

GLOSSARY OF TERMS

Advanced Freight: Freight paid to the carrier by the shipper when merchandise is accepted for shipment. Not refundable, even if the vessel and/or cargo does not arrive at the intended port of discharge. Also referred to as Prepaid Freight.

Agency for International Development (AID): An agency with the Department of State which carries out U.S. programs of technical and economic assistance to less-developed countries. AID WDC denotes the Washington, D.C., offices and USAID denotes the AID offices located in foreign countries. KCCO supplies virtually all of the food-aid commodities utilized in programs under AID's jurisdiction.

Agents (Vessel): A company or individual who represents the owner of the vessel in the various ports of call for the vessel. These people are engaged in the routines connected with the arrival, working and departure of the ship.

Agricultural Trade Development and Assistance Act of 1954 (P.L. 480): Known as Public Law 480, it includes authorization for several forms of U.S. international food aid wherein food shipments are made available to populations in need through Title I, concessional sales (long-term, reduced-interest repayment schedules); and Title II, donations for humanitarian relief.

Affreightment: A contract which sets forth the obligations of both a shipper and a carrier concerning transportation of the merchandise. The most common forms of affreightment are Bills of Lading and Waybills.

Ballast: Any weight used to improve the stability of the vessel or to change the draft or trim of the vessel.

Bareboat Charter: A contract between the owner of a vessel and the charterer, whereby the owner transfers operational control of the vessel to the charterer. Also known as demise charter.

Beaufort Scale: A scale of wind speeds ranging from 0 (calm) to 12 (hurricane). The scale was named after Admiral Sir Francis Beaufort, who devised it in 1806.

Bill of Lading: A contract for the carriage of goods by a common carrier. It serves three purposes: (1) as a receipt for merchandise shipped, (2) as a contract of carriage which sets forth liability of shipper and carrier, and (3) as a negotiable document, in that interest in the merchandise described can be assigned to someone other than the original party of contract.

Bill of Lading Number: A unique number shown on a Bill of Lading by the carrier at the time merchandise is accepted for shipment.

Bond Shipments: Shipments on which duty is payable, but which are permitted to travel to inland destinations before customs inspection is made and duty is actually paid (see Customs Entry Form).

Booking Clerk: A senior member of the outward department who controls the space in a break-bulk cargo ship, allocating that space to individual shippers as they make their requests.

Break-Bulk: Cargo that is moved as individual packages. This type of operation does not unitize the cargo.

Bulker: Term used to describe a ship that carries goods (usually dry cargo) in bulk. A bulk carrier.

Bunching: The overlapping of ship schedules in a fleet operation caused by cumulative delays of the various ships in the fleet.

Bunkering: The act of taking fuel oil aboard a ship.

Carrier: The firm which transports merchandise from one point to another. May be a vessel owner/manager/operator, an airline, a truck operator or a railroad.

Cause of loss: A phrase used to identify the peril or action which caused losses or damage to merchandise. Sometimes used to describe resultant loss. For example, steel products may arrive rusted because of having been wetted during transit. The cause of loss may be identified as rust because the actual peril (rain, condensation, seawater or moisture) may not be determinable.

Certificate of Insurance: A document presented by the insurance company or assured as evidence to a third party that insurance is in effect. The assured may assign its rights under this negotiable document to a third party, usually the consignee, by endorsing the reverse of the certificate in the same manner as a personal check.

Charter Party: A contract between a shipowner and another party for the use of a vessel for one or more voyages or for a specific period of time. Terms of the Charter Party govern the rights and obligations of each party, and may not contain the same responsibilities that exist under other contracts of affreightment.

Checkers: Terminal labor hired by the day to inspect, count and measure cargo and to insert the appropriate data on the dock receipt.

Claimant: An individual filing a debt for loss or damage to merchandise.

Clean Bill of Lading: A Bill of Lading on which the carrier has not made any indication of any problems with the condition of the cargo at the time of acceptance for carriage.

COGSA: Carriage of Goods by Sea Act.

