



Global Logistics & Transportation Solutions

Building a Global Infrastructure

By Michael Ford

About documents

Global Logistics & Transportation Solutions

- Language
- Number of copies
- Format
- Notarization / Consularization
- Specific requirements from Destination Country
- Who needs them?

International Documentation

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- Ocean / Air bill of lading
- Export Declaration
- Export License
- Commercial Invoices
- Certificate of Origin

Ocean / Air Bill of Lading

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- A contract of carriage between the shipper (noted on the document) and the carrier (company that issues the document).
- The document set forth the terms of shipment and designates the origin and destination.
- The document also contains shipment information (description of goods, weight, any special handling instructions).

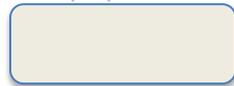
Ocean Bill of Lading

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- Liability: goods are covered by the Carriage of Goods By Sea Act 1936.
- Carrier is required to use due diligence is shipping goods (vessel is seaworthy) and is liable for negligence. Liability is minimum of \$500.00 per package.
- Shipper is liable for loss of goods resulting from Acts of God, Perils at Sea etc...
- General Average: specific to maritime shipments, all parties on board must pay to put back into working order when accident occurs.

BDP Transport Inc.

SHIPPER (Principal or Seller-licence and address)



B/L Number
1175537372

DATE OF ISSUE
02/02/14

EXPORT REFERENCES
281349
113168
BDP Ref: 1175537372

CONSIGNEE (Non-Negotiable unless consigned to order)

ALHAMRANI UNITED COMPANY
PO BOX 7103
JEDDAH 21462
SAUDI ARABIA

FORWARDING AGENT (References)

BDP INTERNATIONAL N.V.
BRADERIJSTRAAT 11
ANTWERP 2000
BELGIUM

POINT AND COUNTRY OF ORIGIN

NOTIFY PARTY/INTERMEDIATE CONSIGNEE (Name and address)

ALHAMRANI UNITED COMPANY
PO BOX 7103
JEDDAH 21462
SAUDI ARABIA
PHONE: 6635666 FAX: 6634094
E-MAIL: MAIQBAL@FUJHS.COM.SA

TO OBTAIN CARGO, PLEASE CONTACT:

KANOO FREIGHT FORWARDING
P.O. BOX 812, JEDDAH 21421
KINGDOM OF SAUDI ARABIA
TEL - 966 2 263 2939
FAX : 966 2 263 2878

NON-NEGOTIABLE

PLACE OF RECEIPT
ANTWERP

EXPORT CARRIER (Vessel, voyage & flag)
MSC ALTAMIRA IP405A

PORT OF LOADING
ANTWERP, BELGIUM

PORT OF DISCHARGE
JEDDAH, SAUDI ARABIA

PLACE OF DELIVERY BY
BDP TRANSPORT

MARKS AND NUMBERS	NO of PKGS	DESCRIPTION OF PACKAGES & GOODS PARTICULARS FURNISHED BY SHIPPERS	GROSS WEIGHT	MEASUREMENT
ALHAMRANI UNITED COMPANY JEDDAH 21462 SAUDI ARABIA CUST.PO# 113167		Number of Containers: 1 Said to contain: -particulars as per attached specification <hr/> 80 Packages - 15.240,960/13.440,000 KG ### Shipper Reference: 281349 83410809 83410810 ### Customer PO Number: 113168 ### BDP Reference: 1175537372/RZOURBAZE Shippers load, stow and count Non hazardous cargo according to the IMDG Code SHIPPED ON BOARD FREIGHT PREPAID Movement type : FCL/FCL		

Limitation on Carrier's Liability/Shipper's Act Release Option: The carrier shall in no event be or become liable for any loss of or damage to or in connection with the transportation of the Goods in an amount exceeding US \$200 per package or customary freight unit or Container as provided on the reverse side hereof, unless the nature and value of such goods have been declared by the Shipper before shipment and inserted below in this Bill of Lading and the Carrier's ad valorem freight charge paid. Such declaration of value shall not, however, be conclusive for the purposes of the determining the extent of the Carrier's liability. If the Shipper desires to have an additional amount of said US \$200 per package or customary freight unit or Container or any other applicable limitation, the Shipper must so stipulate such value in this Bill of Lading below and such additional limit will be assumed by the Carrier only upon payment of the Carrier's ad valorem freight charge.

