or salvaging of any other ship or vessel.

## **Commodity**

Article shipped. For dangerous and hazardous cargo, the correct commodity identification is critical.

## **Commodity Rate**

A rate published to apply to a specific article or articles.

## **Common Carrier**

A transportation company which provides service to the general public at published rates.

**Common Law**

Law that derives its force and authority from precedent, custom and usage rather than from statutes, particularly with reference to the laws of England and the United States.

**Company Security Officer**

Is the person designated by the company for ensuring that a ship security assessment is carried out and that a ship security plan is developed, submitted for approval and thereafter implemented and maintained for liaison with port facility security officers and the ship security officer.

**Compulsory Ship**

Any ship which is required to be equipped with radiotelecommunication equipment in order to comply with the radio or radio-navigation provisions of a treaty or statute to which the vessel is subject.

**Concealed Damage**

Damage that is not evident from viewing the unopened package.

**Conference**

An association of ship owners operating in the same trade route who operate under collective conditions and agree on tariff rates.

**Confirmed Letter of Credit**

A letter of credit, issued by a foreign bank, whose validity has been confirmed by a domestic bank. An exporter with a confirmed letter of credit is assured of payment even if the foreign buyer or the foreign bank defaults

**Confirming Bank**

The bank that adds its confirmation to another bank's (the issuing bank's) letter of credit and promises to pay the beneficiary upon presentation of documents specified in the letter of credit.

**Connecting Carrier**

A carrier which has a direct physical connection with, or forms a link between two or more carriers.

**Consignee**

A person or company to whom commodities are shipped.

**Consignee Mark**

A symbol placed on packages for identification purposes; generally a triangle, square, circle, etc. with letters and/or numbers and port of discharge.



**Consignment**

- (1) A stock of merchandise advanced to a dealer and located at his place of business, but with title remaining in the source of supply.
- (2) A shipment of goods to a consignee.

**Consignor**

A person or company shown on the bill of lading as the shipper.

**Connecting Carrier Agreement**

A connecting carrier agreement is a contract between the originating carrier and a second party, where the second party agrees to carry goods to a final destination on a through Bill of Lading.

**Consolidation**

Cargo containing shipments of two or more shippers or suppliers. Containerload shipments may be consolidated for one or more consignees, often in containerload quantities.

**Consolidator**

A person or firm performing a consolidation service for others. The consolidator takes advantage of lower full carload (FCL) rates, and passes on the savings to shippers.

**Construction Differential Subsidy**

A program whereby the U.S. government attempted to offset the higher shipbuilding cost in the U.S. by paying up to 50% of the difference between cost of U.S. and non-U.S. construction. The difference went to the U.S. shipyard. It is unfunded since 1982.

**Consul**

A government official residing in a foreign country who represents the interests of her or his country and its nationals.

**Consular Declaration**

A formal statement describing goods to be shipped; filed with and approved by the consul of the country of destination prior to shipment.

**Consular Invoice**

A document, certified by a consular official, is required by some countries to describe a shipment. Used by Customs of the foreign country, to verify the value, quantity and nature of the cargo.

**Consular Visa**

An official signature or seal affixed to certain documents by the consul of the country of destination.

**Consumption Entry (CE)**

The process of declaring the importation of foreign-made goods into the United States for use in the United States.

**Container**

A truck trailer body that can be detached from the chassis for loading into a vessel, a rail car or stacked in a container depot. Containers may be ventilated, insulated, refrigerated, flat rack, vehicle rack, open top, bulk liquid or equipped with interior devices. A container may be 20 feet, 40 feet, 45 feet, 48 feet or 53 feet in length, 8'0" or 8'6" in width, and 8'6" or 9'6" in height.

**Container Booking**

Arrangements with a steamship line to transport containerized cargo.

**Container Freight Station**

*See CFS.*

**Container Manifest**

Document showing contents and loading sequence, point of origin, and point of destination for a container. Vessels are required by law to carry such a document for each container carried.

**Container Pool**

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

**Container Security Initiative (CSI)**

A U.S. cargo security program whereby containerized cargoes destined for the United States may be inspected on a selective basis at many foreign ports before loading on a vessel. As of October 2007, there were 51 approved ports. A multinational program, aligned with the President's "Strategy for Homeland Security", that extends the United States' zone of security by pre-screening containers that pose a potential security risk before they leave foreign ports for U.S. seaports.

**Container Terminal**

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

**Container Yard (CY)**

A materials–handling/storage facility used for completely unitized loads in containers and/or empty containers. Commonly referred to as CY.

**Containerizable Cargo**

Cargo that will fit into a container and result in an economical shipment.

**Containerization**

Stowage of general or special cargoes in a container for transport in the various modes.

**Container Load**

A load sufficient in size to fill a container either by cubic measurement or by weight.

**Contraband**

Cargo that is prohibited.

**Contract**

A legally binding agreement between two or more persons/organizations to carry out reciprocal obligations or value.

**Contract Carrier**

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

**Controlled Atmosphere**

Sophisticated, computer–controlled systems that manage the mixtures of gases within a container throughout an intermodal journey reducing decay.

**Corner Posts**

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

**Correspondent Bank**

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

**Cost, Insurance and Freight (CIF)**

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

**Countervailing Duty**

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

**Cross Member**

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

**C-TPAT (Customs-Trade Partnership Against Terrorism)**

A voluntary supply chain security partnership established by U.S. Customs and Border Protection in November 2001. Meeting the C-TPAT standards allows cargo owners faster processing through customs formalities and inspections.

**Cu.**

An abbreviation for "Cubic." A unit of volume measurement.

**Cube Out**

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

**Cubic Foot**

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

**Customhouse**

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

**Customhouse Broker**

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

**Customs**

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

### **Customs Bonded Warehouse**

A warehouse authorized by Customs to receive duty-free merchandise.

### **Customs Entry**

All countries require that the importer make a declaration on incoming foreign goods. The importer then normally pays a duty on the imported merchandise. The importer's statement is compared against the carrier's vessel manifest to ensure that all foreign goods are properly declared.

### **Customs Invoice**

A form requiring all data in a commercial invoice along with a certificate of value and/or a certificate of origin. Required in a few countries (usually former British territories) and usually serves as a seller's commercial invoice.

### **Customs of the Port (COP)**

A phrase often included in charter parties and freight contracts referring to local rules and practices which may impact upon the costs borne by the various parties.

### **Customs-Trade Partnership Against Terrorism (C-TPAT)**

It is a voluntary supply chain security program, launched in November 2001 and led by U.S. Customs and Border Protection (CBP) which focuses on improving the security of private companies' supply chains with respect to terrorism. In exchange for companies participation CBP will provide reduced inspections at the port of arrival, expedited processing at the border and penalty mitigation.

### **Cut-Off Time**

The latest time cargo may be delivered to a terminal for loading to a scheduled train or ship.

### **Cwt.**

Hundred weight (United States, 100 pounds; U.K.,112)

### **CY**

Abbreviation for:

- Container Yard.
- The designation for full container receipt/delivery.

# D

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## **D&H**

Abbreviation for “Dangerous and Hazardous” cargo.

## **D.B.A.**

Abbreviation for “Doing Business As.” A legal term for conducting business under a registered name.

## **DDC**

Abbreviation for “Destination Delivery Charge.” A charge, based on container size, that is applied in many tariffs to cargo. This charge is considered accessorial and is added to the base ocean freight. This charge covers crane lifts off the vessel, drayage of the container within the terminal and gate fees at the terminal operation.

## **Deadhead**

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

## **Deadweight Cargo**

A long ton of cargo that can be stowed in less than 40 cubic feet.

## **Deadweight Tonnage (DWT)**

The number of tons of 2,240 pounds that a vessel can transport of cargo, stores and bunker fuel. It is the difference between the number of tons of water a vessel displaces “light” and the number of tons it displaces when submerged to the “load line.” An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.

## **Deconsolidation Point**

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

## **Deficit Weight**

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

## **Delivery Instructions**

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

## **DEMDES**

Demurrage/Despatch money. (Under vessel chartering terms, the amount to be paid if the ship is loading/discharging slower/faster than foreseen.)

## **Demurrage**

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

*See also Detention and Per Diem.*

## **Density**

The weight of cargo per cubic foot or other unit.

## **Depot, Container**

Container freight station or a designated area where empty containers can be picked up or dropped off.

## **Despatch**

An incentive payment paid by the vessel to the charterer for loading and unloading the cargo faster than agreed. Usually negotiated only in charter parties. Also called "dispatch."

## **Destination**

- The place to which a shipment is consigned.
- The place where carrier actually turns over cargo to consignee or his agent.

## **Destination Control Statements**

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

## **Det Norske Veritas**

A Norwegian classification society which certifies seagoing vessels for compliance to standardized rules regarding construction and maintenance.

**Detention**

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

*See Per Diem.*

**Devanning**

The unloading of a container or cargo van.

**DF Car**

Damage-Free Car. Boxcars equipped with special bracing material.

**Differential**

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

**Discrepancy Letter of Credit**

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

**Dispatch**

*See Despatch.*

**Displacement**

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

**Diversión**

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

**Division**

Carriers' practice of dividing revenue received from rates where joint hauls are involved. This is usually according to agreed formulae.



**Dock**

- For ships, a cargo handling area parallel to the shoreline where a vessel normally ties up.
- For land transportation, a loading or unloading platform at an industrial location or carrier terminal.

**Dock Receipt**

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

**Dockage**

Refers to the charge assessed against the vessel for berthing at the facility or for mooring to a vessel so berthed.

**Docket**

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

**Documents Against Acceptance (D/A)**

Instructions given by a shipper to a bank indicating that documents transferring title to goods should be delivered to the buyer only upon the buyer's acceptance of the attached draft.

**Documents Against Payment (D/P)**

An indication on a draft that the documents attached are to be released to the drawee only on payment.

**Dolly**

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

**Door-to-Door**

Through transportation of a container and its contents from consignor to consignee. Also known as House to House. Not necessarily a through rate.

**D.O.T.**

U.S. Department of Transportation. The executive branch department that coordinates and oversees transportation functions in the United States.

**Draft**

- The number of feet that the hull of a ship is beneath the surface of the water.
- An unconditional order in writing, addressed by one party (drawer) to another party (drawee), requiring the drawee to pay at a fixed or determinable future date a specified sum in lawful currency to the order of a specified person.

**Draft, Bank**

An order issued by a seller against a purchaser; directs payment, usually through an intermediary bank. Typical bank drafts are negotiable instruments and are similar in many ways to checks on checking accounts in a bank.

**Draft, Clean**

A draft to which no documents are attached.

**Draft, Date**

A draft that matures on a fixed date, regardless of the time of acceptance.

**Draft, Discounted**

A time draft under a letter of credit that has been accepted and purchased by a bank at a discount.

**Draft, Sight**

A draft payable on demand upon presentation.

**Draft, Time**

A draft that matures at a fixed or determinable time after presentation or acceptance.