Collect Freight: Freight which is not payable to the carrier unless the merchandise arrives at the port of discharge named on the Bill of Lading.

Common Carrier: Any shipowner or other carrier who offers his vessel or other mode of transportation to the public in general for the purpose of transporting merchandise.

Consignee: The company or person ultimately receiving the cargo at the end of the trip.

Container: Metal, steel, aluminum or fiberglass reinforced plywood boxes in which merchandise is shipped. Usually 8, 20, 25, 35 or 40 feet in length and used to facilitate the movement of and afford additional protection to merchandise. Each container in use usually has a unique identifying number assigned to it.

Container Seal: A metal, steel, aluminum or plastic device affixed to the locking mechanism of a container door to deter unauthorized opening. Usually affixed by the party packing the container for shipment, each seal is numbered and may contain a code identifying the manufacturer and user. Container seal numbers should be shown on all the documents issued in conjunction with a shipment as well as the container number to which it is affixed. Parties taking delivery of a container should verify against their documents that the container number and seal number are correct. It is also important to be certain that the seal has not been tampered with. Exceptions should be noted if any discrepancies exist.

Contract Carrier: A carrier that operates as a private carrier hauling the goods of a single owner.

Cribs: Early cargo boxes which were developed from the standard wooden pallet and consisted of a base with lattice sides and a plywood top. The sides were collapsible for easier backhaul.

Contributory Value: The value of property saved as a result of General Average Act which forms the basis for determining each party's contribution in General Average.

Cooperating Sponsor: The foreign government, the U.S. Registered nonprofit voluntary agency, the American National Red Cross, or the intergovernmental organization which is directly responsible for the development, administration, and implementation of programs involving the use of the commodities and/or funds made available by CCC. The term also includes foreign nonprofit voluntary agencies registered with the Advisory Committee on Foreign Aid that are utilized due to the unavailability of a U.S. registered nonprofit voluntary agency to provide the assistance. Commodities furnished cooperating sponsors are donated under the authority of Title II of the Agricultural Act of 1954 (P.L. 480) or Section 416 of the Agricultural Act of 1949 and are used for a variety of reasons in foreign countries. The major use is to combat nutritional deficiencies.

Daily Cargo Report: The stevedore's report of cargo work on a ship completed during the preceding 24 hours. The report covers number of tins of cargo booked into the ship, tons of cargo

actually delivered by shippers during the day, tons loaded, tons still to be loaded, hatches worked, number of men engaged, actual time men were employed and commodities handled during the day.

Dead freight: The charge for the difference between the amount of cargo loaded and the amount of cargo booked (usually the ship's capacity), when the amount loaded was short through no fault of the vessel.

Deadweight Cargo: Cargo which stows in less than 40 cubic feet per weight ton.

Deadweight tonnage: The total weight that a ship can carry (total weight of cargo, fuel, water, stores and crew).

Delivery Receipt: A document used by carriers to signify delivery of the merchandise to the intended party. May be a copy of the Bill of Lading or Waybill.

Demurrage: (1) The penalty assessed against the voyage charterer for holding the ship in port beyond the period specified for working cargo. (2) The charge against liner cargo left in the transit shed after free time has expired.

Detention: Nonproductive time spent waiting to work cargo due to any cause beyond the stevedoring contractor's control. This detention time will be billed by the contractor.

Dispatch: A premium payment made for reducing the time a ship must spend in port loading or discharging cargo.

Dock Receipt: A form issued by a carrier or his representative as evidence that merchandise was in fact received by the carrier for shipment. Often referred to as a "Received for Shipment Bill of Lading."

Dunnage: The lumber used in stowing cargo aboard ship.

Door to Door: Refers to merchandise shipped in containers, trailers or vans from the original point of manufacture to the final destination. Also referred to as "House to House."

Endorsement in Blank: By endorsing the reverse of a Special Cargo Policy or a Certificate of Insurance, the assured may assign his rights to insurance. The firm name is typed or stamped on the document and it is signed by the individual authorized to execute the Special Cargo Policy. Order Bills of Lading are negotiated in the same manner.

