

## SHIPPING GLOSSARY

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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
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
Aboard	Referring to cargo being put, or laden, onto a means of conveyance.
Absorption	Amount payable by charterer for failing to load the quantity agreed in the contract of carriage.
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 or delivery.
Actual Total Loss	This occurs when: 1. The insured property is completely destroyed; or 2. The insured is irretrievably deprived of the insured property; or 3. Cargo changes in character so that it is no longer the thing that was insured (e.g., cement becomes concrete) or 4. A ship is posted "missing" at Lloyd's, in which case both the ship and its cargo are deemed to be an actual total loss.
Added Value	Value attributed to products, and services as the result of a particular process (e.g. production process, storage, transport).
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.
Affreightment	Contract of Affreightment is the expression usually employed to describe the contract between a ship-owner and a charterer, by which the ship-owner agrees to carry

	goods of the charterer in his ship, or to give to the charterer the use of the whole or part of the cargo-carrying space of the ship for the carriage of his goods on a specified voyage or voyages or for a specified time.
Aframax-Tanker	The term Aframax is based on the Average Freight Rate Assessment (AFRA) tanker rate system. An Aframax tanker is an oil tanker with a capacity between 105.000 and 120.000 tons deadweight. Aframax tankers are mostly employed in the intra-regional trade of the North Sea, the Caribbean, the Far East and the Mediterranean
Aggregate Inventory	Inventory for any group of items or products, involving multiple stock-keeping units.
AIS	The Automatic Identification System AIS is a short range coastal tracking system used on ships and by Vessel Traffic Services (VTS) for identifying and locating vessels by electronically exchanging data with other nearby ships and VTS stations. Information such as unique identification, position, course, and speed can be displayed on a screen or an ECDIS
ACEP	Approved Continuous Examination Program. Agreement between the owners of the equipment and the responsible government body to allow continuous examination of the equipment (e.g. containers).
Arbitrage	Buying of foreign exchange, securities, or commodities in one market and the simultaneous selling in another market. By this manipulation a profit is made because of the difference in the rates of exchange or in the prices of securities or commodities involved.
Arrival Notice	Notice sent by a carrier or freight forwarder to notify party advising the arrival of a shipment.
Assignment of Proceeds	Stipulation within a Letter of Credit in which some or all of the proceeds are assigned from the original beneficiary to one or more additional beneficiaries.
Automatic Identification	Means of identifying an item (product, parcel, transport unit) by a device entering the data automatically into a computer. The most widely used technology at present is bar code; others include radio frequency, magnetic stripes and optical character recognition.
Ballast Water	Ballast water is sea water that a vessel takes into its ballast tanks in order to adjust the ship's stability and trim. Due to the fact that loading and discharging of ballast water mostly takes

place in different areas, organisms such as little fish, mussels and crabs are transported over the globe and can cause serious problems in foreign habitats. In order to avoid this, ships change ballast water in the open sea and the IMO is furthermore in the process of making ballast water treatment to a must for all sea going vessels.

Baltic Dry Index (BDI)

Assessment of the average price to ship raw materials (such as coal, iron ore, cement and grains) on a number of shipping routes and by ship size. It is an indicator of the cost paid to ship raw materials on global markets and an important component of input costs. As such, the index is considered as a leading indicator (forward looking) of economic activity since it involves events taking place at the earlier stages of global commodity chains.

Barge

a non-motorized water vessel, usually flat-bottomed and towed or pushed by other craft, used for transporting freight. Dominantly used on river systems.

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/Ls 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 shippers 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 hard copies of originals printed.

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 s 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, Boxcar, 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 shippers 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 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 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 absorbed in the combining process. Different from Canceled B/L.

