

Cole Logistics Glossary

Note: Multiple definitions may be presented for additional clarity.

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I-L

I.C.C. Interstate Commerce Commission

I/L Import Licence

IA Independent Action. A carrier can take an independent action in a conference, resulting in a unique rate for that carrier within a conference; ability to file a rate independently of other carriers' actions.

IACS (International Association of Classification Societies) An organization in which the major classification societies, among others American Bureau of Shipping, Lloyd's Register of Shipping and Germanischer Lloyd, are joined, whose principal aim is the improvement of standards concerning safety at sea.

IATA The International Air Transport Association is the prime vehicle for inter-airline cooperation in promoting safe, reliable, secure and economical air services for the benefit of the world's consumers.

IATA International Air Transport Association <http://www.iata.org/index.htm>

IATA (International Air Transport Association) An international organization of airlines, founded in 1945, with the aim of promoting the commercial air traffic. Parties should achieve this by co-operation between the parties concerned and by performance of certain rules, procedures and tariffs, regarding both cargo and passengers.

IATA International Air Transportation Authority - governs the airline industry (both passenger and cargo). Known in North America as Cargo Network Services (CNS).

ICAO (International Civil Aviation Organization) An international organization of governments, dealing with search and rescue in distress, weather information, telecommunications and navigational requirements.

ICB International Container Bureau

ICC International Chamber of Commerce, Institute Cargo Clauses

ICC: Interstate Commerce Commission (U.S.).

ICCH International Commodities Clearing House

ICCO International Cocoa Council

ICD Inland Clearance Depot

ICHCA International Cargo Handling Co-ordination Association

ICS International Chamber of Shipping or Institute of Chartered Shipbrokers

ICS (International Chamber of Shipping) A voluntary organization of national shipowner' associations with the objective to promote interests of its members, primarily in the technical and legal fields of shipping operations.

ID Import Duty

Identical (Tie) Bids Two or more bids which are equal in all respects as to price, quality and service.

IDENTICAL BID - A bid that is the same in all salient respects with another bid.

Identification The unique data, e.g. name, number or code, determining a certain object or person.

Idle Time The amount of ineffective time whereby the available resources are not used e.g. a container in a yard.

IDR Import Duty Report, stipulates the value of an imported good and the amount to be paid as duty. Nigeria only.

IFA Interim Fuel Assessment (IFA)

IFF Institute of Freight Forwarders

IFP Interim Fuel Participation (IFP)

IFPF Interim Fuel Participation Factor (IFPF)

Igloo A container designed to occupy the full main deck width of carrying aircraft.

Inchamaree Clause - Covers losses resulting from a latent defect in the vessel's hull or machinery and losses resulting from errors in navigation or management of the vessel by the master or crew.

Igloos Pallets and containers used in air transportation; the igloo shape fits the internal wall contours of a narrow-body airplane.

Ignition Setting on fire or catching fire.

ILO (International Labour Organization) An United Nations agency, dealing with employment rights and working conditions, covering work at sea and in ports.

IMB See International Maritime Bureau.

IMCO International Maritime Control Organization. See IMO.

IMCO Classification International Maritime Control Organization classification for hazardous cargo.

IMDG International Maritime Dangerous Goods code

IMDG (International Maritime Dangerous Goods Code) A code, representing the classification of dangerous goods as defined by the International Maritime Organization (IMO) in compliance with international legal requirements.

IMF International Monetary Fund

IMGS (International Medical Guide for Ships) 'The doctor at sea'.

Imminent (Gale warning) Expected within six hours of time of issue

IMO International Maritime Organization. Formally IMCO.

IMO International Maritime Organization

IMO - International Maritime Organization Part of the UN which regulates international navigation and shipping safety through a framework of rules, treaties and regulations.

IMO (International Maritime Organization) An United Nations agency concerned with safety at sea. Its work includes codes and rules relating to tonnage measurement of vessels, load lines, pollution and the carriage of dangerous goods. Its previous name was the Inter-Governmental Maritime Consultative Organization (IMCO).

IMO I-III: Quality grades for tankers for the permission to transport different chemical and oil products. IMO I are the most hazardous products, IMO III the least hazardous.

IMO: See International Maritime Organization.

IMO: International Maritime Organization. {0>Søfartsorganistion under FN.<}96{>A maritime organization under the UN, www.imo.org

Implants Focal points of detached personnel situated within customers' premises to coordinate and advise on the customers' logistics activity, often replacing in-house functions and resource.

Import To bring merchandise into a country from another country or overseas territory.

Import License A governmental document which permits the importation of a product or material into a country where such licenses are necessary.

Import/Export License: Official authorization issued by a government allowing the shipping or delivery of a product across national boundaries.

Import: Movement of products from one country into another. The import of automobiles from Germany into the US is an example.

Importation Point: The location where goods will be cleared for importation into a country.

Imports Goods and services which one country's residents purchase and transport from another country into their own country.

IMS Intermodal Surcharge (IMS)

In Bond A term applied to the status of merchandise admitted provisionally into a country without payment of duties. See "Bonded Warehouse."

In Bond: Goods are held or transported In-Bond under customs control either until import duties or other charges are paid, or to avoid paying the duties or charges until a later date.

In Transit The status of goods or persons between the outwards customs clearance and inwards customs clearance.

Inbound Import Shipment.

Inbound logistics: The management of materials from suppliers and vendors into production processes or storage facilities.

Incentive Rate: A rate that induces the shipper to ship heavier volumes per shipment.

INCO Terms Incoterms 2000 is the latest version of ICC's standard trade definitions, commonly known as the INCO terms. The terms consist of 13 rules which are fundamental to international trade, defining the most important responsibilities of buyers and sellers in international sales contracts. Incoterms are a basic reference for sales contracts, recognized as the international standard by customs authorities and courts everywhere. Since they were first published in 1936, Incoterms - a trademarked **ICC product** - have been updated six times.

Inconvertibility The inability to exchange the currency of one country for the currency of another.

Incoterms A set of purchase terms (13 main ones and several secondary types) accredited by the International Chamber of Commerce. Denote the points at which shipper, carrier and consignee risk and responsibility start and end.

Incoterms Indicate whether the buyer or the seller carries the risk, responsibility, liability, or costs at specific points during a transaction.

INCOTERMS Standard set of definitions for delivery terms (terms of sale) established by the International Chamber of Commerce.

INCOTERMS - A set of international rules promulgated by the International Chamber of Commerce for the uniform interpretation of commonly used trade terms in foreign trade. They describe in detail the responsibilities of the sellers and buyers in international trade. They are: EXW (Ex Works), FCA (Free Carrier), FAS (Free Alongside), FOB (Free on Board), CFR (Cost and Freight), CIF (Cost, Insurance, Freight), CPT (Carriage Paid To), CIP (Carriage and Insurance Paid to), DAF (Delivered at Frontier), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay), DDU (Delivered Duty Unpaid) and DDP (Delivered Duty Paid).

INCOTERMS: International terms of sale developed by the International Chamber of Commerce to define sellers' and buyers' responsibilities.

Indemnification Compensation for a loss and/or the expenses incurred.

Independent A carrier who is not a member of a conference.

Independent Action A separate action taken by an individual member of a conference agreement to change rates or terms of carriage as laid out in the conference agreements.

Independent Action: A carrier that is a rate bureau member may publish a rate that differs from the rate the rate bureau publishes.

Independent Carrier Carrier that is not a member of a shipping conference.

Independent Demand A demand which is unrelated to demand for other products. Demand for finished goods, parts required for destructive testing and service parts requirements are examples of independent demand.

Independent Trading Exchange (ITE): Often used synonymously with B2B, e-marketplace, or Virtual Commerce Network (VCN). ITE is a more precise term, connoting many-to-many transactions, whereas the others do not specify the transactions.

Indirect Cost: A resource or activity cost that cannot be directly traced to a final cost object since no direct or repeatable cause-and-effect relationship exists. An indirect cost uses an assignment or allocation to transfer cost.

Indirect Retail Locations: A retail location that ultimately sells your product to consumers, but who purchases your products from an intermediary, like a distributor or wholesaler.