Declared Cargo Value US \$ _____

FREIGHT RATES, CHARGES, WEIGHTS AND/OR MEASUREMENTS
SUBJECT TO CORRECTIONS.

Received by the Carrier the Goods, Packages or Containers said to be as specified above and in apparent good order and condition unless otherwise stated, to be transported to such place as provided herein and subject to all the terms and conditions appearing on the front and reverse side of the Bill of Lading to which the Shipper agrees by accepting this Bill of Lading. The description and particulars as to the Goods, Packages and Containers and the weight, measure, quantity, conditions, contents and value thereof as stated above are furnished by the Shipper, and Carrier shall have no responsibility or liability regarding such information. See Paragraph 11 on the reverse side of this Bill of Lading as to overweight Packages and Paragraph 11 as to Dangerous Goods.
 IN WITNESS WHEREOF, the original (2) original Bills of Lading have been signed if not otherwise stated above, one of which being accomplished, the others, if any, to be void, if signed by the Carrier, one (1) original Bill of Lading must be surrendered duly endorsed in exchange for the Goods or delivery order.

DATED AT 02/02/14 - ANTWERP

By BDP INTERNATIONAL NV AS AGENT FOR THE
CARRIER BDP TRANSPORT INC.

REV. 8/07

Attachment to BL 1175537372

Vessel : MSC ALTAMIRA Voyage No : IP405A
 Port of Loading : ANTWERP, BELGIUM
 Port of Discharge : JEDDAH, SAUDI ARABIA
 Place of Delivery :
 BDP Reference : 1175537372/RZOURBAZE

Marks and Nos	Number and kind of packages; description of goods	Gross/Net weight (kg) Measurement (cbm)
MEDU2667485 Seal: 104483	60 DRUMS LOADED ONTO 15 PALLETS SYNTON PAO 40 HS CODE : 3902909093 ORDER NO. 3110883 DELIVERY NO. 83410809	11.430,720/10.080,000 0,000
MEDU2667485 Seal: 104483	20 DRUMS LOADED ONTO 5 PALLETS SYNTON PAO 40 HS CODE : 3902909093 ORDER NO. 3110881 DELIVERY NO. 83410810	3.810,240/3.360,000 0,000
----- 80 Packages - 15.240,960/13.440,000 KG -----		

Cnt Nr	Seal	Cnt Type	Gross Weight	Net Weight	Measurement
MEDU2667485	104483	20' CONTAINER(S)	15.240,960	13.440,000	0,000



Air-Way bill of lading

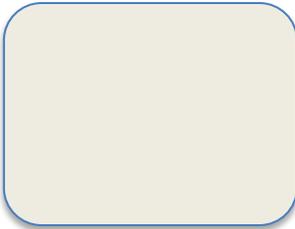
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- A non-negotiable document to cover the transport of cargo from airport to airport.
- Master Airway Bill – A shipper's contract of Carriage with an airline.
- House Airway Bill – a shipper's contract of carriage with a logistic firm, IAC. (Indirect Air Carrier)
- Contains flight information and operates under the IATA regulations (International Air Transportation Agreement)

Commercial Invoice

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- A document identifying the seller and buyer of goods with identifying numbers such as Invoice Number Date, terms of payment, terms of Sale, mode of transport.
- A complete listing (quantity) and description of goods , with listing of prices.
- A document used by Customs to determine the true value of goods for the assessment of duties, taxes and to keep track or control of Imports into the country.



Invoice

Document	Number	Date
Our Invoice	9004013497	05-Feb-2014
Our Order	4500349624	
Our Delivery	83447516	27-Feb-2014
Customer PO		
Customer Number	ISD730	

Bill-to Address	ICNL10	Ship-to Address	ISD730	Payment Instructions					
Chemtura Sales Europe B.V. Ankerweg 18 1041 AT Amsterdam NETHERLANDS VAT#: NL852134939B01		KISER HARRISS 2000 OAKS PKWY BELMONT, NORTH CAROLINA 28012 USA		Open Terms: The Royal Bank of Scotland Plc Account:587172754 Beneficiary:Chemtura Europe GmbH IBAN:NL32 RBOS 0587 1727 54 Swift/Bic:RBOSNL2A					
Payment Terms									
Net 30 Days For Payment Schedule & Amounts, please see end of invoice.									
Incoterms: Delivered at Place - Belmont,NC KH		Gross Weight: 25989.418 LB / 11788.8 KG							
Shipped From: VLS-Group Belgium NV (CH01), Antwerp, BE		Ship Date: 05-Feb-2014							
Item	Product Description	Order Qty	Ship Qty	Back Ord Qty	Unit	Price	Cur	Per Unit	Net Value