Exceptions: Notations on a delivery receipt made by the person receiving the merchandise stating that the container or shipping package or merchandise was received in damaged condition or that total quantity was not received. Established evidence that the shipment was not sound or complete at time of delivery. If no exceptions are taken during the course of shipment, it may be difficult for a claimant to prove that a loss actually occurred prior to their receiving the merchandise.

Export: As it applies to KCCO, the process of positioning agricultural products, both bulk and processed, at a location ready for shipment abroad. The actual exportation is arranged by other USDA agencies, relief organizations, or foreign governments.

Federal Grain Inspection Service (FGIS): An agency within USDA responsible for monitoring the inspection of grain and certain processed products made from grain. They are charged with regulating the weighing and inspection of grain and promoting the uniform application of the United States Grain Standards Act. Most KCCO grain programs, including settlement with warehousemen, are dependent upon FGIS grading.

Feeder Vessels: Small, local vessels that transport cargo from outports within the hinterland to larger collection ports (load centers) where the cargo is transshipped to larger vessels for transportation to distant destinations.

Filing a debt: The formal action taken against the party causing a loss by the party suffering a loss. Also, formal presentation to an insurance company of a debt under an insurance policy.

Fixture: Refers to confirmed and signed charter party.

Food For Peace: An umbrella title for several programs involving the U.S. foreign food activities carried out under Public Law 480, Title I and Title II. Agricultural commodities are donated on behalf of the People of the U.S. or made available on a concessionary sales basis to meet famine, other urgent or extraordinary relief requirements, or economic development needs.

Food Security Wheat Reserve (FSWR): A reserve of wheat established by legislation to ensure supply of wheat to certain targeted “developing” nations. The maximum established reserve is approximately 147,000,000 bushels and is currently being utilized to satisfy program needs and being sold.

Free Time: The number of days after the ship completes discharge during which the consignee may take delivery of his or her goods.

Free Alongside Ship (f.a.s.): This term once meant, literally, cargo placed alongside the ship within reach of the ship’s tackle. It has evolved to mean the point where the ocean carrier assumes custody and control of the product in a port area with all further charges for movement of the product being paid by the ocean carrier.

Freeboard: The vertical distance from the water line to the top of the weather deck of a vessel.

Free Time: The number of days after the ship completes discharge during which the consignee may take delivery of his or her goods.

Freight Agent: Generally works under the freight traffic manager, directs the sales staff and handles departmental administration of the freight traffic department.

Freight Forwarder: Firm specializing in arranging transport of merchandise and completing documentation required for the orderly transport of merchandise. Occasionally, they will take merchandise for the purpose of packing or consolidating with other cargo for export to the same country.

Freight Rates: The prices (or rates) charged for the services of water carriers.

Full and Down: A vessel loaded in such a way that all cubic space is filled and the hull is immersed to the load line.

Gangs: A group of longshoremen assigned to work as a unit.

Gatehouse: The primary entry and exit point of a marine terminal.

General Average: A voluntary sacrifice or extraordinary expense incurred during transit to protect all interests from an impending peril.

General Average Contribution: The amount each party involved in a General Average must contribute. It is determined by applying the General Average percent to each party's contributory value.

General Average Guarantee: A form of promissory note provided by a party involved in a General Average guaranteeing payment of all contributions legally due. If insured under an Open Ocean Cargo Policy, the insurance company will usually provide their guarantee.

General Average Percent: A percentage derived by dividing the total amount of loss and expense incurred as a result of General Average by the total amount saved as a result of General Average, which is applied to each party's contributory value.

Gross Form: A form of a voyage charter in which the owner of the ship pays for every item of expense, including loading discharging, port fees, and all expenses in connection with the cargo as well as the operating charges such as crew wages, subsistence and fuel.

Guaranteed Freight: Freight which is not prepaid but is payable whether or not the merchandise arrives at the final port of destination.

