

SHIPPING FOR BEGINNERS: BASIC NOTIONS/TERMINOLOGY/ABBREVIATIONS TO MAKE YOUR SHIPPING LIFE EASIER

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Many people think that shipping containers is as simple as moving an object from point A to B.

Within the shipping industry, most people know that this is most definitely not true. Behind the scenes in the shipping industry, which literally has changed global economies (imagine the U.S. and China without container trading,) there are so many variables, alternatives, and opportunities, all contributing to the increasing complexity of the world of shipping.

One of the biggest challenges for anyone entering the shipping industry for the first time is to have access to all of the industry's basic and specific notions. This information opens the doors to a better understanding of what shippers are talking about.

Correct terminology and abbreviations also play a fundamental role within this complex industry. Speaking the same "shipping" language can help avoid misunderstandings, which most of the time lead to errors and negatively affects service performance and revenue.

LET'S START WITH VERY BASIC TERMS:

- FCL: Full container load
- LCL: Less than container load

CONTAINERS: TYPES, AND ASSOCIATED TERMINOLOGY

- **Standard Container/Dry Van/High Cube:** STD/DV/HC
 - Most common sizes 20 feet and 40 feet (20DV/STD – 40DV/STD – 40HC)

- 40HC is 1 foot taller than STD 40' container
- We also have 45HC – 5 feet longer than a regular 40HC
- **Flat Rack:** FR (Used for cargo Over weight/height/width)
- **Open Top:** OT
 - Used for cargo over weight/height
 - Associated with this we might hear also “In Gauge” – “Out Gauge.”
 - In Gauge means the dimensions of the special cargo are smaller than or equal to those of the container
 - Out Gauge dimensions are bigger and exceed container dimensions
- **Platform:** for cargo Over weight/height/width/length
- **Reefer Containers:** 20RF/40RF/40HR same dimension as regular containers
- **Tank Containers:** 20TK



HERE'S THE MEASUREMENT SYSTEM ASSOCIATED WITH CONTAINERS, WHICH IS ALSO USED TO SIZE VESSELS:

- **TEU:** Twenty Equivalent Unit. One 20' is equal 1 TEU (1 slot)
- **FEU:** Forty Equivalent Unit. One 40' is equal 2 TEU or 1 FEU (2 slots)

BELOW IS A QUICK RECAP OF THE WEIGHT AND DIMENSIONS OF STANDARD CONTAINERS:

Dimension				
	20'ST	40'ST	40'HC	45'HC
	20'x8'x8'6"	40'x8'x8'6	40'x8'x9'6"	45'x8'x9'6"
Length	5.900 mm	12.034 mm	12.034 mm	13.556 mm
Width	2.352 mm	2.352 mm	2.352 mm	2.352 mm
Height	2.393 mm	2.395 mm	2.700 mm	2.700 mm
Weight				
	20'ST	40'ST	40'HC	45'HC
	20'x8'x8'6"	40'x8'x8'6	40'x8'x9'6"	45'x8'x9'6"
Max Gross Weight	30.480kg (67,197 lbs)	30.480kg (67,197 lbs)	30.480 kg (67,197 lbs)	30.480 kg (67,197 lbs)
Average Tare	2.230kg (4,916 lbs)	3.740 kg (8,245 lbs)	3.900 kg (8,598 lbs)	4.700 kg (10,261 lbs)
Maximum Payload	28.250 kg (62,280 lbs)	26.740 kg (58,951 lbs)	26.580 kg (58,598 lbs)	25.780 kg (59,039 lbs)

SAILING SCHEDULE-RELATED TERMINOLOGY:

- **POL:** Port of Loading
- **POD:** Port of Discharge
- **Port Pairs:** combination of ports at origin and destination
- **ETA:** Estimated time of Arrival
- **ETD:** Estimated time of Departure
- **ATA:** Actual time of Arrival
- **ATD:** Actual time of Departure
- **MLB:** Mini land bridge
- **Rotation:** Order in which the ships call the various ports
- **Transit Time:** time from port A to port B
- **Direct Service:** when a container leaves and arrives on the same ship
- **Transshipment Service:** when a container leaves on a ship and arrives on a different ship