Invoice

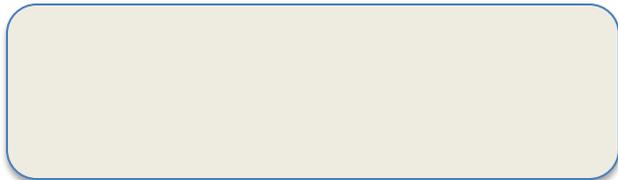
Document Number	Date
9004013497	05-Feb-2014

Item	Product Description	Order Qty	Ship Qty	Back Ord Qty	Unit	Price	Cur	Per Unit	Net Value
1	4001930 DIFLUBENZURON VC90/60 KG FIBRE BOARD DRUM	160	160	0	DR			INTERCOMPANY PRICE IS MISSING	
	Net Weight:	21,164.02 LB	/	9,600 KG					
	Commodity Code:	3808919090							
	Country of Origin:	Netherlands							
	Batch:	AM3L14G100		7	DR				
	Batch:	AM3L14G101		6	DR				
	Batch:	AM3M12G106		16	DR				
	Batch:	AM3M12G107		16	DR				
	Batch:	AM3M12G108		16	DR				
	Batch:	AM3M13G109		17	DR				
	Batch:	AM3M16G110		17	DR				
	Batch:	AM3M16G111		16	DR				
	Batch:	AM3M16G112		17	DR				
	Batch:	AM3M17G113		16	DR				
	Batch:	AM3M17G114		16	DR				
Items Total								Please make payment in currency EUR	
FI - BE - AR - Non EC Sales - Goods - 0%								0.00	
Total Value								0.00	
Exempt from VAT – article 39 of the Belgian VAT Code									
Payment Terms									
Net 30 Days - By 07-Mar-2014 you pay 0,00 EUR									
Chemtura Europe GmbH Bahnhofplatz 63 8500 Frödenfeld Switzerland									

Packing List

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- A document prepared by the shipper of the cargo that declares the piece count, type, shipping weight and other load factors of a particular shipment.
- This document is normally sent to the consignee in advance of receiving the cargo to advise them of the coming shipment.



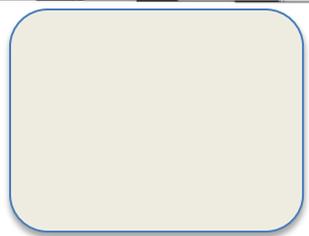
Delivery No. 83447516
Customer PO No.

Packing List

Ship-to Address	Sold-to Address	Information	
KISER HARRISS 2000 OAKS PKWY BELMONT, NORTH CAROLINA 28012 USA		Order no. 4500349624	Delivery Date 27-Feb-2014
		Total Net Weight 9,600.00 KG 21,164.02 LB	Total Gross Weight 11,788.80 KG 25,989.42 LB
		Carrier BDP INTERNATIONAL NV.	
		Container/Trailer/PRO .	

Item	Product Description	Order Qty	Ship Qty	B/O Qty	UoM	Net Weight	
1	4001930 DIFLUBENZURON VC90 / 60 KG FIBRE BOARD DRUM	160	160		DR	9,600.00 KG	21,164.02 LB
	Export Classification: EAR99 *See Export Control Instructions at the end of the document						
	Batch: AM3L14G100 7 DR						
	Batch: AM3L14G101 6 DR						
	Batch: AM3M12G106 16 DR						
	Batch: AM3M12G107 16 DR						
	Batch: AM3M12G108 16 DR						
	Batch: AM3M13G109 17 DR						
	Batch: AM3M16G110 17 DR						
	Batch: AM3M16G111 16 DR						
	Batch: AM3M16G112 17 DR						
	Batch: AM3M17G113 16 DR						
	Batch: AM3M17G114 16 DR						

Export Control:
The above listed products have been classified under the U.S. Export Administration Regulations (EAR) and/or the EU Council Regulation 428/2009 and may be restricted for export. Additionally, some products may be controlled under the U.S. International Traffic in Arms Regulations (ITAR) and/or the EU Common Military List and are restricted for export. These restricted products may not be exported or reexported without a license from the appropriate U.S. authority and/or the appropriate European authorities. Diversion contrary to U.S., EU or local laws is prohibited.