**Drawback**

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

**Drawee**

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

**Drayage**

Charge made for local hauling by dray or truck. Same as Cartage.

**DRFS**

Abbreviation for “Destination Rail Freight Station.” Same as CFS at destination, except a DRFS is operated by the rail carrier participating in the shipment.

**DSU**

Delay in Startup Insurance is a policy to protect the seller of a construction project from penalties if the project is not completed on time. See “Liquidated Damages.”

**Dry Cargo**

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

**Dry–Bulk Container**

A container constructed to carry grain, powder and other free–flowing solids in bulk. Used in conjunction with a tilt chassis or platform.

**Dumping**

Attempting to import merchandise into a country at a price less than the fair market value, usually through subsidy by exporting country.

**Dunnage**

Any material or objects utilized to protect cargo. Examples of dunnage are blocks, boards, burlap and paper.

**Dutiable Value**

The amount on which an Ad Valorem or customs duty is calculated.

**DWT**

*See Deadweight Tonnage.*

# E

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## **E.C.M.C.A.**

Eastern Central Motor Carriers Association.

## **ECMC**

The U.S. Exporters Competitive Maritime Council. An association primarily of U.S. engineering, procurement and construction companies and their freight forwarders that was formed jointly by the Maritime Administration in 1997 to seek solutions to transportation problems and enhance the export of U.S. project cargoes.

## **Edge Protector**

An angle piece fitted over the edge of boxes, crates, bundles and other packages to prevent the pressure from metal bands or other types from cutting into the package.

## **EDI**

Abbreviation for “Electronic Data Interface.” Generic term for transmission of transactional data between computer systems. EDI is typically via a batched transmission, usually conforming to consistent standards.

## **EDIFACT**

International data interchange standards sponsored by the United Nations.  
*See UN/EDIFACT.*

## **Elevating**

- A charge for services performed in connection with floating elevators.
- Charges assessed for the handling of grain through grain elevators.

## **Elkins Act**

An act of Congress (1903) prohibiting rebates, concession, misbilling, etc. and providing specific penalties for such violations.

## **Embargo**

Order to restrict the hauling of freight.

## **Eminent Domain**

The sovereign power to take property for a necessary public use, with reasonable compensation.

**Empty Repo**

Contraction for Empty Repositioning. The movement of empty containers.

**Endorsement**

A legal signature usually placed on the reverse of a draft; signifies transfer of rights from the holder to another party.

**Entry**

Customs documents required to clear an import shipment for entry into the general commerce of a country.

**Equalization**

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

**Equipment Interchange Receipt (EIR)**

A document transferring a container from one carrier to another, or to/from a terminal.

**ETA, C, D, R, S**

- Estimated Time of Arrival, Completion, Departure, Readiness, or Sailing
- Estimated Time of Availability. That time when a tractor/partner carrier is available for dispatch.

**Ethylene**

A gas produced by many fruits and vegetables that accelerates the ripening and aging processes.

**E.W.I.B.**

Eastern Weighing and Inspection Bureau.

**“Ex Dec”**

Contraction for “Shipper’s Export Declaration.”

**Ex – “From”**

When used in pricing terms such as “Ex Factory” or “Ex Dock,” it signifies that the price quoted applies only at the point of origin indicated.

**Exception**

Notations made when the cargo is received at the carrier's terminal or loaded aboard a vessel. They show any irregularities in packaging or actual or suspected damage to the cargo. Exceptions are then noted on the bill of lading.

**EXIM Bank**

Abbreviation for Export–Import Bank of the United States. An independent U.S. Government Agency which facilitates exports of U.S. goods by providing loan guarantees and insurance for repayment of bank–provided export credit.

**Expiry Date**

Issued in connection with documents such as letters of credit, tariffs, etc. to advise that stated provisions will expire at a certain time.

**Export**

Shipment of goods to a foreign country.

**Export Declaration**

A government document declaring designated goods to be shipped out of the country. To be completed by the exporter and filed with the U.S. Government.

**Export License**

A government document which permits the “Licensee” to engage in the export of designated goods to certain destinations.

**Export Rate**

A rate published on traffic moving from an interior point to a port for transshipment to a foreign country.

**Ex-Works**

An Incoterm of sale meaning the seller delivers to the buyer at seller's named premises.

# F

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## **Factor**

A factor is an agent who will, at a discount (usually five to 8% of the gross), buy receivables.

## **FAK**

Abbreviation for “Freight All Kinds.” Usually refers to full container loads of mixed shipments.

## **False Billing**

Misrepresenting freight or weight on shipping documents.

## **FAS**

Abbreviation for “Free Alongside Ship.”

## **FCL**

Abbreviation for “Full Container Load.”

## **FD**

Abbreviation for “Free Discharge.”

## **F.D.A.**

Food and Drug Administration.

## **Feeder Service**

Cargo to/from regional ports are transferred to/from a central hub port for a long-haul ocean voyage.

## **Feeder Vessel**

A short-sea vessel which transfers cargo between a central “hub” port and smaller “spoke” ports.

## **FEU**

Abbreviation for “Forty-Foot Equivalent Units.” Refers to container size standard of 40 feet. Two 20-foot containers or TEU’s equal one FEU.

**Fifth Wheel**

The semi-circular steel coupling device mounted on a tractor which engages and locks with a chassis semi-trailer.

**FIO**

*See Free In and Out.*

**Firkin**

A capacity measurement equal to one-fourth of a barrel.

**Fixed Costs**

Costs that do not vary with the level of activity. Some fixed costs continue even if no cargo is carried. Terminal leases, rent and property taxes are fixed costs.

**Flat Car**

A rail car without a roof and walls.

**Flat Rack/Flat Bed Container**

A container with no sides and frame members at the front and rear. Container can be loaded from the sides and top.

**FMC (F.M.C.)**

Federal Maritime Commission. The U.S. Governmental regulatory body responsible for administering maritime affairs including the tariff system, freight forwarder licensing, enforcing the conditions of the Shipping Act and approving conference or other carrier agreements.

**FOB**

*See Free On Board. See also Terms of Sale, FOB.*

**FOR**

Abbreviation for "Free on Rail."

**Force Majeure**

The title of a common clause in contracts, exempting the parties for non-fulfillment of their obligations as a result of conditions beyond their control, such as earthquakes, floods or war.

**Fore and Aft**

The direction on a vessel parallel to the center line.



### **Foreign Sales Corporation**

Under U.S. tax law, a corporation created to obtain tax exemption on part of the earnings of U.S. products in foreign markets. Must be set-up as a foreign corporation with an office outside the USA.

### **FPPI**

Foreign Principal Party of Interest

The party to whom final delivery or end use of the exported goods will be made, usually the buyer.

### **Foreign Trade Zone**

A free port in a country divorced from Customs authority but under government control. Merchandise, except that which is prohibited, may be stored in the zone without being subject to import duty regulations.

### **Fork Lift**

A machine used to pick up and move goods loaded on pallets or skids.

### **Foul Bill of Lading**

A receipt for goods issued by a carrier with an indication that the goods were damaged when received. Compare Clean Bill of Lading.

### **Four-Way Pallet**

A pallet designed so that the forks of a fork lift truck can be inserted from all four sides. See Fork lift.

### **Forwarder Compensation**

*See Brokerage.*

### **F.P.A.**

*See Free of Particular Average.*

### **Free Alongside (FAS)**

The seller must deliver the goods to a pier and place them within reach of the ship's loading equipment. See Terms of Sale.

### **Free Astray**

An astray shipment (a lost shipment that is found) sent to its proper destination without additional charge.

### **Free Carrier (FCA)**

An Incoterm of sale meaning the seller has delivered when the cargo is given to the carrier nominated by the buyer at the named place.

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

Cost of loading and unloading a vessel is borne by the charterer/shipper.

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

A marine insurance term meaning that the assurer will not allow payment for partial loss or damage to cargo shipments except in certain circumstances, such as stranding, sinking, collision or fire.

### **Free on Board (FOB – U.S. Domestic Use)**

Shipped under a rate that includes costs of delivery to and the loading onto a carrier at a specified point.

- **FOB Freight Allowed:** The same as FOB named inland carrier, except the buyer pays the transportation charge and the seller reduces the invoice by a like amount.
- **FOB Freight Prepaid:** The same as FOB named inland carrier, except the seller pays the freight charges of the inland carrier.
- **FOB Named Point of Exportation:** Seller is responsible for the cost of placing the goods at a named point of exportation. Some European buyers use this form when they actually mean FOB vessel.
- **FOB Vessel:** Seller is responsible for goods and preparation of export documentation until actually placed aboard the vessel.

### **Free on Board (Int'l Use)**

*See Terms of Sale.*

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

Cost of unloading a vessel is borne by the charterer.

### **Free Port**

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

### **Free Sale Certificate**

The U.S. government does not issue certificates of free sale. However, the Food and Drug Administration, Silver Spring, Maryland, will issue, upon request, a letter of comment to the U.S. manufacturers whose products are subject to the Federal Food, Drug and Cosmetic Act or other acts administered by the agency. The letter can take the place of the certificate.

### **Free Time**

That amount of time that a carrier's equipment may be used without incurring additional charges. (See Storage, Demurrage or Per Diem.)

### **Free Trade Zone**

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

### **Freight**

Refers to either the cargo carried or the charges assessed for carriage of the cargo.

### **Freight Bill**

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

### **Freight Forwarder**

A person whose business is to act as an agent on behalf of the shipper. A freight forwarder frequently makes the booking reservation. In the United States, freight forwarders are now licensed by the FMC as "Ocean Intermediaries."

### **Freighters**

*See Ships.*

### **Full Shipload Lot**

The amount of cargo a vessel carries or is able to carry. Practically, it is the amount of cargo which induces the specific voyage. While the cargo lot may take up the majority of the vessel's space or tonnage capacity, it does not require a vessel's volume and weight capacity to be fully utilized.

### **Full and Down**

An expression to describe a loaded vessel carrying cargoes of such a volume and weight that it fills all the vessel's spaces and also brings her down to her tonnage loadline. A rare but optimum revenue condition for a vessel operator.

# G

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## **Gateway**

Industry-related: A point at which freight moving from one territory to another is interchanged between transportation lines.

## **GATT**

Abbreviation for “General Agreement on Tariffs and Trade.” A multilateral treaty to help reduce trade barriers between the signatory countries and to promote trade through tariff concessions. The World Trade Organization (WTO) superseded GATT in 1994.

## **GBL**

Abbreviation for “Government Bill of Lading.”

## **GDSM**

Abbreviation for “General Department Store Merchandise.” A classification of commodities that includes goods generally shipped by mass-merchandise companies. This commodity structure occurs only in service contracts.

## **General Order (G.O.)**

When U.S. Customs orders shipments without entries to be kept in their custody in a bonded warehouse.

## **Generator Set (Gen Set)**

A portable generator which can be attached to a refrigerated container to power the refrigeration unit during transit.