INTERMODAL TERMINOLOGY:

- **Pre-carriage:** transportation between point of origin and POL
- **On-carriage:** transportation between POD and final inland destination
- **Live load:** pick up the empty container at the port/depot, go to the customer facility and wait without leaving, for the container to be loaded and then returned to the port/depot to drop the full container
- **Live unload:** pick up the full container at the port/depot, go to the customer facility and wait without leaving, for the container to be unloaded and then return to the port/depot to drop the empty container
- **Drop & pick:** the only difference with the live load/unload move is that the container is dropped at the customer facility and the trucker comes back after a certain amount of time to pick it up (2 trips)

- **Drop & hook:** same for drop and pick but the trucker instead of leaving without container on the first trip, picks up another empty/full at the same facility to be returned at the port/depot
- **Chassis split:** when the container is not located in the same place as the chassis and the trucker needs to bring the chassis to the container location. For example: If an ocean port doesn't have any chassis available or the trucker doesn't own chassis, the trucker may travel to a nearby chassis pool first, pick up the chassis, and then proceed to the port from there.
- **Pre-Pull:** A pre-pull is when the trucker pulls an FCL container from the port/depot and stores it at the trucker's yard instead of immediately delivering it.
- **Stripping:** is the unloading of various small consignments from a single container, usually done at off site / forwarder's facility

DOCUMENTATION TERMINOLOGY:

- **Owner:** whoever owns the goods
- **Shipper:** whoever ships the goods (can be either "proprietary shipper" or NVOCC)
- **Consignee:** whoever receives the goods
- **Notify:** whoever is to be notified when cargo arrives
- **Beneficial Cargo Owner:** BCO (Shippers with direct contract with Carriers)
- **NVOCC:** Non-Vessel Operator Common Carriers.
- **Freight Forwarder:** Intermediary between Shipper and Carrier
- **Broker:** Intermediary at destination (usually notify) to clear Customs
- **Master Bill of Lading:** BL
 - It works as:
 - Contract of Carriage
 - Receipt
 - House Bill of Lading: BL issued by the NVOCC to the Customer
 - Manifest: Collection of BL for Vessel/Voyage

TYPES OF PAYMENTS:

- **Prepaid:** Charges paid at POL
- **Collect:** Charges paid at POD
- **Elsewhere:** Charges paid in a country which is not the at POL neither the POD

TYPE OF CHARGES (THE MOST COMMON):

- **Commercial Charges:**
 - **Ocean Freight:** OF (the money due for the carriage of goods)
 - **Bunker:** BUC (cost for the fuel used by the vessel during the voyage)
 - **Arbitrary:** Charge to cover the cost of a feeder vessel to get the container to the main port
- **Seasonal Charges:**
 - **Peak Season Surcharge:** PSS
 - **Winter Surcharge:** For example, it is applicable during winter season to ports in Russia
 - **Congestion Surcharge:** to cover the cost of exceptional congestion at POL and/or POD
- **Operational Charges:**
 - **Wharfage:** WHA (A charge assessed by a pier or dock owner for freight handled over the pier or dock or for a steamship company using the pier or dock)
 - **ISPS:** International Ship and Port Facility Security Charge
 - **THC:** Terminal Handling Charge
 - **Roll Over Fee:** if the container gets rolled on the next vessel due to Shipper's error
- **Equipment Charges:**
 - Per Diem

- Storage
- Detention
- Demurrage

The purpose of this article is to provide some fundamental information, useful when you first enter the world of the shipping industry, but much more could be mentioned. If you have any essential information that should be added, we at **MTS Logistics**, encourage you to contribute with a comment.

Specific topics on some of the above-mentioned information have been already written on our blog.

HERE ARE A FEW EXAMPLES OF TOPICS WITH FURTHER INFORMATION:

- Per Diem, Storage, Demurrage, Detention
- Flexitank
- Letter of Credit