Certificate of Origin

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- A document used to attest the origin of the goods.
- Normally issued by the exporter of the goods.
- Used by Customs in the entry process.
- Often must be “attested” through an official organization inside of the country of shipment.
- May still be required even though the information is noted on the commercial Invoice.

Insurance Certificate

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- A document that indicates the type and amount of insurance coverage that is in force for a particular shipment.
- Normally coverage is assured to the consignee for theft loss or damage to the cargo.
- 110% of the invoice amount (minimum) warehouse to warehouse.

Certificate of Insurance

1 of 2

<h1 style="font-size: 2em; margin: 0;">RLI</h1>	Policy Number: CAR0100008	Certificate Number: 753319
	Issued Date: 7-Feb-2014	Shipment Date: 7-Feb-2014
<p>This certifies that the Assured is insured under and subject to the conditions of the Open Policy and in this Certificate.</p> <div style="border: 1px solid black; width: 150px; height: 30px; margin: 10px 0;"></div> <p>Loss payable at/to: Assured or order</p> <p><small>Upon surrender of this Certificate, which conveys the right of collecting any such loss as fully as if the property were covered by a special policy direct to the holder hereof, and free from any liability for unpaid premiums. This Certificate is subject to all the terms of the Open Policy, provided, however, that the right of a bona fide holder of this Certificate for value shall not be prejudiced by any terms of the Open Policy which are in conflict with the terms of this Certificate.</small></p>	Place of Issuance: Antwerp	Client Reference #: 3137309
	<p>RLI Insurance Company 9025 N. Lindbergh Drive, Peoria, IL 61615-1499</p>	
Conveyance: Hyundai Ambition Additional Carrier Information: VOY. 008W	Insured Value: 72514.64 USD SEVENTY TWO THOUSAND FIVE HUNDRED AND FOURTEEN AND 64/100 United States Dollars	
Place of Origin: Amsterdam Country of Origin: Netherlands Port of Loading: Rotterdam Country of Loading: Netherlands	Final Destination: Busan Destination Country: Korea, South Port of Discharge: Busan Country of Discharge: Korea, South	
Description of Goods: Lobase C-4506 Marks & Numbers: MOBIL KOREA LUBE OIL IN BUSAN ORDER NR. 130-2795/1312-69 STOCK 2216 GR. N. KG/BATCH NO. ORIGIN: THE NETHERLANDS Pieces and Weights: 80 DRUMS - 16400 KGS		

Average Terms and Conditions: Insured property while shipped on deck of an ocean vessel, subject to an ON DECK bill of lading is warranted Free from Particular Average unless caused by the vessel being stranded, sunk, or burnt, but notwithstanding this Warranty the Company is to pay any physical loss of or damage to the insured property which may reasonably be attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress, but including jettison and/or washing overboard. Except while subject to an ON DECK bill of lading, and unless otherwise indicated in this box. This insurance covers against "All Risks" of physical loss or damage from any external cause irrespective of percentage, but excluding nevertheless the risks of War, Strikes, Riots, Seizure, Detention and other risks excluded by the Nuclear/Radioactive Contamination Exclusions clause, the F.C. & S. (Free of Capture and Seizure) Warranty and the S.R.&C.C. (Strikes, Riots and Civil Commotions) Warranty of this policy, except to the extent that such risks are specifically covered by endorsement.

Including the risk of War, Strikes, Riots and Civil Commotions in accordance with American Institute Clauses current on date of issuance of this certificate.

CONDITIONS: This insurance, in addition to the foregoing, is also subject to the following American Institute Cargo Clauses, current on date of shipment:

Basic Perils	Packages Totally Lost	Landing, Warehousing & Forwarding	Labels	Partial Loss
Basic Exclusions	Brands & Trademarks	Warehouse to Warehouse	Indistinct	Bill of Lading, Etc
Both to Blame	Refused or Returned	Marine Extension Clauses	Machinery	
Craft, Etc.	General Average/Salvage	Consolidation/Deconsolidation	Explosion	
Deviation	Constructive Total Loss	Pollution Hazard/Deliberate Damage	Shore Perils	
Seaworthiness	South American Clause	Economic & Trade Sanctions	Sue & Labor	

PARAMOUNT WARRANTIES: The following warranties shall be paramount and shall not be modified or superseded by any other provision included herein or stamped or endorsed hereon unless such other provision refers specifically to the risk excluded by these warranties and expressly assumes the said risks.