## **Global Maritime Intelligence Integration (GMII)**

It is within the Office of the Director of National Intelligence, with the mission to ensure government-wide access to maritime information and data critical to intelligence production and to serve as the focal point and oversight agent for maritime specific information issues.

## **Go-Down**

In the Far East, a warehouse where goods are stored and delivered.

**Gooseneck**

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

**GRI**

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

**Gross Tonnage (GT)**

Applies to vessels, not to cargo,  $(0.2+0.02 \log_{10} V)$  where V is the volume in cubic meters of all enclosed spaces on the vessel. Since 1994, it replaces “Gross Registered Tonnage.” An approximate conversion ratio is  $1NT = 1.7GT$  and  $1GT = 1.5DWT$ .

**Gross Weight**

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

**Groupage**

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

**GVW**

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

# H

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## **Hague Rules, The**

A multilateral maritime treaty adopted in 1921 (at The Hague, Netherlands). Standardizes liability of an international carrier under the Ocean B/L. Establishes a legal “floor” for B/L. See COGSA

## **Handymax Vessel**

A dry bulk vessel of 35,000 to 49,000dwt. (Note that a “Handy” drybulk carrier is from 10,000 to 34,000dwt.) A “Handymax Tanker” is a liquid bulk carrier of 10,000 to 60,000dwt.

## **Harbor**

Any place to which ships may resort for shelter, or to load or unload passengers or goods, or to obtain fuel, water, or supplies. This term applies to such places whether proclaimed public or not and whether natural or artificial.

## **Harbor Master**

An official responsible for construction, maintenance, operation, regulation, enforcement, administration and management pertaining to marinas, ports and harbors.

## **Harmonized System of Codes (HS)**

An international goods classification system for describing cargo in international trade under a single commodity–coding scheme. Developed under the auspices of the Customs Cooperations Council (CCC), an international Customs organization in Brussels, this code is a hierarchically structured product nomenclature containing approximately 5,000 headings and subheadings.

It is organized into 99 chapters arranged in 22 sections. Sections encompass an industry (e.g., Section XI, Textiles and Textile Articles); chapters encompass the various materials and products of the industry (e.g., Chapter 50, Silk; Chapter 55, Manmade Staple Fibers; Chapter 57, Carpets).

The basic code contains four–digit headings and six–digit subheadings. Many countries add digits for Customs tariff and statistical purposes. In the United States, duty rates will be the eight–digit level; statistical suffixes will be at the ten–digit level. The Harmonized System (HS) is the current U.S. tariff schedule (TSUSA) for imports and is the basis for the ten–digit Schedule B export code.

## **Hatch**

The opening in the deck of a vessel; gives access to the cargo hold.

## **HAZ MAT**

An industry abbreviation for “Hazardous Material.”

**Heavy–Lift Charge**

A charge made for lifting articles too heavy to be lifted by a ship's normal tackle.

**High–Density Compression**

Compression of a flat or standard bale of cotton to approximately 32 pounds per cubic foot. Usually applies to cotton exported or shipped coastwise.

**Hitchment**

The marrying of two or more portions of one shipment that originate at different locations, moving under one bill of lading, from one shipper to one consignee. Authority for this service must be granted by tariff publication. See Bill of Lading.

**Hopper Barge**

A barge which loads material dumped into it by a dredger and discharges the cargo through the bottom.

**House–to–House**

*See Door–to–Door.*

**House–to–Pier**

Cargo loaded into a container by the shipper under shipper's supervision. When the cargo is exported, it is unloaded at the foreign pier destination.

**Humping**

The process of connecting a moving rail car with a motionless rail car within a rail classification yard in order to make up a train. The cars move by gravity from an incline or "hump" onto the appropriate track.

# I

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## **I/A**

Abbreviation for “Independent Action.” The right of a conference member to publish a rate of tariff rule that departs from the Agreement’s common rate or rule.

## **ICC**

Abbreviation for:

- (1) “Interstate Commerce Commission”
- (2) “International Chamber of Commerce”

## **IE**

Stands for “Immediate Exit.” In the U.S., Customs IE Form is used when goods are brought into the U.S. and are to be immediately re-exported without being transported within the U.S.

## **I.M.C.O.**

International Maritime Consultative Organization. A forum in which most major maritime nations participate and through which recommendations for the carriage of dangerous goods, bulk commodities, and maritime regulations become internationally acceptable.

## **I.M.D.G. Code**

International Maritime Dangerous Goods Code. The regulations published by the IMO for transporting hazardous materials internationally.

## **Immediate Exportation**

An entry that allows foreign merchandise arriving at one port to be exported from the same port without the payment of duty.

## **Import**

To receive goods from a foreign country.

## **Import License**

A document required and issued by some national governments authorizing the importation of goods.

## **In Bond**

Cargo moving under Customs control where duty has not yet been paid.



**In Gate**

The transaction or interchange that occurs at the time a container is received by a rail terminal or water port from another carrier.

**In Transit**

In transit, or in passage.

**In-Transit Entry (I.T.)**

Allows foreign merchandise arriving at one port to be transported in bond to another port, where a superseding entry is filed.

**Incentive Rate**

A lower-than-usual tariff rate assessed because a shipper offers a greater volume than specified in the tariff. The incentive rate is assessed for that portion exceeding the normal volume.

**INCOTERMS**

The recognized abbreviation for the International Chamber of Commerce Terms of Sale. These terms were last amended, effective July 1, 1990.

**Indemnity Bond**

An agreement to hold a carrier harmless with regard to a liability.

**Independent Action**

Setting rate within a conference tariff that is different from the rate(s) for the same items established by other conference members.

**Independent Tariff**

Any body of rate tariffs that are not part of an agreement or conference system.

**Inducement**

Placing a port on a vessel's itinerary because the volume of cargo offered at that port justifies the cost of routing the vessel.

**Inherent Vice**

An insurance term referring to any defect or other characteristic of a product that could result in damage to the product without external cause (for example, instability in a chemical that could cause it to explode spontaneously). Insurance policies may exclude inherent vice losses.

**Inland Carrier**

A transportation line that hauls export or import traffic between ports and inland points.

**Inspection Certificate**

A certificate issued by an independent agent or firm attesting to the quality and/or quantity of the merchandise being shipped. Such a certificate is usually required in a letter of credit for commodity shipments.

**Installment Shipments**

Successive shipments are permitted under letters of credit. Usually they must take place within a given period of time.

**Insulated Container**

A container insulated on the walls, roof, floor, and doors, to reduce the effect of external temperatures on the cargo.

**Insulated Container Tank**

The frame of a container constructed to hold one or more thermally insulated tanks for liquids.

**Insurance with Average—clause**

This type of clause covers merchandise if the damage amounts to three percent or more of the insured value of the package or cargo. If the vessel burns, sinks, or collides, all losses are fully covered. In marine insurance, the word average describes partial damage or partial loss.

**Insurance, All—risk**

This type of insurance offers the shipper the broadest coverage available, covering against all losses that may occur in transit.

**Insurance, General—Average**

In water transportation, the deliberate sacrifice of cargo to make the vessel safe for the remaining cargo. Those sharing in the spared cargo proportionately cover the loss.

**Insurance, Particular Average**

A Marine insurance term which refers to partial loss on an individual shipment from one of the perils insured against, regardless of the balance of the cargo. Particular—average insurance can usually be obtained, but the loss must be in excess of a certain percentage of the insured value of the shipment, usually three to five percent, before a claim will be allowed by the company.

**Interchange Point**

A location where one carrier delivers freight to another carrier.

**Intercoastal**

Water service between two coasts; in the U.S., this usually refers to water service between the Atlantic and Pacific or Gulf Coasts.

**Interline Freight**

Freight moving from origin to destination over the Freight lines of two or more transportation carriers.

**Intermediate Point**

A point located en route between two other points.

**Intermodal**

Used to denote movements of cargo containers interchangeably between transport modes, i.e., motor, rail, water, and air carriers, and where the equipment is compatible within the multiple systems.

**International Ship and Port Security Code (ISPS)**

It is an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988) on minimum security arrangements for ships, ports and government agencies. Having come into force in 2004, it prescribes responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to “detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade.”

**In-Transit Entry (I.T.)**

Allows foreign merchandise arriving at one port to be transported in bond to another port, where a superseding entry is filed.

**Invoice**

An itemized list of goods shipped to a buyer, stating quantities, prices, shipping charges, etc.

**Inward Foreign Manifest (IFM)**

A complete listing of all cargo entering the country of discharge. Required at all world ports and is the primary source of cargo control, against which duty is assessed by the receiving country.

**IPI**

Abbreviation for “Inland Point Intermodal.” Refers to inland points (non-ports) that can be served by carriers on a through bill of lading.

**Irrevocable Letter of Credit**

Letter of credit in which the specified payment is guaranteed by the bank if all terms and conditions are met by the drawee and which cannot be revoked without joint agreement of both the buyer and the seller.

**I.S.O.**

International Standards Organization which deals in standards of all sorts, ranging from documentation to equipment packaging and labeling.

**Issuing Bank**

Bank that opens a straight or negotiable letter of credit and assumes the obligation to pay the bank or beneficiary if the documents presented are in accordance with the terms of the letter of credit.

**Issuing Carrier**

The carrier issuing transportation documents or publishing a tariff.

**I.T.**

Abbreviation for "Immediate Transport." The document (prepared by the carrier) allows shipment to proceed from the port of entry in the U.S. to Customs clearing at the destination. The shipment clears Customs at its final destination. Also called an "In-Transit" Entry.

# J

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## **Jacket**

A wood or fiber cover placed around such containers as cans and bottles.

## **Jacob's Ladder**

A rope ladder suspended from the side of a vessel and used for boarding.

## **Jettison**

Act of throwing cargo or equipment (jetsam) overboard when a ship is in danger.

## **JIT**

Abbreviation for "Just In Time." In this method of inventory control, warehousing is minimal or non-existent; the container is the movable warehouse and must arrive "just in time;" not too early nor too late.

## **Joint Rate**

A rate applicable from a point on one transportation line to a point on another line, made by agreement and published in a single tariff by all transportation lines over which the rate applies.

# K

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## **KT**

Kilo or metric ton. 1,000 Kilos or 2,204.6 pounds.

## **Kilogram**

1,000 grams or 2.2046 pounds.

## **King Pin**

A coupling pin centered on the front underside of a chassis; couples to the tractor.

## **Knocked Down (KD)**

Articles which are taken apart to reduce the cubic footage displaced or to make a better shipping unit and are to be re-assembled

## **Knot**

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

## **Known Loss**

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

# L

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## **L/C**

Abbreviation for “Letter of Credit.”

## **Laden**

Loaded aboard a vessel.

## **Lading**

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

## **Landbridge**

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

## **Landed Cost**

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

## **Lanemeter**

Primarily used to indicate the cargo capacity of a roll-on/roll-off car carrier. It is one meter of deck with a width of 2.5 to 3.0 meters.