Headhouse: The structure at the end of a finger pier which houses cargo receiving platforms and terminal management offices.

Hinterland: The territory contributing cargo or passengers to a port.

Infrastructure: The foundation upon which growth is dependent; a railroad or highway net supporting a marine terminal; a system of communication linking suppliers and suers.

Intermodal: A systems approach to transportation whereby goods are carried in a continuous through movement between origin and destination using two or more modes of transportation in the most efficient manner.

Invoice: A “bill of sale” issued by the seller to the buyer indicating the items purchased and the amount paid. The two most common types are a Commercial Invoice and a Consular Invoice.

Jitney: A power unit or tractor used on a marine terminal to tow a train of two or more trailers loaded with palletized or loose packages or sacks.

Jobber: A wholesale merchant who buys in very large lots and sells in quantities to retailers and heavy consumers.

Jumbo boom: Shipboard cargo gear designed to lift heavy items.

Landbridge: An Intermodal transportation concept that utilizes a significant land mass to bridge two ocean routes. For example, a cargo movement from Japan to Europe that utilizes water transportation from Japan to the West Coast of the U.S., and water transportation again from the East Coast to Europe. This has proven to be a time saving alternative to the all water route.

LASH (Lighter Aboard Ship): An ocean vessel which carries specially designed barges.

Lay Days: (1) The period of days during which the owner must tender (or deliver) the vessel and make it available to the charterer. (2) The number of days allowed to load and discharge the cargo as stated in a voyage charter.

LCL: (1) Less than Carload Lot [a railroad term], (2) Less than Container Load [a marine term].

Liner Service: An ocean common carrier service which operates on an established route and has published sailing dates and published tariffs.

Load Center: Major ports where cargo from outports is collected and consolidated for transshipment. Load centers improve the efficiency of ocean transportation by allowing ships to take advantage of economies of scale.

Load Line: Markings on the side of a ship showing the depth to which it can be loaded safely in various areas of the world and seasons of the year.

Long ton: Equals 2,240 pounds.

Longshoremen: Dock laborers who actually perform the loading and discharging of cargo from ships.

Marine Terminal: A transfer point where goods are efficiently exchanged between a vessel and other modes of transportation. Consists of a berth for the vessel, cargo-handling equipment, cargo storage areas and administrative offices.

Marks and Numbers: Unique identifying information shown on the outside of all packages shipped and usually includes consignee's name, port of discharge, package number in relation to total number of packages shipped (e.g., "5/50" indicates package number 5 of 50 shipped) and brief description of contents. Codes (referred to as "Blind Markings") are often used to hide the identity of merchandise highly susceptible to theft or pilferage.

Mate's Receipt: Dock receipt.

Metric Ton: 2,204.6 pounds

Net Form: A form of voyage charter in which the vessel owner pays all normal ship operating costs and the charterers responsible for charges accrued for loading and discharging the cargo as well as for port fees (except those related directly and solely to the crew (exact against ship and cargo)).

Non-delivery: Unexplained disappearance of an entire shipping package rather than the contents themselves or a portion of the contents.

Notice to Deliver: Shipping instructions issued to contractors and warehousemen directing the delivery of processed commodities.

Office of General Counsel (OGC): Serves as legal counsel for USDA and CCC. In that capacity, is the liaison between the Agency and the U.S. Department of Justice (DOJ) and is responsible for referring civil claims to DOJ for litigation and for assisting in the preparation and trial of such debts. OGC reviews debts by and against the U.S. and acts as trial counsel in administrative proceedings of an adversary nature. Furnished legal advice on matters involving questions of law, statutory periods, settlements being considered for compromise or withdrawal, etc. OGC is responsible for furnishing information and documentation required by DOJ in the prosecution or defense of litigation involving USDA.

On board Bill of Lading: A bill of lading issued by the steamship company confirming the receipt of merchandise and the fact that it was loaded on board the ocean vessel.

Off Hire: That moment when the ship's employment under a charter ceases and all payments under the charter are terminated.