Indirect Route Any route other than the direct route.

Indirect/Distributor Channel: Your company sells and ships to the distributor. The distributor sells and ships to the end user. This may occur in multiple stages. Ultimately, your product may pass through the Indirect/Distributor Channel and arrive at a retail outlet. Order information in this channel may be transmitted by electronic means. These means may include EDI, brokered systems, or linked electronic systems.

INELIGIBLE BIDDER - A supplier or prospective supplier who, by reason of financial instability, unsatisfactory reputation, poor history of performance, or other deficiency, does not meet the qualifications for placement on the bidder list or for award; also non-responsible bidder.

Informal Bid A written or verbal quotation for commodities or services not requiring a public opening at a specific date and time.

INFORMAL BID - An unsealed competitive offer conveyed by letter, telephone, telegram, or other means and under conditions different from those required for formal bidding.

Information System (I/S): Managing the flow of data in an organization in a systematic, structured way to assist in planning, implementing, and controlling.

Information: The data, plus the interpretation necessary to understand it.

Infrastructure System of roads, waterways, airfields, ports and/or telecommunication networks in a certain area.

Ingate Location within an intermodal ramp where entering trucks are inspected. Process of checking a container or trailer into the intermodal facility. The ingate process includes inspection of the unit, reservation confirmation, the input of data into a computer system. When delivering the vehicle to the facility, the drayman must state the applicable shipper and destination

Inherent Advantage: The cost and service benefits of one mode compared with other modes.

Inherent Vice Defects or characteristics of a product that could lead to deterioration without outside influence. An insurance term. See "All Risk Clause."

INITIAL PRICE Outlay of money necessary to buy something. Initial price is a proper determinant for award only when the products or services offered, and to be furnished, are essentially identical irrespective of which bidder or offeror receives the award.

INL In-Land Charge

Inland Bill of Lading: The carriage contract used in transport from a shipping point overland to the exporter's international carrier location.

Inland Carrier Transportation company which hauls imports or exports between ports and inland points.

Inland Carrier: An enterprise that offers overland service to or from a point of export.

Inland Clearance Depot (ICD) Inland location where cargo, particularly containerized cargo, may be cleared by customs.

Inland Waterways Bill of Lading Transport document made out to a named person, to order or to bearer, signed by the carrier and handed to the sender after receipt of the goods.

INSA International Shipowners' Association

Insourcing: The opposite of outsourcing, that is, a service performed in house.

Inspection Pre (or Post) - Shipment Inspection: A Pre-Shipment inspection involves the inspection of cargo prior to loading or shipment by either an independent third party or by a representative of the buyer. The inspection is called for to assess the quantity, quality, composition or condition (or all of these) of the cargo. Essentially, there are two types of inspection. An Inspection that is commercial in nature this is to say that the buyer or buyer and seller have agreed to the inspection or one that is mandated by law. When the inspection is legislated, it is normally a requirement of the government of the destination country. They will normally appoint an independent inspection service to act on their behalf in the various countries of origin and frequently, the clean report issued by the inspection service (or a certificate that the clean report has been issued) is the 'trigger' for payment. As such, the buyer cannot remit funds to the seller unless the cargo has passed the inspection. The extent of the inspection may be fixed and quite specific, dependant on the nature of the goods. Equally, the goods and circumstances dictate where and when such inspections take place. They can range in extent from a simple 'tally', e.g. counting boxes and opening a random sample of these, right up to drawing samples and subjecting them to chemical analysis in a laboratory. With a

'commercial' inspection, the buyer normally appoints someone to be present at the loading, again checking quantities and random samples. This may be someone from the independent inspectorate field, or their own local agent etc. There are no guidelines for these informal commercial inspections but a common application is to endeavour to check that the quality of goods ordered on the strength of a high-grade sample meet the standards of the sample goods. Post Shipment Inspections are uncommon but still have their place in freight. Clearly the cargo has already moved and if the inspection reveals problems, these are compounded in that the cargo is no longer with the seller. These are often voluntary inspections and should not be confused with inspections mandated through Customs and Excise, for example.

INSPECTION Critical examination and/or testing of items to determine whether they have been received in the proper quantity and condition and conform to the applicable specifications.

Inspection Certificate: A document certifying that merchandise (such as perishable goods) was in good condition immediately prior to shipment.

Insulated Container Thermal container without the use of devices for cooling and/or heating.

Insulated Tank Container Container frame holding one or more thermal insulated tanks for liquids.

INSURANCE Usually the full dollar value of the shipment regardless of where the fault for the partial or full loss may have occurred.

Insurance A system of protection against loss under which a party agrees to pay a certain sum (premiums) for a guarantee that they will be compensated under certain conditions for loss or damage.

INSURANCE Ocean Marine; General Average; E&O - Errors & Omissions; OS&D - Over, Short, & Damage; COGS - Carriage of Goods at Sea.

Insurance Certificate Document which assures the consignee that insurance is provided to cover loss or damage to the cargo while in transit. A certificate issued by an insurer to a shipper (or other party) as evidence that a shipment of merchandise is covered under a marine policy.

Insurance Certificate A document issued by an insurance company, usually to order of shipper, under a marine policy and in cover of a particular shipment of merchandise.

Insurance Certificate Proof of an insurance contract.

Insurance Certificate: A document issued to the consignee to certify that insurance is provided to cover loss of or damage to the cargo while in transit.

Insurance Company The party covering the risks of the issued goods and/or services that are insured.

INSURANCE COVER (Calculation): In 1906, an Act of Parliament was passed in Britain governing the minimum requirements for maritime insurance. This Act (the Maritime Insurance Act of 1906) specified that, in the absence of instruction, the insuring party need only organize cover to the value plus 10% (i.e. the commercial invoice plus an additional 10%). Much has changed since 1906 and certainly the ratio of freight-costs to freight-value is substantially different. To simply add 10% to the invoice is perhaps underplaying the true cover required. The Seller's Commercial Invoice will be for the goods and further, the invoice may include some, none or all of the cost of transport to get the goods onto the Buyer's shelf from the Seller's point of manufacture. It is therefore required that Cover is calculated by firstly determining the costs of moving the cargo onto the Buyer's shelf from where the Seller's freight charges included in the sales invoice, end. Dependent on the specifics of the transaction, this may embrace freight, transport, duties and all disbursements (although generally excluding recoverable taxes such as VAT), with the addition of margins for profit and exchange fluctuation in accordance with allowances made by the insurer. These additional costs over and above the Seller's invoice are then totalled and expressed as a percentage of the Seller's invoice. Roughly speaking, there is a sliding scale between value and freighting cost percentages. This is to say that the higher the value of the cargo, the lower the total movement costs as a percentage of that value (provided that the freight costs are not raised in relation to the value of the goods, a system that is uncommon but not impossible). Normally freight movement costs are related to the size of a product rather than the value of it. Small traffic of high value will normally result in the charges for the movement of the freight being a low percentage of the overall cargo value whereas bulky traffic of low value would have the reverse effect, with the freight percentage forming a substantial part of the landed costs. It should be emphasized that the 1906 standard of values plus 10% is still given as a guideline in the absence of instruction. The intention behind the Act was to allow Sellers to proceed even if they were unable to obtain direction from the Buyer, i.e. the Buyer's failure to notify the Seller of the correct freight or other costs to be included in the calculation would not inhibit the movement of the cargo. However, Sellers have a vested interest in ensuring that the insurance cover they undertake is adequate as they are owners of the cargo until such time as they are paid and in the most extreme example should the Buyer fail (become insolvent) then the Seller would retain the insurable interest irrespective of the Commercial Terms employed. In an age of mass communication the modern Seller should have no need to default to the minimum cover of value plus 10% due to a lack of instruction or information. In many countries, in the absence of instruction, insurance brokers will normally offer insurance cover to the value calculated to be CFR plus 10% (Note. Do not confuse the use of the term CFR with the Incoterm CFR. These identical expressions have two different meanings one in the context of the Sales Contract, one in the context of the Insurance Contract). In the

context of insurance, this term means the addition of the freight to the destination point of entry on to the cost or value of the commercial invoice. This calculation stems from the common formula used in insurance claims when determining values for General Average liabilities, the base figure used to calculate the percentage contribution being expressed as CFR plus 10%.