## **Landing Certificate**

Certificate issued by consular officials of some importing countries at the point or place of export when the subject goods are exported under bond.

## **Landing Gear**

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

## **LASH**

A maritime industry abbreviation for “Lighter Aboard Ship.” A specially constructed vessel equipped with an overhead crane for lifting specially designed barges and stowing them into cellular slots in an athwartship position.

## LAYCAN

**Laydays/Cancelling (date):** Range of dates within the hire contract must start.

## LCL

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

## Less Than Truckload

Also known as LTL or LCL.

## Letter of Credit (LC)

A document, issued by a bank per instructions by a buyer of goods, authorizing the seller to draw a specified sum of money under specified terms, usually the receipt by the bank of certain documents within a given time. Some of the specific descriptions are:

- **Back-to-Back:** A new letter of credit issued to another beneficiary on the strength of a primary credit. The second L/C uses the first L/C as collateral for the bank. Used in a three-party transaction.
- **Clean:** A letter of credit that requires the beneficiary to present only a draft or a receipt for specified funds before receiving payment.
- **Confirmed:** An L/C guaranteed by both the issuing and advising banks of payment so long as seller’s documents are in order, and the L/C terms are met. Only applied to irrevocable L/C’s. The confirming bank assumes the credit risk of the issuing bank.
- **Deferred Payment:** A letter of credit issued for the purchase and financing of merchandise, similar to acceptance-type letter of credit, except that it requires presentation of sight drafts payable on an installment basis.
- **Irrevocable:** An instrument that, once established, cannot be modified or cancelled without the agreement of all parties concerned.
- **Non cumulative:** A revolving letter of credit that prohibits the amount not used during the specific period from being available afterwards.
- **Restricted:** A condition within the letter of credit which restricts its negotiation to a named bank.
- **Revocable:** An instrument that can be modified or cancelled at any moment without notice to and agreement of the beneficiary, but customarily includes a clause in the credit to the effect that any draft negotiated by a bank prior to the receipt of a notice of revocation or amendment will be honored by the issuing bank. Rarely used since there is no protection for the seller.



- **Revolving:** An irrevocable letter issued for a specific amount; renews itself for the same amount over a given period.
- **Straight:** A letter of credit that contains a limited engagement clause which states that the issuing bank promises to pay the beneficiary upon presentation of the required documents at its counters or the counters of the named bank.
- **Transferable:** A letter of credit that allows the beneficiary to transfer in whole or in part to another beneficiary any amount which, in aggregate, of such transfers does not exceed the amount of the credit. Used by middlemen.
- **Unconfirmed:** A letter of credit forwarded to the beneficiary by the advising bank without engagement on the part of the advising bank.

### **Letter of Indemnity**

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

### **Licenses**

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

### **Lien**

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

### **Lightening**

A vessel discharges part of its cargo at anchor into a lighter to reduce the vessel's draft so it can then get alongside a pier.

### **Lighter**

An open or covered barge towed by a tugboat and used mainly in harbors and inland waterways to carry cargo to/from alongside a vessel.

### **Lighterage**

Refers to carriage of goods by lighter and the charge assessed there from.

**Liner**

A vessel advertising sailings on a specified trade route on a regular basis. It is not necessary that every named port be called on every voyage.

**Line–Haul**

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

**List**

The amount in degrees that a vessel tilts from the vertical.

**Liter**

1.06 liquid U.S. quarts or 33.9 fluid ounces.

**Liquidated Damages**

The penalty a seller must pay if the construction project does not meet contractual standards or deadlines.

**Lloyds' Registry**

An organization maintained for the surveying and classing of ships so that insurance underwriters and others may know the quality and condition of the vessels offered for insurance or employment.

**LNG (Liquefied Natural Gas)**

Natural gas will liquefy at a temperature of approximately -259 F or -160 C at atmospheric pressure. One cubic foot of liquefied gas will expand to approximately 600 cubic feet of gas at atmospheric pressure.

**LNGC (LNG Carrier)**

An ocean-going ship specially constructed to carry LNG in tanks at 160 C. Current average carrying capacity of LNGs is 125,000 cubic metres. Many LNGCs presently under construction or on order are in the 210,000 – 215,000 cubic metre range.

**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.

*See also Plimsoll Mark.*

**Local Cargo**

Cargo delivered to/from the carrier where origin/destination of the cargo is in the local area.

**Long Ton**

2,240 pounds

**Longshoreman**

Individual employed in a port to load and unload ships.

**Loose**

Without packing.

**Low-Boy**

A trailer or semi-trailer with no sides and with the floor of the unit close to the ground.

# M

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## **Malpractice**

A carrier giving a customer illegal preference to attract cargo. This can take the form of a money refund (rebate); using lower figures than actual for the assessment of freight charges (undercubing); misdeclaration of the commodity shipped to allow the assessment of a lower tariff rate; waiving published tariff charges for demurrage, CFS handling or equalization; providing specialized equipment to a shipper to the detriment of other shippers, etc.

## **Mandamu**

A writ issued by a court; requires that specific things be done.

## **Manifest**

Document that lists in detail all the bills of lading issued by a carrier or its agent or master for a specific voyage. A detailed summary of the total cargo of a vessel. Used principally for Customs purposes.

## **Marine Insurance**

Broadly, insurance covering loss or damage of goods at sea. Marine insurance typically compensates the owner of merchandise for losses sustained from fire, shipwreck, etc., but excludes losses that can be recovered from the carrier.

## **Maritime**

Business pertaining to commerce or navigation transacted upon the sea or in seaports in such matters as the court of admiralty has jurisdiction.

## **Maritime Domain**

It is all areas and things of, on, under, relating to, adjacent to, or bordering on a sea, ocean, or other navigable waterway, including all maritime related activities, infrastructure, people, cargo, and vessels and other conveyances.

## **Maritime Domain Awareness (MDA)**

It is the effective understanding of anything associated with the global maritime domain that could impact the security, safety, economy, or environment of the United States.

## **Maritime Security and Safety Information System (MSSIS)**

It shares and displays vessel Automated Identification System (AIS) data real-time with multiple international users through a web-based, password-protected system.

**MarView**

It is an integrated, data-driven environment providing essential information to support the strategic requirements of the United States Marine Transportation System and its contribution to economic viability of the nation.

**Marking**

Letters, numbers, and other symbols placed on cargo packages to facilitate identification. Also known as marks.

**Marlinespike**

A pointed metal spike, used to separate strands of rope in splicing.

**Master Inbound**

U.S. Customs' automated program under AMS. It allows for electronic reporting of inbound (foreign) cargoes in the U.S.

**Mate's Receipt**

An archaic practice. An acknowledgement of cargo receipt signed by a mate of the vessel. The possessor of the mate's receipt is entitled to the bill of lading, in exchange for that receipt.

**MBM**

1,000 board feet. One MBM equals 2,265 C.M.

**MCFS**

Abbreviation for "Master Container Freight Station." See CFS.

**Measurement Cargo**

Freight on which transportation charges are calculated on the basis of volume measurement.

**Measurement Ton**

40 cubic feet.

**Mechanically Ventilated Container**

A container fitted with a means of forced air ventilation.

### **Megaports Initiative**

It is a National Nuclear Security Administration (NNSA) initiative, started in 2003. It teams up with other countries to enhance their ability to screen cargo at major international seaports. The Initiative provides radiation detection equipment and trains their personnel to specifically check for nuclear or other radioactive materials. In return, NNSA requires that data be shared on detections and seizures of nuclear or radiological material that resulted from the use of the equipment provided.

### **Memorandum Bill of Lading**

An in-house bill of lading. A duplicate copy.

### **Memorandum Freight Bill**

See Multiple Container load Shipment.

### **Meter**

39.37 inches (approximately).

### **Metric Ton**

2,204.6 pounds or 1,000 kilograms.

### **Microbridge**

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

### **Mile**

A unit equal to 5,280 feet on land. A nautical mile is 6076.115.

### **Mini Landbridge**

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

### **Minimum Bill of Lading**

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

### **Minimum Charge**

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

**Mixed Container Load**

A container load of different articles in a single consignment.

**MLB**

Abbreviation for “Mini Landbridge.”

**M.M.F.B.**

Middlewest Motor Freight Bureau.

**Modified Atmosphere**

A blend of gases tailored to replace the normal atmosphere within a container.

**MSA**

Maritime Security Act.

**MSP**

A U.S. Department of Transportation program that helps to assure sufficient sealift to support the United States Armed Forces and U.S. emergency sealift needs, using commercial ships.

**MT**

Abbreviation for “Metric Ton.”

**MTSA**

The Maritime Transportation Security Act of 2002, is designed to protect ports and waterways from terrorists attacks. The law is the U.S. equivalent of the International Ship and Port Facility Security Code (ISPS), and was fully implemented on July 1, 2004. It requires vessels and port facilities to conduct vulnerability assessments and develop security plans that may include passenger, vehicle, and baggage screening procedures; security patrols; establishing restricted areas; personnel identification procedures; access control measures; and/or installation of surveillance equipment.

**Multimodal**

Synonymous for all practical purposes with “Intermodal.”

**MultiTank Container**

A container frame fitted to accommodate two or more separate tanks for liquids.

# N

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## National Strategy for Maritime Security

In December 2004 the President directed the Secretaries of the Department of Defense and Homeland Security to lead the Federal effort to develop a comprehensive National Strategy for Maritime Security, to better integrate and synchronize the existing Department-level strategies and ensure their effective and efficient implementation. The strategy includes eight supporting plans to address the specific threats and challenges of the maritime environment and combined they present a comprehensive national effort to promote global economic stability and protect legitimate activities while preventing hostile or illegal acts within the maritime domain.

- **The National Plan to Achieve Maritime Domain Awareness** lays the foundation for an effective understanding of anything associated with the Maritime Domain and identifying threats as early and as distant from our shores as possible.
- **The Global Maritime Intelligence Integration Plan** uses existing capabilities to integrate all available intelligence regarding potential threats to U.S. interests in the Maritime Domain.
- **The Maritime Operational Threat Response Plan** facilitates coordinated U.S. government response to threats against the United States and its interests in the Maritime Domain by establishing roles and responsibilities, which enable the government to respond quickly and decisively.
- **The International Outreach and Coordination Strategy** provides a framework to coordinate all maritime security initiatives undertaken with foreign governments and international organizations, and solicits international support for enhanced maritime security.
- **Maritime Infrastructure Recovery Plan** recommends procedures and standards for the recovery of the maritime infrastructure following attack or similar disruption.
- **Maritime Transportation System Security Plan** responds to the President's call for recommendations to improve the national and international regulatory framework regarding the maritime domain.
- **Maritime Commerce Security Plan** establishes a comprehensive plan to secure the maritime supply chain.
- **The Domestic Outreach Plan** engages non-Federal input to assist with the development and implementation of maritime security policies resulting from National Security Presidential Directive 41/HSPD-13.