Off Soundings: Refers to a ship in international waters, and derives from the fact that its sounding equipment cannot measure the depth of the water.

On Hire: That moment when the ship officially begins working under a charter payments due under the charter begin.

Operating Department: A department in a ship operating company that is responsible for all matters concerning ship construction, operations, stevedoring and labor relations.

O.S. and D Reports: Over, short and damaged cargo report.

Outports: Smaller ports on the fixed route. Feeder vessels often transport cargo from the outports to load centers.

Outbound Freight Department: The division of the traffic department which books cargo for the ship, processes bills of lading and prepares manifests of all outbound cargo.

Over-carried: Refers to cargo that has been carried beyond the port at which it was to be discharged.

Parcels: In vessel operations, indicates less than shipload lots.

Permit Clerk: A clerk who instructs shippers of large losses of cargo when to send their consignments to the terminal.

Prepaid Freight: Freight paid by the shipper to the carrier when merchandise is tendered for shipment. Not refundable if the merchandise does not arrive at the intended destination.

Processed Commodities: Raw commodities that are processed in such a manner that significantly alters the commodity. Typically this refers to “ready to eat” products. We handle over 100 different processed commodities, including dairy products (butter, cheese, and dried milk), grain products (flour, cornmeal, rolled wheat, bulgur, rolled oats), and other fresh and processed commodities such as milled rice, oils, canned fruits and vegetables, honey, apples, poultry and meat.

Pier (Finger): A marine terminal that projects into the water way at an angle to the shore, thereby allowing ships to berth on both sides.

Pile tag: One or more copies of the dock receipt left with the cargo when it is placed on the terminal. When the cargo is loaded aboard a vessel this tag is given to the chief mate for record keeping and for planning cargo operations.

Port Marks: A symbol applied to every box, bag, crate or other container received for shipment that is destined for the same port. For example, Genoa might be designated by a red circle, while Istanbul might be symbolized by a green square.

Press up: To fill a tank to its maximum capacity.

Private Carrier: A carrier that transports only the goods of a single person or company.

Private Voluntary Relief Organization (PVO): Most of the Title II commodities are donated to recipients in third world countries through non profit organizations such as CARE, Catholic Relief Services and Adventist Development and Relief Agency. These organizations are often referred to as PVOs.

Purchasing Agent: Person responsible for the procurement of stores and other material to meet all ship needs.

Purser: When carried, this person serves as the shipboard agent of the freight and passenger departments; often deals with manifests and other papers.

Recoopering or Reconstitution: Sewing torn bags, securing loose boards in boxes and crates and similar minor repair work that is done during cargo operations in an effort to mitigate damaged cargo losses.

Reefer: Shorthand term for refrigerated ships or cargoes.

RO/RO: Roll on/roll off

Roundsman: In a marine terminal, the foreman in charge of the security guards.

Salvage: Usually the amount of money realized from the sale of damaged merchandise.

Salvage loss: When merchandise has been damaged and an amount of depreciation cannot be agreed upon by the claimant and company, the company or its appointed surveyor will solicit bids from persons interested in buying the damaged merchandise. The extent of loss will be the difference between the amount realized from the salvage sale and the insured value of the damaged merchandise.

Seal number: A metal, steel, aluminum or plastic device affixed to the locking mechanism of the door to a truck, railcar, airline igloo or container. See Container Seal.

Self-Sustaining: A ship that can load and unload with its own gear.

Ship Chandler: Companies or individuals who supply the miscellaneous small lot items needed by a ship.

Short ton: Equals 2,000 pounds.

Shortage: A term used to indicate non-receipt of a part of the total quantity shipped. Also referred to as shortlanding.

Slips: In a fleet schedule, the delays of a ship along its route.

Space Chartering: The practice of one shipping company chartering a block of space in another shipping company's ship; usually done by companies within a single conference.

Specialized Carrier: A carrier designed for the express purpose of carrying, usually in shipload lots, a particular type of cargo.