Insurance: A system of protection against loss under which a number of parties agree to pay certain sums (premiums) for a guarantee that they will be compensated under certain conditions for specified loss and damage.

Insured Value - Usually computed by adding the invoice cost, guaranteed freight, other costs plus a percentage, commonly 10%. This usually represents landed value.

Integrated Carrier: An airfreight company that offers a blend of transportation services such as air carriage, freight forwarding, and ground handling.

Integrated Carriers Carriers that have both air and ground fleets or other combinations, such as sea, rail and truck. They usually handle thousands of small parcels an hour.

Integrated Carriers Carriers that have both air and ground fleets; or other combinations, such as sea, rail, and truck. Since they usually handle thousands of small parcels an hour, they are less expensive and offer more diverse services than regular carriers.

Integrated Logistics Support The systematic approach applied to simultaneous management and acquisition of equipment and related logistics support, in order to provide the customer with a desired level of availability. Resulting in an optimum life cycle cost and to maintain this level through the entire life cycle.

Integrated Logistics: A comprehensive, system-wide view of the entire supply chain as a single process, from raw materials supply through finished goods distribution. All functions that make up the supply chain are managed as a single entity rather than managing individual functions separately.

Integrity The prevention of unauthorized modification of information.

Interchange Exchange of railcars between connecting railroads at specified junction points
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Interchange Reciprocal exchange of e.g. information between two or more parties.

Interchange Agreement Agreement between a railroad and a drayage company that allows a specific drayage company to drop off or pick up railroad or private intermodal

equipment at the said railroad's facilities. Also known as an Equipment Interchange Agreement.

Interchange: In EDI, the exchange of electronic information between companies. Also, the group of transaction sets transmitted from one sender to one receiver at one time. Delineated by interchange control segments.

Intercoastal As opposite to coastal water operations, intercoastal refers to water transport carried out between coasts (e.g. between Pacific and Atlantic coasts).

Intercoastal carriers: Water carriers that transport freight between East and West Coast ports, usually by way of the Panama Canal.

Intercontainer A co-operative formed by 19 European Railways, for the management of international rail container traffic in Europe.

Intercorporate hauling: A private carrier hauling a subsidiary's goods and charging the subsidiary a fee; this is legal if the subsidiary is wholly owned or if the private carrier has common carrier authority.

Interleaved 2 of 5 This is strictly a numeric barcode. Each encoded character is made up of five elements, two are wide and three are narrow. The number of characters to be printed must be an even number. If the number of characters to be printed is odd, a zero will be appended to the beginning of the code.

Interleaving: The practice of assigning an employee multiple tasks which are performed concurrently.

Interline Two or more road transport companies joining operations to bring cargo to a certain destination.

Interline Carrier A carrier with whom another carrier has an interline agreement.

Interline Freight Freight moving from point of origin to destination over two or more transportation lines

Interline Move Rail traffic moving over track belonging to two or more railroads, with interline switching at the gateway

INTERLINE PARTNER An agreement with another carrier to expedite movement of freight from point to point. For example for a PHL to YYZ shipment TBAC has an interline agreement with HBI who move the freight from PHL to JFK on behalf of TBAC.

Interline: Two or more motor carriers working together to haul a shipment to a destination. Carriers may interchange equipment but usually they rehandle the shipment without transferring the equipment.

Intermediate Destination: A stopping point for a shipment prior to the final destination.

Intermediately Positioned Warehouse: A warehouse located between customers and manufacturing plants to provide increased customer service and reduced distribution cost.

Intermittent-Flow, Fixed-Path Equipment: Materials handling devices that include bridge cranes, monorails, and stacker cranes.

Intermodal Coordinated transport of freight, especially in connection with relatively long-haul movements, using any combination of freight forwarders, piggy-back, containerization, air freight, assemblers, rail and road.

Intermodal Carriage of a commodity by different modes of transport, i.e. sea, road, rail and air within a single journey.

Intermodal Mode of rail transportation that covers the multi-modal transportation of trailers and/or containers by ship, rail, and truck

Intermodal - This refers to the capacity to go from ship to train to truck or the like. The adjective generally refers to containerized shipping or the capacity to handle the same.

Intermodal Association of North America (IANA) Industry trade association representing the combined interests of intermodal freight transportation companies

Intermodal Container Transfer Facility: A facility where cargo is transferred from one mode of transportation to another, usually from ship or truck to rail.

Intermodal Marketing Company (IMC) Consolidates container loads or piggyback trailers from several shippers and contracts with railroads for volume space.

Intermodal Marketing Company (IMC) Company that purchases rail and truck transportation services, uses equipment from multiple sources, and provides other value-added services under a single freight bill to the ultimate shipper or beneficial owner

Intermodal Marketing Company (IMC): An intermediary that sells intermodal services to shippers.

Intermodal Marketing Extension (IMX) Intermodal facility that provides over-the-road transportation to and from a BNSF intermodal hub

Intermodal Transport The movement of goods (containers) in one and the same loading unit or vehicle which uses successively several modes of transport without handling of the goods themselves in changing modes.

Intermodal Transport Shipment of goods utilizing more than one mode of transport (Air, Ocean, Ground, Rail)

Intermodal Transportation: Transporting freight by using two or more transportation modes, such as by truck and rail or truck and oceangoing vessel.

Intermodalism- A system whereby standard-sized cargo containers can be moved seamlessly between different 'modes' of transport, typically specially adapted ships, barges, trucks and trains. Because the cargo does not need to be unloaded from the container every time it is moved from one mode to the other it is a very efficient and fast system of transportation.

Internal Customer: The recipient (person or department) of another person's or department's output (good, service, or information) within an organization. Also see: Customer.

Internal Labor and Overhead: The portion of COGS that is typically reported as labor and overhead, less any costs already classified as "outsourced."

Internal Water Carriers: Water carriers that operate over internal, navigable rivers such as the Mississippi, Ohio, and Missouri.

International Air Transport Association: An international air carrier rate bureau for passenger and freight movements.

International Carriage Carriage whereby the place of departure and any place of landing are situated in more than one country.

International Civil Aeronautics Organization: An international agency responsible for air safety and for standardizing air traffic control, airport design, and safety features worldwide.

International Convention for the Safety of Life at Sea (SOLAS) Prescribes the numbers of lifeboats and other emergency equipment that ships must have, as well as safety procedures including continuous radio watches when a ship is at sea.

International Freight Forwarders Freight forwarders that handle booking, paperwork and consolidation of exports.

International Import Certificate: A document required by the importing country indicating that the importing country recognizes that a controlled shipment is entering their

country. The importing country pledges to monitor the shipment and prevent its re-export, except in accordance with its own export control regulations.

International Maritime Bureau (IMB): A special division of the International Chamber of Commerce.

International Maritime Organization (IMO) A specialised agency of the United Nations responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. It is also involved in legal matters, including liability and compensation issues and the facilitation of international maritime traffic.

International Maritime Organization (IMO): A United Nations-affiliated organization representing all maritime countries in matters affecting maritime transportation, including the movement of dangerous goods. The organization also is involved in deliberations on marine environmental pollution.

International Organization for Standardization (ISO) An international standard-setting body composed of representatives from various national standards organizations. It was the ISO that prescribed the standard size of shipping containers to make global container trade more efficient.

International Safety Management Code This international standard for the safe management and operation of ships prescribes rules for the organization of a shipping company management in the context of safety and pollution prevention and requires the development and implementation of a safety management system.

International Ship and Port Facility Security Code - (ISPS Code) A code agreed between the signatories of the 1974 International Convention for the Safety of Life at Sea (SOLAS) on minimum security arrangements for ships, ports and Coast Guard agencies. The Code was introduced by the International Maritime Organization (IMO), the overseer of the original SOLAS agreement, in the wake of fears of terrorist attacks on ships and ports after the September 11 terrorist attacks in the United States in 2001.

International Standards Organization (ISO): An organization within the United Nations to which all national and other standard-setting bodies (should) defer. Develops and monitors international standards, including OSI, EDIFACT, and X.400.