**Nautical Mile**

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

**Naval Cooperation and Guidance for Shipping (NCAGS)**

It is a naval organization with members who are trained to establish and provide advice for safe passage of merchant ships worldwide, during times of peace, tension, crisis and war. NCAGS personnel act as a liaison between military commanders and the civil authorities. During war, the NCAGS organization may be responsible for establishing a convoy.

**NCB**

National Cargo Bureau, established in 1952 as a non-profit marine surveying organization that inspects and surveys ships and cargoes incidental to loading and discharging. It issues certificates as evidence of compliance with the provisions of the Dangerous Cargo Act and the Rules and Regulations for Bulk Grain Cargo.

**N.C.I.T.D.**

National Committee on International Trade Documentation.

**NEC**

Abbreviation for “Not Elsewhere Classified.”

**Negotiable Instruments**

A document of title (such as a draft, promissory note, check, or bill of lading) transferable from one person to another in good faith for a consideration. Non-negotiable bills of lading are known as “straight consignment.” Negotiable bills are known as “order b/l’s.”

**NES**

Abbreviation for “Not Elsewhere Specified.”

**Nested**

Articles packed so that one rests partially or entirely within another, thereby reducing the cubic-foot displacement.

**Net Tare Weight**

The weight of an empty cargo-carrying piece of equipment plus any fixtures permanently attached.

## **Net Tonnage (NT)**

**The replacement, since 1994, for “Net Register Tonnage.”** Theoretically the cargo capacity of the ship. Sometimes used to charge fees or taxes on a vessel. The formula is  $(0.2 + 0.02 \log_{10}(V_c)) V_c (4d/3D)^2$ , for passenger ships the following formula is added:  $1.25 (GT + 10000) / 10000 (N_1 + (N_2/10))$ , where  $V_c$  is the volume of cargo holds,  $D$  is the distance between ship's bottom and the uppermost deck,  $d$  is the draught,  $N_1$  is the number of cabin passengers, and  $N_2$  is the number of deck passengers.) “Ton” is figured as a 100 cubic foot ton. An approximate conversion ratio is  $1NT = 1.7GT$  and  $1GT = 1.5DWT$ .

## **Net Weight**

Weight of the goods alone without any immediate wrappings, e.g., the weight of the contents of a tin can without the weight of the can.

## **Neutral Body**

An organization established by the members of an ocean conference acts as a self-policing force with broad authority to investigate tariff violations, including authority to scrutinize all documents kept by the carriers and their personnel. Violations are reported to the membership and significant penalties are assessed.

## **Nippon Kaiji Kyokai (NK)**

A Japanese classification society which certifies seagoing vessels for compliance to standardized rules regarding construction and maintenance.

## **N.M.F.C.**

National Motor Freight Classification.

## **NOI**

Abbreviation for “Not Otherwise Indexed.”

## **NOIBN**

Abbreviation for “Not Otherwise Indexed By Name.”

## **Nomenclature of the Customs Cooperation Council**

The Customs tariff used by most countries worldwide. It was formerly known as the Brussels Tariff Nomenclature and is the basis of the commodity coding system known as the Harmonized System.

## **Non-Dumping Certificate**

Required by some countries for protection against the dumping of certain types of merchandise or products.

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

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

**NOR**

Notice of Readiness (when the ship is ready to load.)

**NOS**

Abbreviation for “Not Otherwise Specified.”

**Nose**

Front of a container or trailer—opposite the tail.

**No-show**

Cargo which has been booked but does not arrive in time to be loaded before the vessel sails. See also “Windy Booking.”

**N.P.C.F.B.**

North Pacific Coast Freight Bureau.

**NRT – Net Register Tons see “Net Tonnage”**

Theoretically the cargo capacity of the ship. Sometimes used to charge fees or taxes on a vessel.

# O

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## **Ocean Bill of Lading (Ocean B/L)**

A contract for transportation between a shipper and a carrier. It also evidences receipt of the cargo by the carrier. A bill of lading shows ownership of the cargo and, if made negotiable, can be bought, sold or traded while the goods are in-transit.

## **OCP**

*See Overland Common Points.*

## **ODS**

Abbreviation for “Operating Differential Subsidy.” An amount of money the U.S. government paid U.S. shipping companies that qualify for this subsidy. The intent was to help offset the higher cost of operating a U.S.–flag vessel. The ODS program is administered by the U.S. Maritime Administration and is being phased out.

## **O.E.C.D.**

Office of Global Maritime Situational Awareness (OGMSA)

It is the United States initiative to establish a world–wide maritime information exchange that encompasses both public and private sector entities with maritime interests. The GMSA supports maritime domain awareness by making maritime related information available and searchable.

Organization of Economic Cooperation and Development, headquartered in Paris with membership consisting of the world’s developed nations.

## **On Board**

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

## **On Deck**

A notation on a bill of lading that the cargo has been stowed on the open deck of the ship.

## **Open Account**

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

## **Open Insurance Policy**

A marine insurance policy that applies to all shipments made by an exporter over a period of time rather than to one shipment only.

**Open Sea**

The water area of the open coast seaward of the ordinary low-water mark, or seaward of inland waters.

**Open Top Container**

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

**Operating Ratio**

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

**O.P.I.C.**

Overseas Private Investment Corporation, an agency of the U.S. government which helps U.S. businesses invest overseas.

**Optimum Cube**

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

**Order-Notify (O/N)**

A bill of lading term to provide surrender of the original bill of lading before freight is released; usually associated with a shipment covered under a letter of credit.

**ORFS**

Abbreviation for "Origin Rail Freight Station." Same as CFS at origin except an ORFS is operated by the rail carrier participating in the shipment.

**Origin**

Location where shipment begins its movement.

**Original Bill of Lading (OBL)**

A document which requires proper signatures for consummating carriage of contract. Must be marked as "original" by the issuing carrier.

**OS&D**

Abbreviation for "Over, Short or Damaged" Usually discovered at cargo unloading.

**Out Gate**

Transaction or interchange that occurs at the time a container leaves a rail or water terminal.

**Overcharge**

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

**Overheight Cargo**

Cargo more than eight feet high which thus cannot fit into a standard container.

**Overland Common Point (OCP)**

A term stated on the bills of lading offering lower shipping rates to importers east of the Rockies, provided merchandise from the Far East comes in through the West Coast ports. OCP rates were established by U.S. West Coast steamship companies in conjunction with western railroads so that cargo originating or destined for the American Midwest and East would be competitive with all-water rates via the U.S. Atlantic and Gulf ports. Applies to eastern Canada.

**Owner Code (SCAC)**

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

# P

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## **P&I**

Abbreviation for “Protection and Indemnity,” an insurance term.

## **Packing List**

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

## **PADAG**

Abbreviation for “Please Authorize Delivery Against Guarantee.” A request from the consignee to the shipper to allow the carrier or agent to release cargo against a guarantee, either bank or personal. Made when the consignee is unable to produce original bills of lading.

## **Paired Ports**

A U.S. Customs program wherein at least two designated Customs ports will enter cargo that arrives at either port without the necessity of an in-bound document.

## **Pallet**

A platform with or without sides, on which a number of packages or pieces may be loaded to facilitate handling by a lift truck.

## **Panamax Tanker**

A liquid cargo vessel of 50,000 to 70,000dwt.

## **Panamax Vessel**

The largest size vessel that can traverse the Panama Canal. Current maximum dimensions are: Length 294.1 meters (965 feet); width 32.3 meters (106 feet); draft 12.0 meters (39.5 feet) in tropical fresh water; height 57.91 meters (190 feet) above the water.

## **Paper Ramp**

A technical rail ramp, used for equalization of points not actually served.

## **Paper Rate**

A published rate that is never assessed because no freight moves under it.

**Parcel Receipt**

An arrangement whereby a steamship company, under rules and regulations established in the freight tariff of a given trade, accepts small packages at rates below the minimum bill of lading, and issues a parcel receipt instead of a bill of lading.

**Partial Shipments**

Under letters of credit, one or more shipments are allowed by the phrase “partial shipments permitted.”

**Particular Average**

*See Insurance, Particular Average.*

**Payee**

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

**Payer**

A party responsible for the payment as evidenced by the given instrument. Under letters of credit, the payer is the party on whom the draft is drawn, usually the drawee bank.

**Per Diem**

A charge, based on a fixed daily rate.

**Perils of the Sea**

Those causes of loss for which the carrier is not legally liable. The elemental risks of ocean transport.

**Phytosanitary Inspection Certificate**

A certificate issued by the U.S. Department of Agriculture to satisfy import regulations of foreign countries; indicates that a U.S. shipment has been inspected and found free from harmful pests and plant diseases.

**Pickup**

The act of calling for freight by truck at the consignor’s shipping platform.

**Pier**

The structure perpendicular to the shoreline to which a vessel is secured for the purpose of loading and unloading cargo.



**Pier-to-House**

A shipment loaded into a container at the pier or terminal, thence to the consignee's facility.

**Pier-to-Pier**

Containers loaded at port of loading and discharged at port of destination.

**Piggy Packer**

A mobile container-handling crane used to load/unload containers to/from railcars.

**Piggyback**

A transportation arrangement in which truck trailers with their loads are moved by train to a destination. Also known as Rail Pigs.

**Place of Delivery**

Place where cargo leaves the care and custody of carrier.

**Place of Receipt**

Location where cargo enters the care and custody of carrier.

**Plimsoll Mark**

A series of horizontal lines, corresponding to the seasons of the year and fresh or saltwater, painted on the outside of a ship marking the level which must remain above the surface of the water for the vessel's stability.

**POD**

Abbreviation for:

- Port of Discharge.
- Port of Destination.
- Proof of Delivery. A document required from the carrier or driver for proper payment.

**Point of Origin**

The place at which a shipment is received by a carrier from the shipper.

**POL**

Abbreviation for:

- Port of Loading.
- Petroleum, Oil, and Lubricants.

**Pomerene Act, Also known as (U.S.) Federal Bill of Lading Act of 1916.**

U.S. federal law enacting conditions by which a B/L may be issued. Penalties for issuing B/L's containing false data include monetary fines and/or imprisonment.

**Port**

- Harbor with piers or docks.
- Left side of a ship when facing forward.
- Opening in a ship's side for handling freight.

**Port of Call**

Port where a ship discharges or receives traffic.

**Port of Entry**

Port where cargo is unloaded and enters a country.

**Port of Exit**

Place where cargo is loaded and leaves a country.

**PPI**

Principal Party of Interest (see USPPPI and FPPI).

**Port Facility Security Officer**

Is the person designated as responsible for the development, implementation, revision and maintenance of the port facility security plan and for liaison with the ship security officers and company security officers.

**Port Facility Security Plan**

Is a plan developed to ensure the application of measures designed to protect persons on board, cargo, cargo transport units and ship's stores within the port facility from the risks of a security incident.