BIMCO	BIMCO (Baltic International Maritime Council) is an independent international shipping association, compound by ship owners, agents, brokers etc. BIMCO allocates information of practical shipping issues and advisories to all maritime businesses, to governments and authorities.
BLANKET BOND	A bond covering a group of persons, articles or properties.
BREAK-BULK CARGO	Refers to freight, both dry or liquid, that is not packaged such as minerals (oil, coal, iron ore) and grains. It often requires the use of specialized ships such as oil tankers as well as specialized transshipment and storage facilities. Conventionally, this cargo has a single origin, destination and client. It is also prone to economies of scale.
BREAK-EVEN WEIGHT	Weight at which it is cheaper to charge the lower rate for the next higher weight-break multiplied by the minimum weight

	indicated, than to charge the higher rate for the actual weight of the shipment (air cargo).
BULKER / BULK CARRIER	Bulk Carriers are merchant ships especially designed to transport unpackaged bulk cargo, such as grains, coal, ore and cement. Bulk Carriers range in size from single-hold bulkers with a capacity of about 10,000 tdw to vessels, which are able to carry 365,000 metric tons deadweight.
BULK TERMINAL	A purpose-designed berth or mooring for handling liquid or dry commodities, in unpackaged bulk form, such as oil, grain, ore, and coal. Bulk terminals typically are installed with specialized cargo handling equipment such as pipelines, conveyors, pneumatic evacuators, <u>cranes</u> with clamshell grabs, and rail lines to accommodate cargo handling operations with ships or barges. Commodity-specific storage facilities such as grain silos, petroleum storage tanks, and coal stock yards are also located at these terminals.
BUNKER CHARGE	An extra charge sometimes added to steamship freight rates; justified by higher fuel costs. (known as Fuel Adjustment Factor or FAF.)
CAD	Cash against Documents. Payment condition which implies transfer of title at time of payment.
CAF	Currency Adjustment Factor. Adjustment applied by shipping lines or liner conferences on freight rates to offset losses or gains for carriers resulting from fluctuations in exchange rates of tariff currencies.
CAPE SIZE	Capesize ships are merchant cargo vessels. In the past, these ships had to pass the Cape of Good Hope or Cape Horn in order to travel between the oceans, as they were too large to transit the Suez Canal and Panama Canal. Nowadays, vessels of this type may transit the Suez Canal as long as they are able to meet the draft restrictions. Capesize vessels are typically above 150,000 tons deadweight.
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.)
CARNET	a custom 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.
Carriage of Goods by Sea Act	Cash against Documents. Payment condition which implies transfer of title at time of payment.
Classification Society	Classification societies are non-governmental organizations, established to check the compliance with all standards concerning the ship's <u>design</u> and construction. Vessels once classified are surveyed on a regular basis (typically every 5 years) in order to ensure that they continuously comply with applicable regulations
CFS - Container Freight Station	Term CFS at loading ports refers to the location designated by carriers for the receiving of cargo to be packed into containers by the carrier. At discharge ports, the term CFS refers to the location designated by carriers in the port area for unpacking and delivery of cargo.

CONSOLIDATION	Cargo containing shipments of two or more shippers or suppliers. Containerload shipments may be consolidated for one or more consignees.
Contractual Port of Loading	Port at which an ocean vessel does not call, but which is equalized with the actual port of call and upon which inland haulage services and inland tariffs are based. Note: Generally speaking it is seen as the port mentioned on the B/L from which cargo is accepted (e.g. delivered by the consignee for sea transport).
Customs Clearance Agent	Customs broker or other agent of the consignee designated to perform customs clearance services for the consignee
CUSTOMS INVOICE	Document required by customs in an importing country in which the seller states the price (e.g. selling price, price of identical goods), and specifies costs for freight, insurance and packing, etc., terms of delivery and payment. This is for the purpose of determining the customs value in the importing country of goods consigned to that country.
Deep Sea trades	The traffic routes of both cargo and passenger vessels which are regularly engaged on the high seas or on long voyages.
Despatch	An incentive payment paid to a carrier to loading and unloading the cargo faster than agreed. Usually negotiated only in charter parties.
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.
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 buyers acceptance of the attached draft.
Double Hull Tanker	A double hull tanker is a ship hull <u>design</u> and construction method where the bottom and sides of the ship have to complete layers of watertight hull surface: one outer layer forming the normal hull of the ship and a second inner hull which is constructed further into the ship, which forms a redundant barrier to seawater in case the outer hull is damaged and leaks
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.
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.
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
EAN	European Article Numbering Association. International body responsible for administering the European Article Numbering system. It has affiliates in many countries such as: CCG in Germany, DCC in Japan, ANA in the United Kingdom. Note: The North American body responsible for the Uniform Product Code (UPC) coding is the Uniform Code Council (UPC is considered a subset of EAN).