Internet: A computer term which refers to an interconnected group of computer networks from all parts of the world, i.e., a network of networks. Accessed via a modem and an online service provider, it contains many information resources and acts as a giant electronic message routing system.

INTERPORT Canada Customs truck (surface) sufferance warehouse (used by TBAC) to re-manifest bonded surface freight to the airport. Canada Customs do not permit truck freight to arrive directly at the airport - it has to be re-manifested.

Interstate Commerce Commission (ICC): An independent regulatory agency that implements federal economic regulations controlling railroads, motor carriers, pipelines, domestic water carriers, domestic surface freight forwarders, and brokers.

Interstate Commerce: The transportation of persons or property between states; in the course of the movement, the shipment crosses a state boundary.

Interstate System: The National System of Interstate and Defense Highways, 42,000 miles of four-lane, limited-access roads connecting major population centers.

Interterminal Switching Switching move performed by two railroads. The first railroad moves equipment from an industry, then interchanges equipment with the second railroad for placement at an industry within the same terminal switching limits Glossary Top

In-Transit Inventory: Material moving between two or more locations, usually separated geographically; for example, finished goods being shipped from a plant to a distribution center. In-transit inventory is an easily overlooked component of total supply chain availability.

Intrastate Commerce: The transportation of persons or property between points within a state. A shipment between two points within a state may be interstate if the shipment had a prior or subsequent move outside of the state and the shipper intended an interstate shipment at time of shipment.

Inventory A detailed list of goods located in a certain space or belonging to a specified object. Goods available for satisfying certain demands. Inventories may consist of finished goods ready for sale, they may be parts or intermediate items, they may be work in process, or they may be raw materials.

Inventory Raw materials, work in process, finished goods, and supplies required for creation of a company's goods and services. The number of units and/or value of the stock of goods held by a company.

Inventory Accuracy: When the on-hand quantity is equivalent to the perpetual balance (plus or minus the designated count tolerances).

Inventory Carrying Cost One of the elements comprising a company's total supply chain management costs. These costs consist of the following: 1. Opportunity Cost: The opportunity cost of holding inventory. This should be based on your company's own cost of capital standards using the following formula: Calculation: Cost of Capital x Average Net Value of Inventory. 2. Shrinkage: The costs associated with breakage, pilferage, and deterioration of inventories. Usually pertains to the loss of material through handling damage, theft, or neglect. 3. Insurance and Taxes: The cost of insuring inventories and taxes associated with the holding of inventory. 4. Total Obsolescence for Raw Material, WIP, and Finished Goods Inventory:

Inventory reserves taken due to obsolescence and scrap and includes products exceeding the shelf life, i.e., spoils and is no good for use in its original purpose (do not include reserves taken for Field Service Parts). 5. Channel Obsolescence: Aging allowances paid to channel partners, provisions for buy-back agreements, etc. Includes all material that becomes obsolete while in a distribution channel. Usually, a distributor will demand a refund on material that goes bad (shelf life) or is no longer needed because of changing needs. 6. Field Service Parts Obsolescence: Reserves taken due to obsolescence and scrap. field service parts are those inventories kept at locations outside the four walls of the manufacturing plant i.e., distribution center or warehouse.

Inventory Carrying Costs Generally, carrying costs or holding costs are financial measurements that calculate all the costs associated with holding goods in storage. It includes inventory-in-storage, warehousing, obsolescence, deterioration, spoilage and labour costs, as well as insurance and taxes.

Inventory Cost The cost of holding goods, usually expressed as a percentage of the inventory value; includes the cost of capital, warehousing, taxes, insurance, depreciation, and obsolescence.

Inventory In Transit Inventory in a carrier's possession, being transported to the buyer.

Inventory list <http://cratersandfreighters.com/cf/docs/inventory-itemized.doc> A document prepared by the shipper listing the kinds, quantities and values of the merchandise in a particular shipment. Craters & Freighters requires an itemized inventory prepared by the shipper for all shipments domestic and International. The inventory or packing list is instrumental for establishing not only the type, and quantity but also for establishing value per item in case of lost or damages during handling and transportation.
<http://cratersandfreighters.com/cf/docs/inventory-itemized.doc>

Inventory Management The process of ensuring the availability of products through inventory administration.

Inventory Planning Systems The systems that help to strategically balance the inventory policy and customer service levels throughout the supply chain. These systems usually calculate time-phased order quantities and safety stock using selected inventory strategies. Some inventory planning systems conduct what-if analysis and compare the current inventory policy with simulated inventory scenarios to improve the inventory ROI.

Inventory Shrinkage Losses of inventory resulting from scrap, damage, theft Warehousing and distribution

Inventory Turnover The cost of goods sold, divided by the average level of inventory on hand. The ratio measures how many times a company's inventory has been sold during the year.

Inventory Turnover Number of times the average inventory has been sold during the year. Calculated by dividing the cost of goods sold by the average value of inventory.

Inventory Turnover See Inventory Turns.

Inventory Turns The cost of goods sold divided by the average level of inventory on hand. This ratio measures how many times a company's inventory has been sold during a period of time. Operationally, inventory turns are measured as total throughput divided by average level of inventory for a given period. How many times a year the average inventory for a firm changes over or is sold.

Inventory Velocity The speed with which products move from receiving dock to shipping dock.

Inventory Velocity The speed at which inventory moves through a defined cycle (i.e., from receiving to shipping).

Inventory, Days of The number of days of inventory on-hand at any given time.

INVITATION FOR BIDS (IFB) - (1) The solicitation document used for competitive sealed bidding, the customary method used by state and local governments for the purchase of equipment, materials, supplies, and construction. (2) All documents, whether attached or incorporated by reference, utilized for soliciting bids.

Invoice See "Commercial Invoice," "Consular Invoice."

Invoice An account from the supplier, for goods and/or services supplied by him.

Invoice A detailed statement showing goods sold or shipped and amounts for each. The invoice is prepared by the seller and acts as the document that the buyer will use to make payment.

INWARD CARGO MANIFEST Manifest produced for freight ex. Canada that is to border clear at US Customs. The manifest shows details of each shipment to be cleared, by broker.

IOE Institute of Export

IPI Inland Point Intermodal. Cargo moving via land from/to an inland point. See also Micro Bridge.

IPI Interior Point Intermodal (IPI)

IPI - Inland Point Intermodal (Microbridge) Cargo moving from an inland point, under control of the ocean carrier. FMC 514.2 "Intermodal transportation means continuous transportation involving more than one mode of service (e.g., ship rail motor and air), for pickup and/or delivery at a point beyond the area of the port at which the vessel calls."

IPO Initial Public Offering refers to the first public offer of common stock of a particular company.

IRN Import Release Note

Irregular Route Carrier: A motor carrier that may provide service utilizing any route.

Irrevocable Applied to letters of credit. An irrevocable letter of credit is one which cannot be altered or canceled once it has been negotiated between the buyer and his bank.

IRS NO. A unique number, allocated by the IRS, that identifies a corporation and is used when completing bonds.

ISA Information System Agreement. Leading organization of ocean carriers that develops, promotes and implements electronic commerce solutions for the maritime industry.

ISF International Shipping Federation
<http://www.marisec.org/isf/index.htm>

ISO ISO (International Organization for Standardization) is the world's largest developer of standards. Although ISO's principal activity is the development of technical standards, ISO standards also have important economic and social repercussions. ISO standards make a positive difference, not just to engineers and manufacturers for whom they solve basic problems in production and distribution, but to society as a whole. The ISO Standards are specific to a particular product, material, or process. However, the standards that have earned the ISO 9000 and ISO 14000 families a worldwide reputation are known as "generic management system standards".

ISO International Standards Organization.
<http://www.iso.org/iso/home.htm>

ISO Guidelines given by an International Organization for Standardization and that establishes standards for quality. A company must meet strict guidelines to qualify and must pay a large fee to go through the qualifying process.

ISO See International Standards Organization.

ISO (International Organization for Standardization) A world-wide federation of national standards institutes (ISO member bodies).