**Port Security**

It is the defense, law and treaty enforcement, and counterterrorism activities that fall within the port and maritime domain. It includes the protection of the seaports themselves, the protection and inspection of the cargo moving through the ports, and maritime security.

**Port Security Grant Program (PSGP)**

As a result of the Department of Homeland Security Appropriations Act of 2005, fiscal year grant funding is provided annually to the Nation's most at-risk seaports for physical security enhancements

to be used in the protection of critical port infrastructure from terrorism. PSGP funds help ports enhance their risk management capabilities, domain awareness, training and exercises, and capabilities to prevent, detect, respond to, and recover from attacks involving improvised explosive devices and other non-conventional weapons.

### **Pratique Certificate**

Lifts temporary quarantine of a vessel; granted pratique by Health Officer.

### **Pre-cooling**

A process employed in the shipment of citrus fruits and other perishable commodities. The fruit is packed and placed in a cold room from which the heat is gradually extracted. The boxes of fruit are packed in containers that have been thoroughly cooled and transported through to destination without opening the doors.

### **Prepaid (Ppd.)**

Freight charges paid by the consignor (shipper) prior to the release of the bills of lading by the carrier.

### **Product Tanker**

A liquid cargo vessel of 10,000 to 60,000dwt. Also referred to as a Handymax Tanker. Often built with many segregated cargo tanks and thus sometimes called a “drugstore tanker.”

### **Pro Forma**

A Latin term meaning “For the sake of form.”

### **Pro Forma Invoice**

An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and specifications (weight, size, etc.).

### **Pro Rata**

A Latin term meaning “In proportion.”

### **Project Rate**

Single tariff item, established to move multiple commodities needed for a specified project, usually construction.

### **Public Service Commission**

A name usually given to a State body having control or regulation of public utilities.

**Publishing Agent**

Person authorized by transportation lines to publish tariffs or rates, rules, and regulations for their account.

**Pulp Temperature**

Procedure where carrier tests the temperature of the internal flesh of refrigerated commodities to assure that the temperature at time of shipment conforms to prescribed temperature ranges.

**Pup**

A short semi-trailer used jointly with a dolly and another semi-trailer to create a twin trailer.

# Q

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## **Quarantine**

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

## **Quoin**

A wedge-shaped piece of timber used to secure barrels against movement.

## **Quota**

The quantity of goods that may be imported without restriction during a set period of time.

## **Quotation**

An offer to sell goods at a stated price and under stated terms.

## **Quay**

A structure attached to land to which a vessel is moored. See also Pier and Dock.

# R

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## **Rag Top**

A slang term for an open-top trailer or container with a tarpaulin cover.

## **Rail Division**

The amount of money an ocean carrier pays to the railroad for overland carriage.

## **Rail Grounding**

The time that the container was discharged (grounded) from the train.

## **Ramp**

Railroad terminal where containers are received or delivered and trains loaded or discharged. Originally, trailers moved onto the rearmost flatcar via a ramp and driven into position in a technique known as “circus loading.” Most modern rail facilities use lifting equipment to position containers onto the flatcars.

## **Ramp-to-Door**

A movement where the load initiates at an origin rail ramp and terminates at a consignee’s door.

## **Ramp-to-Ramp**

A movement of equipment from an origin rail ramp to a destination rail ramp only.

## **Rate Basis**

A formula of the specific factors or elements that control the making of a rate. A rate can be based on any number of factors (i.e., weight, measure, equipment type, package, box, etc.).

## **Reasonableness**

Under ICC and common law, the requirement that a rate not be higher than is necessary to reimburse the carrier for the actual cost of transporting the traffic and allow a fair profit.

## **Rebate**

An illegal form of discounting or refunding that has the net effect of lowering the tariff price. See also Malpractice.

**Reconsignment**

Changing the consignee or destination on a bill of lading while shipment is still in transit. Diversion has substantially the same meaning.

**Recourse**

A right claim against the guarantors of a loan or draft or bill of exchange.

**Red Label**

A label required on shipments of flammable articles.

**Reefer**

Refrigerated container.

**Related Points**

A group of points to which rates are made the same as or in relation to rates to other points in group.

**RFP**

Request for Proposal

**RFQ**

Request for quotation.

**Relay**

To transfer containers from one ship to another when both vessels are controlled by the same network (carrier) manager.

**Remittance**

Funds sent by one person to another as payment.

**Restricted Articles**

Articles handled only under certain conditions.

**Revenue Ton (RT)**

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

**Reverse IPI**

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

**“Ro/Ro”**

A shortening of the term, “Roll On/Roll Off.” A method of ocean cargo service using a vessel with ramps which allows wheeled vehicles to be loaded and discharged without cranes. Also refers to any specialized vessel designed to carry Ro/Ro cargo.

**Roll**

To re-book cargo to a later vessel.

**Rolling**

The side-to-side (athwartship) motion of a vessel.

**Route**

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

**Running Gear**

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

**RVNX**

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



# S

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## **Sanction**

An embargo imposed by a Government against another country.

## **SAFE Port Act**

Is the Security and Accountability For Every Port Act of 2006 which is an Act of Congress in the United States that covers port security.

## **S/D**

Abbreviation for:

- Sight draft.
- Sea damage.

## **SCAC Code**

*See Owner Code.*

## **Schedule B**

The Statistical Classification of Domestic and Foreign Commodities Exported from the United States.

## **Sea–Bee Vessels**

Ocean vessels constructed with heavy–duty submersible hydraulic lift or elevator system at the stern of the vessel. The Sea–Bee system facilitates forward transfer and positioning of barges. Sea–Bee barges are larger than LASH barges. The Sea–Bee system is no longer used.

## **Sea Waybill**

Document indicating the goods were loaded onboard when a document of title (b/L) is not needed. Typically used when a company is shipping goods to itself.

## **Seawaymax Vessel**

The largest vessel that can transit the locks of the St. Lawrence Seaway. Length is 226 meters (740 feet); Beam is 24 meters (78 feet); Draft is 7.92 meters (26 feet).

## **Seaworthiness**

The fitness of a vessel for its intended use.

## **Secure Freight Initiative (SFI)**

It is a key provision of the SAFE Port Act of 2006 and is part of the International Container Security scanning project. It builds on its current partnership between the Container Security Initiative and the Megaports Initiative. It expands the use of scanning and imaging equipment to examine more U.S. bound containers, not just those determined to be high risk.

## **Security Level 1**

Is the level for which minimum appropriate protective security measures shall be maintained at all times.

## **Security Level 2**

Is the level for which appropriate additional protective security measures shall be maintained for a period of time as a result of heightened risk of a security incident.

## **Security Level 3**

Is the level for which further specific protective security measures shall be maintained for a limited period of time when a security incident is probable or imminent, although it may not be possible to identify the specific target.

## **SED**

U.S. Commerce Department document, “Shipper’s Export Declaration.”

## **Service**

A string of vessels which makes a particular voyage and serves a particular market.

## **Service Contract**

As provided in the Shipping Act of 1984, a contract between a shipper (or a shippers association) and an ocean common carrier (or conference) in which the shipper makes a commitment to provide a certain minimum quantity of cargo or freight revenue over a fixed time period, and the ocean common carrier or conference commits to a certain rate or rate schedule as well as a defined service level (such as assured space, transit time, port rotation or similar service features). The contract may also specify provisions in the event of nonperformance on the part of either party.

## **SHEX**

Saturday and Holidays Excluded.

## **SHINC**

Saturday and Holidays Included.

## **Ship**

- (1) A vessel of considerable size for deep-water navigation.
- (2) A sailing vessel having three or more square-rigged masts.

## **Ship Chandler**

An individual or company selling equipment and supplies for ships.

## **Ship Demurrage**

A charge for delaying a steamer beyond a stipulated period.

## **Ship's Bells**

Measure time onboard ship. One bell sounds for each half hour. One bell means 12:30, two bells mean 1:00, three bells mean 1:30, and so on until 4:00 (eight bells). At 4:30 the cycle begins again with one bell.

## **Ship Load**

The amount of cargo a ship carries or is able to carry.

*See also "Full Shipload Lot" and "Full and Down."*

## **Ship's Manifest**

A statement listing the particulars of all shipments loaded for a specified voyage.

## **Shipment**

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

## **Ship Security Officer**

Is the person on board the vessel, accountable to the master, designated by the Company as responsible for the security of the ship, including implementation and maintenance of the ship security plan and for the liaison with the company security officer and the port facility security officers.

## **Ship Security Plan**

Is a plan developed to ensure the application of measures on board the ship and designed to protect persons on board, cargo, cargo transport units, ship's stores or the ship from the risks of a security incident.

## **Ship Types**

- **Barge Carriers:** Ships designed to carry barges; some are fitted to act as full container-ships and can carry a varying number of barges and containers at the same time. At present this class includes two types of vessels LASH and Sea-Bee.

- **Bulk Carriers:** All vessels designed to carry bulk homogeneous cargo without mark and count such as grain, fertilizers, ore, and oil.
- **Combination Passenger and Cargo Vessels:** Ships with a capacity for 13 or more passengers and any form of cargo or freight.
- **Freighters:** Breakbulk vessels both refrigerated and unrefrigerated, containerships, partial containerships, roll-on/roll-off vessels, and barge carriers. A general cargo vessel designed to carry heterogeneous mark and count cargoes.
- **Full Containerships:** Ships equipped with permanent container cells, with little or no space for other types of cargo.
- **General Cargo Carriers:** Breakbulk freighters, car carriers, cattle carriers, pallet carriers and timber carriers. A vessel designed to carry heterogeneous mark and count cargoes.
- **Partial Containerships:** Multipurpose containerships where one or more but not all compartments are fitted with permanent container cells. Remaining compartments are used for other types of cargo.
- **Roll-on/Roll-off vessels:** Ships specially designed to carry wheeled containers or trailers using interior ramps. Includes all forms of car and truck carriers.
- **Tankers:** Ships fitted with tanks to carry liquid bulk cargo such as crude petroleum and petroleum products, chemicals, Liquefied gasses (LNG and LPG), wine, molasses, and similar product tankers.

### Ship's Tackle

All rigging, cranes, etc., utilized on a ship to load or unload cargo.

### Shipper

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

### Shippers Association

A non-profit entity that represents the interests of a number of shippers. The main focus of shippers associations is to pool the cargo volumes of members to leverage the most favorable service contract rate levels.

### Shipper's Export Declaration – SED, “Ex Dec”

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

## Shipper's Instructions

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

## Shipper's Letter of Instructions for issuing an Air Waybill

The document required by the carrier or freight forwarders to obtain (besides the data needed) authorization to issue and sign the air waybill in the name of the shipper.

## Shipper's Load & Count (SL&C)

Shipments loaded and sealed by shippers and not checked or verified by the carriers.

## Shipping Act of 1916

The act of the U.S. Congress (1916) that created the U.S. Shipping Board to develop water transportation, operate the merchant ships owned by the government, and regulate the water carriers engaged in commerce under the flag of the United States. As of June 18, 1984, applies only to domestic offshore ocean transport.