Spotted: Cargo delivered to ship's side at the exact location where it will be loaded aboard.

Stowage Factor: The number of cubic feet required to stow one long ton of a given cargo.

Stripping: The act of unloading goods from a container.

Stuffing: The act of loading cargo into a container.

Surcharge: An additional charge (usually fixed percentage) added to the freight rate.

Survey: An examination of damaged merchandise to ascertain the cause and extent of damage.

Surveyor: In ocean cargo, an individual well versed in shipping practices, packaging techniques, characteristics or properties of merchandise shipped in international trade and attendant damage which may happen to it.

Taking Exception: Recording of defects or discrepancies in cargo received. Refers to the phrase in the bill of lading that cargo is accepted for shipment "in apparent good order and conditions, except as noted hereon."

Tanker: A ship designed to carry liquid bulk cargo.

Tariff: A detailed listing of freight rates and services provided by a carrier.

Tender: To deliver a vessel to the charterer.

TEU: Twenty-foot Equivalent Unit.

Terms of Sale: Usually refers to an internationally accepted set of definitions which outlines the responsibilities of a buyer and seller for loss or damage to merchandise during transit.

The Hague Rule: International agreement defining the responsibilities and liabilities of an ocean carrier transporting cargo in foreign trade.

Through Rates: A single rate charged for shipments originating with one ocean carrier but transferred to connecting carriers at intermediate points.

Time Charterer: A contract between the ship owner and the charterer for use of the ship for a specific period of time.

Timekeeper: Clerk at a marine terminal who keeps detailed records of the employment of every laborer hired on an hourly basis.

Topping Off: Refers to the final steps in finishing the loading operations of a tanker.

Traffic Department: A department in a steamship company responsible for dealing with customers using the ship for export or import cargoes.

Tramp Shipping: A shipping service in which carriers contract to haul cargo in shipload lots between ports designated by the charterer.

Transit Shed: A large covered space on a marine terminal used temporarily to store cargo to be loaded on a ship or delivered to the consignee.

Trimming: The process of distributing grain or other bulk commodities in the holds of a vessel to prevent shifting.

Third Party: Any person not contractually related, but who has some interest in the transaction. For example, a shipbroker brings a shipowner and a charterer together, and facilitates the negotiation of a charter for the vessel.

Tugboat: A small tonnage vessel used for towing or assisting vessels in harbors, rivers and at docks.

Ullage: The measurement or estimate of space remaining in a partially filled tank of a vessel.

Under ship's tackle: Cargo placed within reach of a ship's tackle during delivery. Expression used to define buyer or seller's responsibilities with respect to delivery, with expense to be assumed by each party.

Unit Trains: A train consisting of identical cars and a single type of cargo. For example, a coal unit train will have only cars carrying coal and an Intermodal unit train will have only cars carrying containers. Normally, unit trains consist of specialty cars.

Upland Area: An outdoor storage area on a traditional break-bulk marine terminal.

U.S. Flag vessel: A merchant ship under U.S. registry.

Valued Bill of Lading: A bill of lading issued by the carrier which verifies the amount which the shipper has declared as the value of the merchandise. The carrier will be liable for this amount if found responsible for loss and damage to the merchandise.

Valued Inventory: Usually used for shipments of household goods and personal effects. Lists actual items shipped and the individual value they are insured for.

Warranties: Stipulations made by the owner of the vessel as to the details of a ship's characteristics and performance.

Wharf: A marine terminal whose face lies parallel to the shoreline.

Wharfage Report: An inventory of all cargo on which demurrage is payable because it has been left on the pier beyond the allowed free time.

World Food Programme (WFP): A multilateral food aid organization established in 1962 by the Food and Agriculture Organization and the United Nations. WFP provides food and animal feed at the request of governments of less-developed countries to help carry out economic and social development projects and to meet emergency needs. The U.S. Government contributes commodities and ocean freight costs to the WFP under the authority of Title II, P.L. 480 and Section 416 of the Agricultural Act of 1949. Other countries also make contributions to WFP.