ISO 14000 Series Standards A series of generic environmental management standards under development by the International Organization of Standardization which provide structure and systems for managing environmental compliance with legislative and regulatory requirements and affect every aspect of a company's environmental operations.

ISO 9000 A series of quality assurance standards compiled by the Geneva, Switzerland-based International Standards Organization. In the United States, ISO is represented by the American National Standards Institute based in Washington, DC.

ISO 9000 - A series of voluntary international quality standards.

ISPM 15 International Standards for Phytosanitary Measures No. 15 require all solid wood packing material to be heat treated and stamped with an official mark. ISPM 15 requirements apply to all hardwood and softwood (coniferous and non-coniferous) packaging materials. The standard does not apply to wood packaging made wholly of manufactured wood products such as plywood, particle board, oriented strand board, or products created using glue, heat and pressure or a combination of these. The second alternative, Fumigation with Methyl Bromide (MB), while still acceptable is being phased out because of environmental reasons. The fumigator must be registered in the program in order to issue the ALSC Quality Mark. Important note to exporters: ISPM 15 requirements apply to all coniferous (softwood) and non-coniferous (hardwood) packing materials including dunnage. U.S. Inspection Agencies control the issuance of the ALSC Quality Mark and the presence of the Quality Mark ensures WPM produced in the U.S. and destined for export meets the importing countries regulations. EXPORT - APHIS - Wood Packaging Materials Export Information (ISPM 15). EXPORT – Countries Requiring ISPM 15 Compliance. NAPPO - North American Plant Protection Organization – USA/Canada/Mexico

ISPM 15 Countries requiring ISPM 15 compliance

ISPS Intl Security Port Surcharge (ISPS)

Issuing Carrier The carrier whose Air Waybill is issued (air cargo).

Issuing Carrier The carrier whose name is printed on the bill of lading and with whom the contract of carriage exists.

IT (1) Immediate Transportation Entry: refers to an IT entry (U.S. Customs). Allows the cargo to move beyond the vessel entry point in bond for customs clearance at the destination named in the I.T. movement from one customs district to another, e.g. cargo entering the U.S. at Los Angeles destined for Chicago can move to Chicago before having a customs inspection. (2) Information Technology: A generic term for people or systems working toward business improvement.

IT Information Technology usually refers to the department that handles computer operations.

ITE: See Independent Trading Exchange.

Item Separate article or unit.

Item: Any unique manufactured or purchased part, material, intermediate, sub-assembly, or product.

ITIGG International Transport Implementation Guidelines Group. ITIGG is an international group of experts engaged in the development and implementation of UN/EDIFACT-standard messages for electronic trading in the transport industry. ITIGG is a subgroup of D4, the UN/EDIFACT Message Development Group for Transport. ITIGG develops recommendations which provide software developers with a series of simple, straightforward tools to assist in designing applications which can be used for trading electronically throughout the world, and to clarify the intentions of the designers of key UN/EDIFACT messages.

Itinerary The route of a means of transport, indicated by the names of the ports of call or other locations, often including estimated arrival and departure dates.

Jct. Junction

Jetsam Goods thrown or lost.

Jetsam - Goods from a ship's cargo or parts of its equipment that have been thrown overboard to lighten the load in time of danger or to set a stranded ship adrift. Jones Act - An act of the U.S. Congress prohibiting foreign flag carriers from participating in the U.S. intercoastal trade by water. It currently is applicable in such trade lanes as the U.S. continental states to and from Hawaii and Alaska.

Jettison The act of intentionally throwing cargo overboard e.g. with the objective of lightening a vessel, which has run aground, such for the common good of all interests: vessel, crew and remaining cargo. See General Average

Jettison - Voluntary dumping either of cargo or of ship's material or stores overboard, to protect other property from a common danger.

Jetty A mole or breakwater, running out into the sea to protect harbours or coasts. It is sometimes used as a landing-pier.

Jib 1. Projecting arm of a crane. 2. Attachment connected to the top of a crane boom.

JIC Just In Case

Jidoka The concept of adding an element of human judgment to automated equipment. In doing this, the equipment becomes capable of discriminating against unacceptable quality, and the automated process becomes more reliable.

JIT An abbreviation for "Just In Time," and referring to a scheduling system that minimizes inventory by having material arrive just as it is about to be put in use.

JIT (Just In Time) The movement of material/goods at the necessary place at the necessary time. The implication is that each operation is closely synchronized with the subsequent ones to make that possible. A method of inventory control that brings stock into the production process, warehouse or to the customer just in time to be used, thus reducing stock piling.

JIT II See Just In Time II

JIT See Just in Time

JLC US Customs bonded Container Freight Station - see CFS. Authorized by US Customs for receipt & storage of goods under US Customs control. A sister company of TBAC

Job That work which is undertaken to meet a customer or production order and, for production control purposes, has a unique identification.

JOC Journal of Commerce. A trade publication. Trade transportation journal.

Joint Cost A common cost in cases where a company produces products in fixed proportions and the cost the company incurs to produce one product entails producing another; the backhaul is an example.

Joint Rate A rate from a point located on one transportation line to a point on another transportation line which is published in a single tariff.

Joint Rate A rate over a route that requires two or more carriers to transport the shipment.

Joint Supplier Agreement (JSA) Indicative of Stage 3 Sourcing Practices, the JSA includes terms and conditions, objective, process flows, performance targets, flexibility, balancing, and incentives.

Joint Venture A commercial or industrial enterprise in which principals of one company share control and ownership with principals of another.

Joint-Line Move Move where one interline rate is applicable for the entire movement from rail origin to rail destination on two or more railroads. It is published in a single tariff under concurrence of participating railroads. The rate includes all interchange charges unless

otherwise noted. Usually shipping instructions governing interline rates are sent to the origin carrier who forwards the shipping instructions to the other carriers in the route

Jones Act Section 27 of the Merchant Marine Act of 1920, requiring that all shipments by water between ports in the United States (including Puerto Rico) be carried by U.S.-flag, be U.S.-built, and U.S.-crewed vessels.

Journey A voyage from one place, port or country to another one, in case of a round trip, to the same one.

JSA See Joint Supplier Agreement.

Junction Station where railroads interchange railcars at a common point or within the switching limits over their own lines, or intermediate line or lines

Jurisprudence Juridical decisions used for explanation and meaning of law.

Just In Time (JIT) The movement of material/goods at the necessary place at the necessary time. The implication is that each operation is closely synchronized with the subsequent ones to make that possible. A method of inventory control that brings stock into the production process, warehouse or to the customer just in time to be used, thus reducing stock piling.

Just In Time (JIT) An inventory control system that controls material flow into assembly and manufacturing plants by coordinating demand and supply to the point where desired materials arrive just in time for use. An inventory reduction strategy that feeds production lines with products delivered just in time. Developed by the auto industry, it refers to shipping goods in smaller, more frequent lots.

Just in Time II (JIT II) Vendor-managed operations taking place within a customer's facility. JIT II was popularized by the Bose Corporation. The supplier reps, called "inplants," place orders to their own companies, relieving the customer's buyers from this task. Many also become involved at a deeper level such as participating in new product development projects and manufacturing planning (concurrent planning).

Just-In-Time (JIT) In this method of inventory control, warehousing is minimal or non-existent; the container is the moveable warehouse and must arrive "just in time," i.e. not too early and not too late.

Just-in-Time Logistics (or Quick Response) The process of minimizing the times required to source, handle, produce, transport, and deliver products in order to meet customer requirements.

K.D. Knocked Down

K.D.F. Knocked Down Flat

Kaikaku Continuous improvement through incremental improvements (same as Kaizen)

Kaizen A Japanese term for improvement - continuing improvement involving everyone - managers and workers. In manufacturing, kaizen relates to finding and eliminating waste in machinery, labor, or production methods. Also see: Continuous Process Improvement.

Kanban Japanese word for visible record, loosely translated means card, billboard, or sign. Popularized by Toyota Corporation, it uses standard containers or lot sizes to deliver needed parts to the assembly line just in time for use. A method which during storage uses standard units or lot sizes with a single card attached to each. A pull system used at a stock point in which a supply batch is ordered only when a previous batch is withdrawn. Note: Kanban in Japanese means loosely translated 'card or sign'.