## Shipping Act of 1984

Effective June 18, 1984, describes the law covering water transportation in the U.S. foreign trade.

## Shipping Act of 1998

Amends the Act of 1984 to provide for confidential service contracts and other items.

## Shipping Order

Shipper's instructions to carrier for forwarding goods; usually the triplicate copy of the bill of lading.

## Ships

- **Bulk Carriers:** All vessels designed to carry bulk homogeneous cargo without mark and count such as grain, fertilizers, ore, and oil.
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- **Roll-on/Roll-off vessels:** Ships specially designed to carry wheeled containers or trailers using interior ramps.
- **Tankers:** Ships fitted with tanks to carry liquid bulk cargo such as: crude petroleum and petroleum products, chemicals, Liquefied gasses (LNG and LPG), wine, molasses, and similar product tankers.

### **Shore**

A prop or support placed against or beneath anything to prevent sinking or sagging.

### **Short Sea Shipping – SSS (European-EU)**

Short Sea Shipping means the movement of cargo by sea between ports situated in geographical Europe or between those ports situated in non-European countries having a coastline on the enclosed seas bordering Europe (Baltic, Mediterranean and Black). It is a successful mode of transport in Europe.

### **Short Ton (ST)**

A weight unit of measure equal to 2,000 pounds.

### **Shrink Wrap**

Polyethylene or similar substance heat-treated and shrunk into an envelope around several units, thereby securing them as a single pack for presentation or to secure units on a pallet.

### **Side Loader**

A lift truck fitted with lifting attachments operating to one side for handling containers.

### **Side-Door Container**

A container fitted with a rear door and a minimum of one side door.

**Sight Draft**

A draft payable upon presentation to the drawee.

**SIGTTO**

Society of International Gas Transport and Terminal Operators, an industry organization promoting the exchange of safety information concerning the processing, transporting and handling of liquefied gases.

**Skids**

Battens, or a series of parallel runners, fitted beneath boxes or packages to raise them clear of the floor to permit easy access of forklift blades or other handling equipment.

**SL/W**

Shippers load and count. All three clauses are used as needed on the bill of lading to exclude the carrier from liability when the cargo is loaded by the shipper.

**Sleepers**

Loaded containers moving within the railroad system that are not clearly identified on any internally generated reports.

**Sling**

A wire or rope contrivance placed around cargo and used to load or discharge it to/from a vessel.

**Slip**

A vessel's berth between two piers.

**SPA**

Abbreviation for "Subject to Particular Average." See also Particular Average.

**Spine Car**

An articulated five-platform railcar. Used where height and weight restrictions limit the use of stack cars. It holds five 40-foot containers or combinations of 40- and 20-foot containers.

**Spotting**

Placing a container where required to be loaded or unloaded.

**Spreader**

A piece of equipment designed to lift containers by their corner castings.

**SSHEx**

Abbreviation for Saturdays, Sundays and Holidays Excepted. Refers to loading and discharging of cargo as agreed to in the charter party. This indicates when time does not count in the calculation of demurrage and despatch.

**Stability**

The force that holds a vessel upright or returns it to upright position if keeled over. Weight in the lower hold increases stability. A vessel is stiff if it has high stability, tender if it has low stability. In a ship, stability is indicated by several characteristics. Initial stability is measured by the metacentric height; also known as “GM.” If GM is low, the vessel makes long slow rolls, and is considered tender. When GM is too high, the vessel is considered stiff, and may return violently to the upright position when rolling, with possible damage to cargo and injury to passengers and crew. Other stability considerations include the vessel’s range of stability, maximum righting arm, and the angle of heel at which the maximum righting arm occurs.

**Stack Car**

An articulated five–platform rail car that allows containers to be double stacked. A typical stack car holds ten 40–foot equivalent units (FEU’s).

**Stacktrain**

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

**Standard Industrial Classification (SIC)**

A standard numerical code used by the U.S. Government to classify products and services.

**Standard International Trade Classification (SITC)**

A standard numeric code developed by the United Nations to classify commodities used in international trade, based on a hierarchy.

**Starboard**

The right side of a ship when facing the bow.

**Statute Of Limitation**

A law limiting the time in which claims or suits may be instituted.



**STCC**

Abbreviation for “Standard Transportation Commodity Code.”

**Steamship Conference**

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

**Steamship Guarantee**

An indemnity issued to the carrier by a bank; protects the carrier against any possible losses or damages arising from release of the merchandise to the receiving party. This instrument is usually issued when the bill of lading is lost or is not available.

**Stern**

The end of a vessel. Opposite of bow.

**Stevedore**

Individual or firm that employs longshoremen and who contracts to load or unload the ship.

**Store–Door Pick–up Delivery**

A complete package of pick up or delivery services performed by a carrier from origin to final consumption point.

**Stowage**

A marine term referring to loading freight into ships’ holds.

**STC**

Said to contain.

**Straddle Carrier**

Mobile truck equipment with the capacity for lifting a container within its own framework.

**Straight Bill of Lading**

A non–negotiable bill of lading which states a specific identity to whom the goods should be delivered. See Bill of Lading.

**Stripping**

Removing cargo from a container (devanning).

**Stuffing**

Putting cargo into a container.

**STW**

Said to weigh.

**Subrogate**

To put in place of another; i.e., when an insurance company pays a claim it is placed in the same position as the payee with regard to any rights against others.

**Suezmax Tanker**

A tanker of 120,000 to 199,000dwt.

**Surface Transportation Board (STB)**

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

**Sufferance Wharf**

A wharf licensed and attended by Customs authorities.

**Supply Chain**

A logistical management system which integrates the sequence of activities from delivery of raw materials to the manufacturer through to delivery of the finished product to the customer into measurable components. “Just in Time” is a typical value-added example of supply chain management.

**Surcharge**

An extra or additional charge

**Surtax**

An additional extra tax.

# T

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## **T.&E.**

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

## **Tail**

Rear of a container or trailer—opposite the front or nose.

## **Tare Weight**

In railcar or container shipments, the weight of the empty railcar or empty container.

## **Tariff (Trf.)**

A publication setting forth the charges, rates and rules of transportation companies.

## **Telex**

Used for sending messages to outside companies. Messages are transmitted via Western Union, ITT and RCA. Being replaced by fax and internet.

## **Temperature Recorder**

A device to record temperature in a container while cargo is en route.

## **Tender**

The offer of goods for transportation or the offer to place cars or containers for loading or unloading.

## **Tenor**

Time and date for payment of a draft.

## **Terminal**

An assigned area in which containers are prepared for loading into a vessel, train, truck, or airplane or are stacked immediately after discharge from the vessel, train, truck, or airplane.

## **Terminal Charge**

A charge made for a service performed in a carrier’s terminal area.

## Terms of Sale

The point at which sellers have fulfilled their obligations so the goods in a legal sense could be said to have been delivered to the buyer. They are shorthand expressions that set out the rights and obligations of each party when it comes to transporting the goods. Following, are the thirteen terms of sale in international trade as Terms of Sale reflected in the recent amendment to the International Chamber of Commerce Terms of Trade (INCOTERMS), effective July 1990: exw, fca, fas, fob, cfr, cif, cpt, cip, daf, des, deq, ddu and ddp.

- **EXW (Ex Works) (...Named Place):** A Term of Sale which means that the seller fulfills the obligation to deliver when he or she has made the goods available at his/her premises (i.e., works, factory, warehouse, etc.) to the buyer. In particular, the seller is not responsible for loading the goods in the vehicle provided by the buyer or for clearing the goods for export, unless otherwise agreed. The buyer bears all costs and risks involved in taking the goods from the seller's premises to the desired destination. This term thus represents the minimum obligation for the seller.
- **FCA (Free Carrier) (... Named Place):** A Term of Sale which means the seller fulfills their obligation when he or she has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, the seller may choose, within the place or range stipulated, where the carrier should take the goods into their charge.
- **FAS (Free Alongside Ship) (...Named Port of Shipment):** A Term of Sale which means the seller fulfills his obligation to deliver when the goods have been placed alongside the vessel on the quay or in lighters at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that moment.
- **FOB (Free On Board) (...Named Port of Shipment):** An International Term of Sale that means the seller fulfills his or her obligation to deliver when the goods have passed over the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks to loss of or damage to the goods from that point. The FOB term requires the seller to clear the goods for export. (Note: The U.S. Government sometimes uses a made-up term "FOB Destination" to require the seller to take responsibility for delivering the goods at destination rather than the correct Incoterm of DDP.)
- **CFR (Cost and Freight) (...Named Port of Destination):** A Term of Sale where the seller pays the costs and freight necessary to bring the goods to the named port of destination, Terms of Sale but the risk of loss of or damage to the goods, as (continued) well as any additional costs due to events occurring after the time the goods have been delivered on board the vessel, is transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. The CFR term requires the seller to clear the goods for export.

- **CIF (Cost, Insurance and Freight) (...Named Place of Destination):** A Term of Sale where the seller has the same obligations as under the CFR but also has to procure marine insurance against the buyer's risk of loss or damage to the goods during the carriage. The seller contracts for insurance and pays the insurance premium. The CIF term requires the seller to clear the goods for export.
- **CPT (Carriage Paid To) (...Named Place of Destination):** A Term of Sale which means the seller pays the freight for the carriage of the goods to the named destination. The risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time the goods have been delivered to the carrier, is transferred from the seller to the buyer when the goods have been delivered into the custody of the carrier. If subsequent carriers are used for the carriage to the agreed upon destination, the risk passes when the goods have been delivered to the first carrier. The CPT term requires the seller to clear the goods for export.
- **CIP (Carriage and Insurance Paid To) (...Named Place of Destination):** A Term of Sale which means the seller has the same obligations as under CPT, but with the addition that the seller has to procure cargo insurance against the buyer's risk of loss of or damage to the goods during the carriage. The seller contracts for insurance and pays the insurance premium. The buyer should note that under the CIP term the seller is required to obtain insurance only on minimum coverage. The CIP term requires the seller to clear the goods for export.
- **DAF (Delivered At Frontier) (...Named Place):** A Term of Sale which means the sellers fulfill their obligation to deliver when the goods have been made available, cleared for export, at the named point and placed at the frontier, but before the customs Terms of Sale border of the adjoining country.
- **DDU (Delivered Duty Unpaid) (...Named Port of Destination):** A Term of Sale where the seller fulfills his obligation to deliver when the goods have been made available at the named place in the country of importation. The seller has to bear the costs and risks involved in bringing the goods thereto (excluding duties, taxes and other official charges payable upon importation) as well as the costs and risks of carrying out customs formalities. The buyer has to pay any additional costs and to bear any risks caused by failure to clear the goods for in time.
- **DDP (Delivered Duty paid) (...Named Port of Destination):** "Delivered Duty Paid" means that the seller fulfills his obligation to deliver when the goods have been made available at the named place in the country of importation. The seller has to bear the risks and costs, including duties, taxes and other charges of delivering the goods thereto, clear for importation. While the EXW term represents the minimum obligation for the seller, DDP represents the maximum.
- **DES (Delivered Ex Ship) (...Named Port of Destination):** A Term of Sale where the seller fulfills his/her obligation to deliver when the goods have been made available to

the buyer on board the ship, uncleared for import at the named port of destination. The seller has to bear all the costs and risks involved in bringing the goods to the named port destination.