F.C.&S. Warranty S.R.&C.C. Warranty Delay Warranty Nuclear/Radioactive Contamination Exclusion Warranty

SUBROGATION AND IMPAIRMENT OF RECOVERY: It is a condition of this insurance that upon payment of any loss the Company shall be subrogated to all rights and claims against third parties arising out of such loss. In case of any agreement or act or omission by the Assured, prior or subsequent hereto, whereby any right of recovery of the Assured for loss of or damage to any property insured hereunder, against any Carrier or Bailee, is released, impaired or lost, which would on acceptance of abandonment or payment of a loss by this Company have inured to its benefit but for such agreement or act of omission, this Company shall not be bound to pay any loss, but its right to retain or recover the premium shall not be affected.

SUIT: No suit or action for the recovery of any claim arising under this Certificate shall be maintainable in any Court unless such suit or action shall have been commenced within two years from the date of the happening of the loss out of which the said claim arose; provided, however, that if, by the laws of State within which this Certificate is issued such limitation is invalid, then any such claim shall be void unless action is commenced within the shortest limit of time permitted by the laws of such State.

RLI Insurance Company

M. Stone

Dated: 07 FEB 2014

Signed

This Certificate

Assured or Company.

COPY

VN 465008



Export Declaration

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- A document / information required by the country of exportation providing the particulars of a shipment that is being shipped from the country.
- In the US this procedure is known as Filing your AES (automated Export system) Record or EEI (electronic Export Information).

Documents

- Power of attorney
 - One of the most important documents that importers / exporters should enact
 - Authorizes a service provider to act on their behalf on matters of filing data to Government as well as signing documents and other specific details that is listed in the document
 - Limit the time ? Or forever until rescinded?

Exporting from the US

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- Automated Export System (AES) – filing your data electronically
 - Regulatory requirement to export from the US.
 - Used by the Government to compile Trade Statistics as well as an enforcement tool
 - Information contained on this document is held confidential by Census
 - Data is available on ACE portal for download and review

Helpful hints for documentation

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- Have the knowledge of what documents are required for Importing into a country!
- Provide complete instructions / direction in advance of the shipment so that your requirements can be met.
- Ensure that you receive a copy of all documents in advance of the shipment (electronically if possible)
- Double check the documentation that is received.
- Keep a copy of all documentation for record keeping purposes.

Helpful hints for documentation

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- Know your options if documentation is lost
- Know what documents you are responsible for and what documents your service provider creates
- Know your legal record keeping requirements (5-year history)
- Pre and post transaction documents need to be kept

Developing your skill sets

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- Create a “network” of companies to share information and discussion with.
- Create a resource network for learning's (i.e. US Commercial Services, WTC, SBDC)
- Understand “landed” costs for moving your goods.
- Review audit and analyze the movement of your goods to improve efficiency and effectiveness.

International Shipping Risks and Market Place Changes “Ship Happens”

International Shipping Risks

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- There are too many economic, security and political issues to take a compartmentalized approach to risk management
- each voyage of an ocean-going vessel is a joint venture of the ship owner and all the cargo owners.
- Centuries of tradition, trade practices, maritime and international commercial law affect the interests of the international trader.
- Collaboration and Cooperation is necessary amongst supply chain; manufacturers, suppliers, customers and 3rd parties

Bigger Vessels

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- Bigger, more fuel efficient vessels
 - Carrying more for less
 - Fewer port calls
- Need for bigger ports to match vessels
 - New infrastructure is needed
 - New technologies
- Necessary to stay profitable and relevant
- New source points

What can happen

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Growth of CONTAINER SHIPS

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Lost at Sea

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- Approx. 90% of worldwide cargo travel by sea
 - 183 million TEUS (twenty Foot Equivalent unit) are moved annually
 - 6.7 million are in transit at any one time
 - How many TEUS are lost annually?
 - Fall into the ocean

Risk for cargo at sea

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- Factors that impact the movement of cargo via ocean
 - Weather
 - High seas
 - Accidents
 - Incorrect stowage

Perils on a vessel

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- Fire-both direct and consequential damage whether from smoke or steam or efforts to extinguish a fire. Assailing thieves-forcible taking of a shipment rather than mysterious disappearance or pilferage.
- Jettison-voluntary dumping overboard of cargo.
- Barratry-fraudulent, criminal or wrongful act of the ship's captain or crew that causes loss or damage to the ship or cargo.
- All other like perils-perils of the same nature as those specifically mentioned above, but not "all risks" in the customary usage of the term.