Keel Longitudinal girder at the lowest point of a vessel from which the framework is built.

Keelage Toll on vessels entering a port.

Keiretsu A form of cooperative relationship among companies in Japan where the companies largely remain legally and economically independent, even though they work closely in various ways, such as sole sourcing and financial backing. A member of a keiretsu generally owns a limited amount of stock in other member companies. A keiretsu generally forms around a bank and a trading company but distribution (supply chain) keiretsus exist, linking companies from raw material suppliers to retailers.

Key Performance Indicator (KPI): A measure which is of strategic importance to a company or department. For example, a supply chain flexibility metric is Supplier On-Time Delivery Performance which indicates the percentage of orders that fulfilled on or before the original requested date. Also see: Scorecard.

Kimbal Tag A label containing bar coded information about product size, colour etc.

Kind of Packing Description of the packaging material used for goods to be transported.

King Pin The coupling pin, welded or bolted in the centre of the front underside of a semi-trailer chassis, which couples to the fifth wheel of the towing tractor or dolly convertor.

Kitting Light assembly of components or parts into defined units, Kitting reduces the need to maintain an inventory of pre-build, completed products, but increases the time and labor consumed at shipment. Also see: Postponement

Knocked Down (KD) - An article taken apart, folded, or telescoped in such a manner as to reduce its bulk at least 33-1/3% below its assembled bulk.

Knot A nautical measurement of speed equal to 1.15 miles or 1.85 kilometres per hour on land. The speed of ships is measured in knots.

Knot Unit of measurement for the speed (of a vessel) equal to a nautical mile (= 1852 metres) per hour.

Knot, Nautical - The unit of speed equivalent to one nautical mile: 6,080.20 feet per hour or 1.85 kilometers per hour.

KPI See Key Performance Indicator.

Kyoto Convention The convention for the International Customs Co-operation Council held in Kyoto in 1974 for the simplification and harmonization of national customs procedures. On 25th of June 1999 the updated and restructured International Convention on the simplification and harmonization of Customs Procedures (Kyoto Convention) was unanimously adopted by 114 customs administrations. This convention was restructured to deal with computerized controls and to ensure better co-operation between customs authorities mutually and with trade in general.

L.&D. Loss and Damage

L.C.L. Less Than Carload

L.T.L. Less Than Truckload

L/C Letter of Credit

L/C - Letter of Credit Bank contract for guarantee of payment. See UCP500 rules for boilerplate.

L/C (Letter of Credit) A written undertaking by a bank (issuing bank) given to the seller (beneficiary) at the request, and on the instructions of the buyer (applicant) to pay at sight or at a determinable future date up to a stated sum of money, within a prescribed time limit and against stipulated documents.

Label A slip of e.g. paper or metal attached to an object to indicate the nature, ownership, destination, contents and/or other particulars of the object.

Label Cargo Cargo, including all commodities, requiring a label according to the provisions of the International Maritime Dangerous Goods Code.

Labels and marks All shipping containers such as wooden crates and corrugated boxes must be labeled identifying consignee name and destination address. The package may also be marked with handling and shipping instructions identifying the contents and or warnings such as

Keep Dry, This Side Up, Lift Here and Center of Gravity. The handling instructions are typically done with standard pictorial markings and symbols recognized world wide. In the U.S.A. refer to ASTM Standard D5445 for over 30 symbols and reference ISO 780 for International markings and symbols.

Laden Vessel See Loaden Vessel

Lading The cargo carried in a transportation vehicle.

Lading Tons Lading, Lading Weight, Tons or Tonnage Freight volume in tons excluding the weight of the equipment it moves in

Laid-Down cost The sum of the product and transportation costs. The laid-down cost is useful in comparing the total cost of a product shipped from different supply sources to a customer's point of use.

LAN See Local Area Network.

Land Bridge Containers moving from a foreign country by vessel, and then sent to an inland point in the U.S. or elsewhere by land transportation (rail or truck). See also MLB.

Land Bridge Overland transport between following and/or preceding sea transport of goods and/or containers.

Land bridge: The movement of containers by ship-rail-ship on Japan-to-Europe moves; ships move containers to the U.S. Pacific Coast, rails move containers to an East Coast port, and ships deliver containers to Europe.

Land Grants: Grants of land given to railroads to build tracks during their development stage.

Landbridge Rail landbridge. Containerized marine traffic that is routed via rail across the United States on traffic between the Far East and Europe/Canada in lieu of all water routes

Landed Cost: Cost of product plus relevant logistics costs, such as transportation, warehousing, handling, etc. Also called Total Landed Cost of Net Landed Costs.

Lane metre A method of measuring the space capacity of Ro Ro ships whereby each unit of space (linear metre) is represented by an area of deck 1m in length by 2.5m in width.

LASH Lighter aboard ship: This technique for sea transport of cargoes uses barges floated into specially designed vessels. One of our competitors, Baco Line employs such vessels on the

Europe/Africa trade. This technique enables low drafted barges to access shallow ports ie some of those in the Niger delta including Onne and Warri.

Lash To hold goods in position by the use of, e.g., wires, ropes, chains and straps. See Lighter Aboard Ship

LASH - Lighter Aboard Ship. Lash Vessels - Barges specifically designed to load on a vessel internally and for quick vessel turnaround. The concept is to quickly float the barges to the vessel (using tugs or ships wenchers), load the barges through the rear of the vessel, then sail. Upon arrival at the foreign port, the reverse happens. Barges are quickly floated away from the vessel and another set of waiting barges quickly is loaded. Usually crane-equipped, these barges handle mostly breakbulk cargo.

LASH - Lighter aboard Ship A ship containing equipment to load/unload itself.

LASH (Lighter Aboard Ship) A vessel which carries barges.

Lash Barges: Covered barges that carriers load on board oceangoing ships for movement to foreign destinations.

LASH Vessel: A ship measuring at least 820 feet long with a deck crane able to load and unload barges through a stern section that projects over the water. The acronym LASH stands for Lighter (barge) Aboard Ship.

Lashing To hold goods in position by the use of, for example, wires, ropes, chains, or straps.

Lashing Point Point on a means of transport to which wires, chains, ropes or straps, which are used to hold goods in position, are attached.

Last Carrier The participating airline over which air routes the last section of carriage under the Airwaybill is undertaken or performed (air cargo).

Last In First Out (LIFO): In inventory control and financial accounting, this refers to the practice of using stock from inventory on the basis of what was received last is consumed first. This has limited use in stock keeping and is primarily a cost-accounting method.

Last Updated: A date and time stamp that is recorded when a field or record was last modified by the user.

LATE BID PROPOSAL - A bid or proposal received at the place specified in the solicitation after the time designated for all bids or proposals to be received.

LATENT DEFECT - A defect not apparent by ordinary and reasonable inspection at time of receipt or beginning use of a product.

Later (Gale warning) Expected more than 12 hours from time of issue

Lateral and Front Stacking Truck High-lift stacking truck capable of stacking and retrieving loads ahead and on either or both sides of the driving direction.

Latitude The angular distance of a position on its meridian north or south from the equator, measured in degrees ('a vessel at 25 degrees north latitude').

Lawful Permanent Resident A person whose true, fixed and permanent home is located in Florida and to which, whenever the person is absent, the person has the intention of returning.

Lay Days The number of days allowed in a charter party for the loading and discharging of cargo. Lay days may be indicated in different ways e.g. consecutive days, working days, weather working days.

Lay Up a Vessel Temporary cessation of trading of a vessel by the shipowner.

Laycan Abbreviation for laydays cancelling periods during which a shipowner must tender notice that a ship has arrived at the port of loading and is ready to load cargo.

Layout Key See United Nations Layout Key

Laytime/Laydays Time given by the shipowner to allow a chartered vessel to load and/or discharge cargo.

Lazaretto Place where goods are fumigated, or where a person under quarantine is quartered.

LCL Less than Container Load - ocean freight term, equivalent of LTL

LCL Less carload. Often refers to a freight rate that is usually higher than for a full carload.