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	Electronic Data Interchange .Transfer of structured data, by agreed standards from applications on the computer of one party to the applications on the computer of another party by electronic means.
Endorsement	Transfer of the right to obtain delivery of the goods of the carrier by means of the consignee's signature on the reverse side of a Bill of Lading. If the name of the new consignee (transferee) is not stated, the endorsement is an open one which means that every holder of the document is entitled to obtain delivery of the goods.
ETA	Estimated Time of Availability. That time when a tractor/partner carrier is available for dispatch. Estimated time of arrival
ETD -	Estimated Time of Departure - Expected date and time when a certain (air)port is left.
European Pallet Pool	Pool for the exchange of standard-sized pallets (the so-called Europallets) in European cargo traffic, formed in 1961 by a number of European rail administrators.
Export Rate	A rate published on traffic moving from an interior point to a port for transshipment to a foreign country.
F.E.R.I	F.E.R.I is an online and compulsory loading certificate which must be issued for each B/L with goods for the Republic Democratic of Congo. This document must be created and validated at its port of loading. After Issuance of it, its number must be inserted into the original Bill of Loading.
Free surface effect	The free surface effect is one of several mechanisms where a craft can become unstable and roll-over. It refers to the tendency of liquids — and of aggregates of small solid objects, like seeds, gravel, or crushed ore which can act as liquids — to slosh about: to move in response to changes in the attitude of a crafts cargo holds, decks, or liquid tanks in reaction to operator-induced motions.
German Tonnage Tax	The German tonnage tax, first introduced in 1999, is an accounting method used for the taxation of profits earned through ships operation. According to §5a EStG (German Income tax law), not the actual profit, but the vessel's net tonnage acts as the basis for the lumpsum determination of taxable income, which usually results in a lesser tax burden
GRT - Gross Register Tonnage	The Gross Register Tonnage (GRT) is a term used to describe a ship's total internal volume, whereas 1 GRT is equal to 100 cubic feet. Though replaced by the term Gross Tonnage (GT) in 1994, Gross Register Tonnage is still widely used.
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

	<p>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.</p>
HFO	<p>Heavy Fuel Oil; Due to its high viscosity, this type of oil usually requires heating before it can be pumped and used to power the ship's main engine</p>
Heavy Lift	<p>Heavy Lift Vessels are designed to transport heavy, large and uncommon cargo such as pontoons. They mostly are equipped with <u>cranes</u> or can lower the deck underneath the water surface, so smaller boats and yachts can drive into the flooded holds. Thereafter the ballast tanks are cleared again; the deck raises and sustains the cargo safely and ready to be shipped</p>
ISO 14001	<p>The ISO 14001 environmental management standard has been established in order to give companies a guidance in their efforts to minimize the environmental impact caused by the company's business operations. The ISO 14001 standard specifies requirements for establishing an environmental policy, determining environmental aspects and impacts of products/activities/services, setting environmental objectives and measurable targets. Furthermore, programs have to be implemented to meet the objectives and targets. In order to achieve continuous improvement, these programs and targets have to be checked and reviewed on a regular basis with corrective actions. COLUMBIA Shipmanagement (Deutschland) GmbH places high importance on the protection of the environment. All employees in the office and at sea are encouraged to be pollution-conscious and to have a responsible attitude towards pollution prevention and preservation of natural resources. In implementing the Environmental Management System CSM decides to take action with appropriate measures for improving the environmental protection</p>
ISO 9001	<p>ISO 9001 is a quality management system standard, maintained and regularly enhanced by ISO, the International Organization for Standardization and has been established in order to support companies aiming to document and continuously improve all relevant business procedures. This includes the need to set procedures which covers the company's key processes, to ensure effectiveness by monitoring these processes, and to keep records of the processes. In addition, corrective actions have to be taken where necessary, individual processes as well as the quality system itself have to be reviewed, and the system as a whole has to be continuously improved. COLUMBIA Shipmanagement (Deutschland) GmbH is officially certified since February 2008</p>
ISPS Code	<p>International Ship and Port Facility Security Code came into force on July 1, 2004 and is applicable to all vessels over 500 grt operating on international trades, as well as the ports that service them. The ISPS Code provides a framework through which ships and port facilities can cooperate to detect acts which pose a threat to maritime security</p>
IFO	<p>IFO, standing for Intermediate Fuel Oil, is a blend of gasoil and heavy fuel oil with less gasoil than HFO and is divided into IFO 380 (viscosity of 380 Centistokes) and IFO 180 (viscosity of 180 Centistokes). IFO 180 is more environmentally friendly and has to</p>

