

Transportation Terms

File C3-06

Bill of lading - A document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods.

Common carrier - A carrier that offers its facilities to the public as being in the business of transporting goods and passengers for compensation.

- **NVOCC (Non-Vessel Operating Common Carrier)** - It is a person or company (often a forwarding agent) who does not own or operate the carrying ship but who contracts with a shipping line for the carriage of the goods of third parties to whom they normally issue a house bill of lading.

Backhaul - To haul a shipment or empty container or vessel back over part of a route previously traveled.

Container - A container is a box designed to enable goods to be sent from origination to destination without the contents being handled. Where bulk systems require grain to be handled directly three or four times or more during transportation, grain in a container is not handled until unloaded at its final destination. Container shipping is a way of preserving the identity of grain during transportation.

Containers can be sealed until delivery regardless of whether they are shipped by truck, rail, barge, ocean going vessel, or a combination of transportation methods. Grain quality can be maintained by using a container liner, bulk bags, or mini bags.

Containers can also be used as a means of storing specialty grains from production until delivery. Containers are the most feasible way of providing just-in-time service.

- **FEU (Forty-Foot Equivalent Unit)** - The unit of measurement equivalent to one 40-foot container. It is also used to quantify the container capacity of a ship, the number of containers carried on a particular voyage or over a period of time, or it may be the unit on which freight is based.
- **TEU (Twenty-Foot Equivalent Unit)** - A unit of measurement equivalent to one 20-foot container. It is also used to quantify the container capacity of a ship, the number of containers carried on a particular voyage over a period of time, or it may be the unit on which freight is based.

Contract carrier - A private carrier. A carrier that engages to transport goods or passengers on a particular instance, but that does not hold out its facilities to the general public.

Cargo preference - A policy that requires that a certain portion of commodities exported from the US be shipped in American vessels.

C&F (cost and freight) - Cost and freight paid to the destination (included in the price).

C.I.F. (cost, insurance, freight) - Cost, insurance, and freight paid to the destination (included in the price).

C.O.D. (cash on delivery) - Buyer pays the seller cash for the product when it is delivered to a specific destination.

Drayage - Charge made for local hauling by truck.

F.O.B. (free on board) - Usually covers all delivery, inspection, and elevation costs involved in putting commodities or products on board whatever shipment conveyance is being used.

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F.A.S. (free along side) - The seller covers all costs up to and including placing the commodity on a dock ready for loading.

Freight forwarder - Duties include the booking of space on a ship or airplane and providing all the necessary documentation and arranging customs clearance. A transportation company that pools their shipments to achieve lower freight rates. Savings are sometimes passed on to shippers.

JIT (Just-in-Time) - A method of inventory control where warehousing is minimal or non-existent. The product is received not too early or not too late but “just in time.”

OSRA (Ocean Shipping Reform Act of 1998) -

Enacted on May 1, 1999, the intent of the legislation is to help equalize competition among carriers and bring new flexibility for shippers in dealing with carriers.

Private carrier - A company that owns the goods that it ships.

Shipper's cooperative - A group of shippers who combine their shipments to achieve lower freight charges.

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