LCL Less than a container load: A container with cargoes from/for different shippers/receivers, i.e. containing more than one shipper's cargo.

LCL - Less than Container Load; Less than Car load.

LCL (Less than Container Load) A general reference for identifying cargo in any quantity intended for carriage in a container, where the Carrier is responsible for packing and/or unpacking the container. For operational purposes a LCL (Less than full container load) container

is considered a container in which multiple consignments or parts thereof are shipped.

LCL: See Less-Than-Carload and Less-Than-Containerload.

Lead Logistics Provider (LLP): An organization that organizes other third party logistics partners for outsourcing of logistics functions. Also see: Fourth Party Logistics.

Lead Time The amount of time between the request of a service and the actual provision of this service. A span of time required to perform an activity. In a logistics context, the time between the initiation of a process and its completion.

Lead Time: The total time that elapses between an order's placement and its receipt. It includes the time required for order transmittal, order processing, order preparation, and transit.

Lean Producing the maximum sellable products or services at the lowest operational cost, while optimizing inventory levels

Lease A contract by which one party gives to another party the use of property or equipment, e.g. containers, for a specified time against fixed payments.

LEASE-Purchase Agreement - A lease contract containing a purchase option in which the lessee's periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon lessee exercising the purchase option; a conditional sales contract.

LEASE-Purchase Agreement - A lease contract containing a purchase option in which the lessee's periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon lessee exercising the purchase option; a conditional sales contract.

Leasing Company The company from which property or equipment is taken on lease.

Leasing Contract A contract for the leasing of property or equipment.

Leg: A leg has an origin, destination, and carrier and is composed of all consecutive segments of a route booked through the same carrier. Also called Bookable Leg.

LEGAL NOTICE - Notice of a proposed purchase as required by law. Depending upon the legal requirement, notice may be satisfied by posting an announcement of the purchase in a public place, notification of the appropriate bidders from the bidders list, formal advertisement in a newspaper or newspapers, or a combination of these methods.

Legal Weight The weight of goods plus any immediate wrappings which are sold along with the goods; e.g., the weight of a tin can together with its contents. See "Net Weight."

Less Than Container Load (LCL) Common term for an amount of goods to be shipped and which do not fill an entire container. Ocean rates for LCL are commonly higher on a per-unit basis than for a full container load. Thus, consolidation of several LCL loads from different places or shippers into a full container can save on costs.

Less than container load (LCL) A shipment of cargo that does not fill a container and is merged with cargo for more than one consignee or from more than one shipper. A container may be packed with LCL cargo at a container freight station usually at port of departure.

Less Than Trailer Load (LTL) See "Less Than Container Load" (LCL).

Less than truck load (LTL) A shipment weighing less than the weight or volume for the application of a truck load rate which is merged with cargo for more than one consignee or from more than one shipper. The product must be crated and or palletized for a mixed-freight environment which is intermingled with other shipments on a single piece of equipment and typically unloaded and reloaded across multiple pieces of equipment during the transport. LTL represents the majority of "freight" shipments and are often referred to as "motor freight."

Less Than Truckload (LTL) Shipment that would not, by itself, fill the truck to capacity by weight or volume. Trucking carrier that only accepts multiple small shipments for a single trailer

Lessee The party to whom the possession of specified property has been conveyed for a period of time in return for rental payments.

Lessee: A person or firm to whom a lessor grants a lease.

Lessor The party who conveys specified property to another for a period of time in return for the receipt of rent.

Lessor: A person or firm that grants a lease.

Less-Than-Carload (LCL): Shipment that is less than a complete rail car load (lot shipment).

Less-Than-Containerload (LCL): A term used when goods do not completely occupy an entire container. When many shipper's goods occupy a single container, each shipper's shipment is considered to be LCL.

Less-Than-Truckload (LTL) Carriers: Trucking companies that consolidate and transport smaller (less than truckload) shipments of freight utilizing a network of terminals and relay points.

Less-Than-Truckload (LTL): Trucking companies that consolidate and transport smaller (less than truckload) shipments of freight by utilizing a network of terminals and relay points.

Letter of Credit This is a written undertaking given by a Bank to pay the Seller/Exporter an amount of money within a specified time provided the Seller/Exporter presents specified documents which are in accordance with the terms of a letter of credit. A "Confirmed Irrevocable Letter of Credit" is the form of undertaking which provides the greatest security of payment to the exporter

Letter of Credit A form of payment, used especially in international trade, that transfers funds from the buyer's bank account to the seller's bank account. An Irrevocable Letter of Credit cannot be cancelled or revoked by the buyer as long as all documents are proper and approved by the bank and the goods have been delivered to the specified place for shipment to the buyer.

Letter of Credit (L/C) - A document issued by a bank per instructions by a buyer of goods authorizing the seller to draw a specified sum of money under specified terms. Issued as revocable or irrevocable. **Lighter** - An open or covered barge equipped with a crane and towed by a tugboat. Used mostly in harbors and inland waterways.

Letter of Credit (LC) 1 (1) Letter of agreement issued by a bank stating a foreign purchaser has established a line of credit in a seller's favour, and confirming that payment for goods will be made upon presentation of certain documents which are in agreement with terms on the letter of credit.

Letter of Credit (LC) 2 (2) A letter addressed by a banker to a correspondent certifying that a person named therein is entitled to draw on him or his credit up to a certain sum.

Letter of Credit (LC) 3 (3) A letter addressed by a banker to a person, to whom credit is given, authorizing him to draw on the issuing bank or on a bank in his country up to a certain sum and guaranteeing to accept the drafts if duly made, also called commercial letter of credit, confirmed credit or confirmed letter of credit.

Letter of Credit (LC) 4 Letters of credit may take various forms, represent various undertakings for various purposes and be subject to different conditions.

Letter of Credit (LOC): A method of payment for goods in which the buyer established his credit with a local bank, clearly describing the goods to be purchased, the price, the documentation required, and a time limit for completion of the transaction. Upon receipt of

documentation, the bank is either paid by the buyer or takes title to the goods themselves and proceeds to transfer funds to the seller.

Letter of Indemnity Written statement in which one party undertakes to compensate another for the costs and consequences of carrying out a certain act. The issue of a letter of indemnity is sometimes used for cases when a shipper likes receiving a clean Bill of Lading while a carrier is not allowed to do so. Within P&O Nedlloyd the issue of letters of indemnity are contrary to the company's instructions.

Levant Eastern end of the Mediterranean.

Leverage Where an investor or a company uses debt to finance its operations rather than using equity.

Leverage: Taking something small and exploding it. Leverage can be financial or technological.

LI Letter of Indemnity

LIABILITY The dollar amount that a carrier is legally liable for should partial or complete loss of a shipment be evidenced as occurring whilst in their care, custody or control. TBAC usually has a limit of liability of \$0.50/lb (unless otherwise provided for).

Liability In accounting, it is what a company owes. In law, it is an obligation to do or refrain from doing something; a duty which eventually must be performed; an obligation to pay money.

Liability Legal responsibility for the consequences of certain acts or omissions.

LIC Local import control

License See "Exchange License," "Export License," "Import License," "Validated License."

Licensing The grant of technical assistance and service and/or the use of proprietary rights, such as a trademark or patent, in return for royalty payments.

Lien A legal claim upon real or personal property to pay a debt or duty.

Life Cycle Cost Encompasses all costs associated with the product's life cycle. These include all costs involved in acquisition (research & development, design, production & construction, and phase-in), operation, support and disposal of the product.

Life Cycle Cost: In cost account, a product's life cycle is the period that starts with the initial product conceptualization and ends with the withdrawal of the product from the

marketplace and final disposition. A product life cycle is characterized by certain defined stages, including research, development, introduction, maturity, decline, and abandonment. Life cycle cost is the accumulated costs incurred by a product during these stages.

LIFE-Cycle Costing - A procurement technique which takes into account demonstrable and documented operating, maintenance, the cost of money, and other costs of ownership and usage, and resale or residual value in addition to acquisition price in making an award on low total cost.

LIFFE London International Financial Futures Exchange

LIFO An abbreviation for "Last-in, First-out." An accounting method of valuing inventory based on the assumption that the last items purchased are the first sold. Compare with FIFO.