	be used while passing the so called SECA areas (Baltic Sea and California)
Knot	The knot is a unit of speed equal to one nautical mile per hour. 1 international knot = 1.852 kilometres per hour
LTAV	Long Term Asset Value. It is an evaluation method which is independent of market disturbances, and is oriented towards the long-term, sustainable earnings potential of a ship. It is based on the Discounted Cash Flow method, which has been adapted to the requirements of ship evaluation
Mid-stream operation	Mid-stream operation is the operation of loading and unloading cargo containers at the container ship while at sea, with barges or dumb steel lighters performing the transfer, distribution or landing of containers to piers nearby.
Nautical Mile	a Nautical Mile is equal to 1,852 km
Net Tare Weight	The weight of an empty cargo-carrying piece of equipment plus any fixtures permanently attached.
Net Tonnage	Net tonnage (NT) is based on a calculation of the volume of all cargo spaces of the ship. It indicates a vessel's earning space and is a function of the moulded volume of all cargo spaces of the ship. It officially replaced the old term Net Register Tonnage (NRT), which however is still widely used
NVOCC	Non-Vessel Operating Common Carrier (NVOCC)A cargo consolidator in ocean trades who will buy space from a carrier and resell 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.
Offshore Logistics	The organization of logistics contract work carried out at sea
On Board Bill of Lading	Bill of Lading confirming the receipt of merchandise and the fact that it was loaded on board the ocean vessel.
Oncarriage	Carriage of goods (containers) by any mode of transport to the place of delivery after discharge from the ocean vessel at the port of discharge.
Packing List	Itemized list of commodities with marks/numbers but no cost values indicated.
Panamax	Panamax ships are of the maximum dimensions that will fit through the locks of the Panama Canal. This size is determined by the dimensions of the lock chambers, and the depth of the water in the canal.
SMC	a Safety Management Certificate means a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved safety management system..
SOLAS	The Safety of Life at Sea is an international treaty which was passed in order to promote the safety of merchant ships. The treaty, which is kept up to date by periodic amendments, prescribes standards concerning safety-promoting structural measures, life-saving appliances, and safety measures of merchant ships

Starboard	The right-hand side of a ship when facing the front or forward end. The starboard side of a ship during darkness is indicated by a green light.
TDW	TDW = Tons Deadweight. Tons Deadweight is a measure of how much mass or weight of cargo or burden a ship can safely carry and includes the weight of the crew, passengers, cargo, fuel, ballast, drinking water, and stores
TEU	The TEU (= Twenty-foot Equivalent Unit) is based on a 20-foot container, measuring 6,10 m x 2,44 m x 2,60 m, describing the cargo capacity of container ships and container terminals
Transshipment	Transshipment or Transshipment is the shipment of goods to an intermediate destination, and then from there to yet another destination.
Truckload	This may be as little as 5,000 pounds, or as much as 50,000 pounds. Charges differ from LTL charges, in that the carrier typically charges on a per-mile basis, with some minimum charge for deliveries under 500 miles. These charges vary significantly in different areas of the country based on the availability of loads in that area, at that point and time.
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.
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.
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.
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.
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.
Warehouse Withdrawal for Transportation	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.
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

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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.

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