Shipping Facts

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- If all the containers from an 11,000 TEU ship were loaded onto a train, it would need to be 44 miles or 77 kilometers long.
- In an average year, a large container ship travels three-quarters of the distance to the moon. That means in its lifetime it travels to the moon and back nearly ten times.
- A container of refrigerators can be moved from a factory in Malaysia to Los Angeles -- a journey of roughly 9,000 miles or 14,484 kilometers -- in just 16 days.
- The cost to transport a bicycle from Thailand to the UK in a container is about US\$10. The typical cost for shipping a DVD/CD player from Asia to Europe or the U.S. is roughly US\$1.50; a kilogram of coffee just fifteen cents, and a can of beer - a penny.

Lost at Sea ?

- Transport Club, which insures 15 of the top 20 container lines, has put the loss of over-side ocean containers at fewer than 2,000 a year.
- But other industry sources say the number may be as high as 10,000. That would still represent far less than 1% of the containers traversing the world's oceans.
- Maersk, one of the world's largest lines, says its highest annual loss in the last decade was 59 containers, although it lost about 520 cans from M/V Svendborg Maersk in the Bay of Biscay this month.
(2014)

Floating problems ?

- In recent years, several small vessels have reported damage after hitting semi-submerged containers.
- There is no requirement on shipping lines to report container losses to the International Maritime Organization or other international body
- so no one seems to know how many containers are lost at sea every year.
- Most containers won't float for long, especially in heavy seas. But one that is refrigerated may be buoyed by its insulation, and the use of polystyrene as packaging for goods also aids flotation.



The Transportation System

The Role of Transportation in Logistics

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- The physical link is the supply chain that connects buyers with sellers, sellers with their buyers. (inbound and outbound) as well as a companies physical networks.
- A decision factor in determining the efficiencies of a company's operating system.
- Can be one of the differential factors that can company can utilize to gain a competitive advantage.

Challenges of the Transportation system.

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- Selection of the right carrier to move your goods.
- Selection of carrier should fit the “Urgency” factor that may or may not exist.
- Selection of carrier costs versus the value added that the carrier offers.
- As a company develops new customers / suppliers in new markets they extend their supply chain, thereby places new requirements to the logistics team.
- Carrier selection should not be a repetitive purchase decision.

Selection Decision

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- Involves more than selecting the cheapest carrier, other costs of a company's supply chain should factor into the decision making.
 - Transit time - Longer time leads to increase in inventory levels.
 - Safety and dependability also effects the inventory levels

Basing transport costs upon the lowest prices does not guarantee the least-costs decision for the whole supply chain.

Carrier Selection

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- Transport costs
- Transit time
- Reliability
- Accessibility
- Capability
- Security / Safety
- Landed costs
- Inventory, marketing
- Transit time
- Physical needs
- Inventory



International Transportation Management

Transportation

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- Transportation costs represent 40 – 50 percent of a company total logistic costs and 4 to 10 percent of the product selling price.
- Transportation costs are kept in a company's logistic department and decisions made on who carries the goods effect other functional areas of the company as well as costs.

Transportation

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- Since the deregulation of the transportation industry, companies have developed skills to manage their transportations systems as well as their costs.
- The ability to negotiate for costs as well as service is key for success future of all firms (small – large).
- Companies can no longer look to rules and regulations to assist them in their transportation needs.

Definition

- A freight forwarder is an agent who handles export shipments for a fee. Freight forwarders play a very important role for exporters.
 - International documentation and packaging
 - Carrier and routing information
 - Export license assistance
 - Marine insurance rates and coverage
 - Warehouse and distribution services
 - Hazardous materials shipping compliance information

For shipments leaving the U.S., the freight Forwarder is the expeditor, interfacing with all the necessary government agencies and companies involved in getting the cargo to its foreign destination



Freight Forwarder Fundamental Roles

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- The freight forwarder ensures that your goods receive the priority it requires; your documentation is appropriately filed and your goods reach its destination in the specified time.
- The increasing specialization on transportation of goods and decimations operations means that the exporter of products would prefer to leave these formalities to the "freight forwarder" in order to concentrate on his own business.
- An efficient "freight forwarder" can offer advice, on the special requirements of different countries as well as to offer a number (sea, air, rail etc.) of quotations for a particular consignment being sent from point A to B.
- The "freight forwarder" role is often underestimated as one of the most important elements in shipping.