- **DEQ (Delivered Ex Quay, [Duty Paid]) (...Named Port of Destination):** A Term of Sale which means the DDU term has been fulfilled when the goods have been available to the buyer on the quay (wharf) at the named port of destination, cleared for importation. The seller has to bear all risks and costs including duties, taxes and other charges of delivering the goods thereto.

### **TBN**

To Be Nominated (when the name of a ship is still unknown).

### **TEU**

Abbreviation for “Twenty foot Equivalent Unit.”

### **Third Party Logistics (3PL)**

A company that provides logistics services to other companies for some or all of their logistics needs. It typically includes warehousing and transportation services. Most 3PL’s also have freight forwarding licenses.

### **Tonnage**

100 cubic feet.

### **Through Rate**

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

### **Throughput Charge**

The charge for moving a container through a container yard off or onto a ship.

### **Time Charter**

A contract for leasing between the ship owners and the lessee. It would state, e.g., the duration of the lease in years or voyages.

### **Time Draft**

A draft that matures either a certain number of days after acceptance or a certain number of days after the date of the draft.

**TIR**

Transport International par la Route.

Road transport operating agreement among European governments and the United States for the international movement of cargo by road. Display of the TIR carnet allows sealed containerloads to cross national frontiers without inspection.

**TL**

Abbreviation for “Trailer Load.”

**TOFC**

Abbreviation for “Trailer on Flat Car.” The movement of a highway trailer on a railroad flatcar. Also known as Piggyback.

**Ton–Mile**

- A unit used in comparing freight earnings or expenses. The amount earned from the cost of hauling a ton of freight one mile.
- The movement of a ton of freight one mile.

**Tonnage**

Generally refers to freight handled.

**Top–Air Delivery**

A type of air circulation in a container. In top air units, air is drawn from the bottom of the container, filtered through the evaporator for cooling and then forced through the ducted passages along the top of the container. This type of airflow requires a special loading pattern.

**Towage**

The charge made for towing a vessel.

**Tractor**

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

**Trade Acceptance**

A time or a date draft that has been accepted by the buyer (the drawee) for payment at maturity.

**Traffic**

Persons and property carried by transport lines.

**Trailer**

The truck unit into which freight is loaded as in tractor trailer combination. See Container.

**Tramp Line**

An ocean carrier company operating vessels not on regular runs or schedules. They call at any port where cargo may be available.

**Transport**

To move cargo from one place to another.

**Transportation & Exit (T&E)**

Allows foreign merchandise arriving at one port to be transported in bond through the U.S. to be exported from another port, without paying duty.

**Transportation Worker Identification Credential (TWIC)**

Established by Congress through the Maritime Transportation Security Act (MTSA) and is administered by the Transportation Security Administration (TSA) and U.S. Coast Guard. TWICs are tamper-resistant biometric credentials that will be issued to all credentialed merchant mariners and to workers who require unescorted access to secure areas of ports, vessels or outer continental shelf facilities.

**Transship**

To transfer goods from one transportation line to another, or from one ship to another.

**Transshipment Port**

Place where cargo is transferred to another carrier.

**Trust Receipt**

Release of merchandise by a bank to a buyer while the bank retains title to the merchandise. The goods are usually obtained for manufacturing or sales purposes. The buyer is obligated to maintain the goods (or the proceeds from their sales) distinct from the remainder of the assets and to hold them ready for repossession by the bank.

**Turnaround**

In water transportation, the time it takes between the arrival of a vessel and its departure.

**Twist Locks**

A set of four twistable bayonet type shear keys used as part of a spreader to pick up a container or as part of a chassis to secure the containers.



### **Two-Way Pallet**

A pallet so designed that the forks of a fork lift truck can be inserted from two sides only.

# U

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## **UCP**

Abbreviation for the “Uniform Customs and Practice for Documentary Credits,” published by the International Chamber of Commerce. This is the most frequently used standard for making payments in international trade; e.g., paying on a Letter of Credit. It is most frequently referred to by its shorthand title: UCP No. 500. This revised publication reflects recent changes in the transportation and banking industries, such as electronic transfer of funds.

## **UFC**

Abbreviation for “Uniform Freight Classification.”

## **ULCC**

Ultra Large Crude Carrier. A tanker in excess of 320,000dwt.

## **Ullage**

The space not filled with liquid in a drum or tank.

## **UN/EDIFACT**

United Nations EDI for Administration, Commerce and Transport. EDI Standards are developed and supported by the UN for electronic message (data) interchange on an international level.

## **Unclaimed Freight**

Freight that has not been called for or picked up by the consignee or owner.

## **Undercharge**

To charge less than the proper amount.

## **Underway**

A vessel is underway when it is not at anchor, made fast to the shore, or aground.

## **Uniform Customs and Practices for Documentary Credits (UCP)**

Rules for letters of credit drawn up by the Commission on Banking Technique and Practices of the International Chamber of Commerce in consultation with the banking associations of many countries. See Terms of Payment.

**Unit Load**

Packages loaded on a pallet, in a crate or any other way that enables them to be handled at one time as a unit.

**Unit Train**

A train of a specified number of railcars, perhaps 100, which remain as a unit for a designated destination or until a change in routing is made.

**Unitization**

- The consolidation of a quantity of individual items into one large shipping unit for easier handling.
- Loading one or more large items of cargo onto a single piece of equipment, such as a pallet.

**Unloading**

Removal of a shipment from a vessel.

**U.S. Consular Invoice**

A document required on merchandise imported into the United States.

**USPPI – United States Principal Party of Interest**

The party that receives the primary benefit from an export transaction, usually the seller of the goods.

# V

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## **Validated Export License**

A document issued by the U.S. government; authorizes the export of commodities for which written authorization is required by law.

## **Validation**

Authentication of B/L and when B/L becomes effective

## **Vanning**

A term for stowing cargo in a container.

## **Variable Cost**

Costs that vary directly with the level of activity within a short time. Examples include costs of moving cargo inland on trains or trucks, stevedoring in some ports, and short-term equipment leases. For business analysis, all costs are either defined as variable or fixed. For a business to break even, all fixed costs must be covered. To make a profit, all variable and fixed costs must be recovered plus some extra amount.

## **Ventilated Container**

A container designed with openings in the side and/or end walls to permit the ingress of outside air when the doors are closed.

## **Vessel Supplies for Immediate Exportation (VSIE)**

Allows equipment and supplies arriving at one port to be loaded on a vessel, aircraft, etc., for its exclusive use and to be exported from the same port.

## **Vessel Manifest**

The international carrier is obligated to make declarations of the ship's crew and contents at both the port of departure and arrival. The vessel manifest lists various details about each shipment by B/L number. Obviously, the B/L serves as the core source from which the manifest is created.

## **VISA**

Voluntary Intermodal Sealift Agreement. Provides the U.S. defense community with "assured access" to commercial intermodal capacity to move sustainment cargoes during time of war or national emergency. In return, during peacetime, the carriers receive preference in the carriage of DOD cargoes.

**Viz.**

Namely. Used in tariffs to specify commodities.

**VLCC**

Very Large Crude Carrier. A tanker of 200,000 to 319,000dwt. It can carry about 2 million barrels of crude oil.

**VLFO – Vessel Load Free Out**

The loading and discharge terms for the cargo to be shipped, as agreed to in the charter party. The vessel (carrier) pays for the loading of the cargo on board the ship and the receiver pays for the discharge of the cargo from the ship to the pier.

**Voluntary Ship**

Any ship which is not required by treaty or statute to be equipped with radiotelecommunication equipment.

# W

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## **War Risk**

Insurance coverage for loss of goods resulting from any act of war.

## **Warehouse**

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

## **Warehouse Entry**

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

## **Warehouse Withdrawal for Transportation Immediate Exportation (WDEX)**

Allows merchandise that has been withdrawn from a bonded warehouse at one U.S. port to be exported from the same port exported without paying duty.

## **Warehouse Withdrawal for Transportation (WDT)**

Allows merchandise that has been withdrawn from a bonded warehouse at one port to be transported in bond to another port, where a superseding entry will be filed.

## **Warehouse Withdrawal for Transportation Exportation (WDT&E)**

Allows merchandise that has been withdrawn from a bonded warehouse at one port to be transported in bond through the U.S. to be exported from another port, without paying duty.

## **Warehousing**

The storing of goods/cargo.

## **Waybill (WB)**

A document prepared by a transportation line at the point of a shipment; shows the point of the origin, destination, route, consignor, consignee, description of shipment and amount charged for the transportation service. It is forwarded with the shipment or sent by mail to the agent at the transfer point or waybill destination. Abbreviation is WB. Unlike a bill of lading, a waybill is NOT a document of title.

## **Weight Cargo**

A cargo on which the transportation charge is assessed on the basis of weight.

**Weights and Measures/Measurement ton:**

- 40 cubic ft or one cubic meter
- Net ton/short ton – 2,000 lbs
- Gross ton/long ton – 2,240 lbs
- Metric ton/kilo ton – 2,204.6 lbs
- Cubic meter – 35.314 cubic ft

**Well Car**

Also known as stack car. A drop–frame rail flat car.

**Wharf**

A structure built on the shore of a harbor extending into deep water so that vessels may lie alongside. See also Dock and Pier.

**Wharfage (Whfge.)**

Charge assessed by a pier or dock owner against freight handled over the pier or dock or against a steamship company using the pier or dock.

**WIBON**

Whether In Berth or Not.

**Windy Booking**

A freight booking made by a shipper or freight forwarder to reserve space but not actually having a specific cargo at the time the booking is made. Carriers often overbook a vessel by 10 to 20 percent in recognition that “windy booking” cargo will not actually ship.

**Without Recourse**

A phrase preceding the signature of a drawer or endorser of a negotiable instrument; signifies that the instrument is passed onto subsequent holders without any liability to the endorser in the event of nonpayment or nondelivery.

**W.M. (W/M)**

Abbreviation for “Weight or Measurement;” the basis for assessing freight charges. Also known as “worm.” 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. The prior English method was one long ton compared to forty cubic feet.

**WPA**

Abbreviation for “With Particular Average.”

**W.T.L.**

Western Truck Lines.

**WWD**

Weather Working Days.



# XYZ

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## **Yard**

A classification, storage or switching area.

## **York–Antwerp Rules of 1974**

Established the standard basis for adjusting general average and stated the rules for adjusting claims.

## **Zulu Time**

Time based on Greenwich Mean Time.



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