Freight Forwarder Roles in different countries

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- **USA**

In the U.S., a freight forwarder involved with international ocean shipping is licensed by the Federal Maritime Commission as an Ocean Transportation Intermediary. Similarly, freight forwarders that handle air freight will frequently be accredited with the International Air Transport Association (IATA) as a cargo agent.

- **EU**

In the EU, depending on the country, freight forwarders have to be licensed. Each EU country has its own Freight Forwarder's Association where the freight forwarder can register as a member. For Example, in the UK, freight forwarders can be members of the British International Freight Association (BIFA). Airfreight freight forwarders are accredited with IATA as a cargo agent.

Many Different Sizes and Styles

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- Freight Forwarders are many, with different levels of services and styles to exporters.
- Many Freight Forwarders are multi-national while many are local / regional service stations that address the local needs.
- The services that a Freight Forwarder differs today then what was required just 10 years ago

- A Freight Forwarder is placed into the transaction to manage the physical movements of goods
- To file the necessary paperwork / electronic filing to achieve “export clearance”
- Offer “value-added” services to exporters to assist them in the physical movement of goods
 - Keep in touch with industry trends
 - Offering solutions for freight management
 - Better understanding of freight options with proper costing structure

Regulations and Freight Forwarding

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- While most of the Transportation industry (ocean, air, truck) carriers have been significantly deregulated, ocean freight forwarding is still regulated by the Federal Maritime Commission under the body of the laws of the Shipping Act of 1984, the Foreign Shipping Practices Act of 1988 and title 46 of the Code of Federal Regulations



OTI – Ocean Transportation Intermediary

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- An Ocean Transportation Intermediary is either an ocean freight forwarder or a non-vessel operating common carrier (NVOCC).



Ocean Freight Forwarder

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- An ocean freight forwarder is an individual or company in the United States that dispatches shipments from the United States via common carriers and books or otherwise arranges space for those shipments on behalf of shippers.
- Ocean freight forwarders also prepare and process the documentation and perform related activities pertaining to those shipments

NVOCC – Non-vessel Ocean Common Carrier

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- An NVOCC is a common carrier that holds itself out to the public to provide ocean transportation,
- Issues its own house bills of lading or equivalent document, but does not operate the vessels by which ocean transportation is provided,
- Is a shipper in relation to the involved ocean common carrier.



In the US the Freight Forwarder is....

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- Licensed by the Federal Maritime Commission and must post a Bond
- Issued a FMC license and this number must be posted on all stationary items
- Issued one license per company
- Ocean Transportation Intermediary



NVOCC or Freight Forwarder- Choose

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- Ocean freight forwarders are required to obtain a license to provide services in the United States.
- U.S.-based NVOCCs are also required to be licensed.
 - NVOCCs that are not based in the U.S. are not required to be licensed, but may choose to obtain one if desired, as licensing results in lower financial responsibility levels

The Federal Maritime Commission (FMC)

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- Issues out the regulations that Freight Forwarders and NVOCC must follow when offering services
- Conducts investigations
- Issues and takes away forwarding licenses
- Issues civil penalties for violations of the law
- Issues awards to injured parties



According to Bureau of Industry and Security (Department of Commerce)

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- BIS states that the Export Administration Regulations (EAR) place legal responsibility on all persons who have information, authority, or functions relevant to carrying out export transactions subject to the EAR
- Forwarders have the same level of responsibility to the regulations even when their actions are dependent upon information or instructions given by those who use their services.



Be Aware

- A Freight Forwarder should be aware of, and understand the “Know Your Customer” Guidance and Red Flags found in Supplement No. 1 to Part 732 of the EAR, and we should engage in the process of deciding whether there are Red Flags, inquiring about them, and ensuring that suspicious circumstances are not ignored.
- This holds especially true, when they act as agents for a foreign entity (buyer). (routed orders)

The Export Administration Regulations states

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- That a Freight Forwarder may not proceed with any transaction if they have knowledge that a violation has occurred, is about to occur, or is intended to occur with this transaction.
- This action would be conceived as a criminal violation



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Building a Global Infrastructure

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