LIFO - Liner In, Free Out This is a qualification to a freight rate and should not be confused with, or used as, a term of sale. The expression Liner In Free Out, means that the port to port freight rate offered by the Carrier is inclusive of the costs of loading on to the ship but excludes the costs for the discharge of the goods at the port of arrival. Terms such as these and there are many that you will come across are a throwback to the past in many respects. Frequently they are used with different definitions in different countries. In many cases the variation is subtle often differing in some slight detail between ports in the same country and you should exercise great caution when working with terms like this to the point where you might consider calling for an exact definition from the party you are in discussion with. This holds particularly true if that party is based in a foreign country. **CAUTION:** The word free can be very confusing in a trade context. For example: In the above expression the word 'free' means 'free from inclusion of'. So, Free Out means that the freight rate given does NOT include the costs of discharge from the ship. However, in the sales term FOB (Free on Board) the expression "free" means inclusive of the costs to achieve the underlying condition, so the purchase price under FOB includes all of the charges to achieve a condition (in this case loading on board.)

LIFO (Last In First Out) A method of which the assumption is that the most recently received (last in) is the first to be used or sold (first out).

LIFO (Liner In Free Out) Transport condition denoting that the freight rate is inclusive of the sea carriage and the cost of loading, the latter as per the custom of the port. It excludes the cost of discharging.

LIFO: See Last In First Out.

Lift on, Lift off (LO/LO): A method by which cargo is loaded onto and unloaded from an ocean vessel, which in this case is with a crane.

LIFTGATE Equipment attached to delivery/pick-up vehicles to lift or lower goods when no dock is available for transfer of freight

Lighter See Barge

Lighter: A barge-type vessel used to carry cargo between shore and cargo ship. While the terms barge and lighter are used interchangeably, a barge usually refers to a vessel used for a long haul, while a lighter is used for a short haul.

Lighterage The carriage of goods within a port area by a barge, e.g. from a vessel to a quay.

Lighterage - The cost of loading or unloading a vessel by means of barges alongside.

Lighterage: The cost of loading or unloading a vessel by means of barges.

Lightweight Weight of an empty vessel including equipment and outfit, spare parts required by the regulatory bodies, machinery in working condition and liquids in the systems, but excluding liquids in the storage tanks, stores and crew.

LILO Liner in, liner out or full liner terms: Qualification to a freight rate which signifies that it consists of the ocean carriage and the cost of cargo handling at the loading and discharging ports (to ship's rail) according to the custom of a particular set of ports.

Limited Purchase Order (LPO) A blank, encumbered and unassigned purchase order which is completed at the point of purchase; usually used to facilitate the acquisition of smaller goods and services at FAU.

Line Abandonment Discontinuation of service and maintenance on certain tracks or line segments of a railroad subject to approval of appropriate federal and state agencies

Line Functions: The decision-making areas companies associate with daily operations. Logistics line functions include traffic management, inventory control, order processing, warehousing, and packaging.

Line Haul Marine portion of a vessel's route covering the greatest distance, usually across an ocean (e.g. Singapore-Los Angeles).

LINE HAUL The movement of goods from a carrier's terminal in one city to his terminal in another

Line Haul Movement of freight over tracks of a railroad from one station to another (not a switching service). Also known as road haul.

Line Item See Order Line

LINE ITEM - A procurement item specified in an invitation for bids for which the bidder is asked to tender an individual price and which, under the terms of the invitation, is usually susceptible to a separate contract award.

Line Item: A specific and unique identifier assigned to a product by the responsible enterprise.

Line Number See Flight Number

Line or track Capacity: Maximum number of trains that can operate safely and reliably in each direction over a given segment of track during a given period of time (e.g., 24 hours)

Linear metre Method of measuring volume of cargo on Ro Ro vessels, in which the measurement is an estimate of the length of the cargo laid end to end. (See lane metre.)

Linear Programming A mathematical procedure for minimizing or maximizing a linear function of several variables, subject to a finite number of linear restrictions on these variables.

Line-Haul Shipment: A shipment that moves between cities and over distances more than 100 to 150 miles in length.

Liner Conference A group of two or more vessel-operating carriers, which provides international liner services for the carriage of cargo on a particular trade route and which has an agreement or arrangement to operate under uniform or common freight rates and any other agreed conditions (e.g. **FEFC** = Far Eastern Freight Conference).

Liner Service The connection through vessels between ports within a trade.

Liner Service: International water carriers that ply fixed routes on published schedules.

Liner Shipping Company A company transporting goods over sea in a regular service.

Liner Terms Condition of carriage denoting that costs for loading and unloading are borne by the carrier subject the custom of the port concerned.

LINER TERMS - or full liner terms This is an ocean freight expression. Liner terms are the opposite of Free terms. When you ship liner terms, the carrier is responsible for the loading and unloading of the cargo. If you ship LINER-IN, FREE-OUT, then the carrier is responsible for loading, and the shipper is responsible for unloading. FREE-IN, LINER-OUT means the shipper pays for loading, and the carrier pays for the unloading.

Link: The transportation method a company uses to connect nodes (plants, warehouses) in a logistics system.

Linked Distributed Systems: Independent computer systems owned by independent organizations linked in a manner to allow direct updates to be made to one system by another. For example, a customer's computer system is linked to a supplier's system and the customer can create orders or releases directly in the supplier's system.

List Inclination of a ship to port or starboard caused by eccentric weights such as cargo or ballast.

Live Stock Cargo consisting of live animals, such as horses, cows, sheep and chickens.

Live: A situation in which the equipment operator stays with the trailer or boxcar while it is being loaded or unloaded.

Lloyd's Register of Shipping British classification society.

LLP: See Lead Logistics Partner.

LNG Carrier Liquefied Natural Gas Carrier.

LNG vessels: Liquefied Natural Gas. Vessels for transporting liquefied natural gas (methane gas).

LO/LO Lift on/lift off

LO/LO: See Lift on, Lift off.

LOA Length over all: Vessel length.

Load Quantity or nature of what is being carried. This term normally refers to transport by truck.

Load base The purpose of a load base also referred to as a pallet is to support the product load, and consolidate and contain the product or unitized loads during transportation and handling. The most commonly used load base (pallet) in the United States is the stringer pallet with a footprint of 48" by 40" allowing either two-way or four way entry. Craters & freighters designs and builds custom load base pallets for the specific product, allowing ease of handling and transportation of most any size and weight.

LOAD BROKER See also Freight Broker.

Load Factor Management The process of maximizing the utilization of the (slot) capacity of vessels and or other means of transport.

Load Factor: A measure of operating efficiency used by air carriers to determine a plane's utilized capacity percentage or the number of passengers divided by the total number of seats.

Load stabilizer A wide variety of materials and methods are used to stabilize the load during handling and transportation; in order to minimize shifting which would subject the product and or equipment to damages. Stretch-wrapping, heat-shrink, metal and nylon banding, adhesives, air bags, slip sheets, kick-blocks, and bracing are some of the methods.

Load Tender (Pick-Up Request):An offer of cargo for transport by a shipper. Load tender terminology is primarily used in the motor industry.

Load Tendering: The practice of providing a carrier with detailed information and negotiated pricing (the tender) prior to scheduling pickup. This practice can help assure contract compliance and facilitate automated payments (self billing).

Loaden Vessel Vessel where cargo has been put on board.

Loading The process of bringing cargo into a means of transport or equipment.

Loading Allowance: A reduced rate that carriers offer to shippers and/or consignees who load and/or unload LTL or Any Quantity shipments.

Loading Platform A flat surface to facilitate loading usually alongside a warehouse.

Loading Port: The port where the cargo is loaded onto the exporting vessel. This port must be reported on the Shipper's Export Declaration, Schedule D. Schedule D is used by U.S. companies when exporting to determine which tariff is used to freight rate the cargo for carriers with more than one tariff.

Load-Load A method of conducting single-piece flow, where the operator proceeds from machine to machine, taking the part from one machine and loading in into the next (same as Chaku-Chaku)

Loadmaster A load-calculator designed for a vessel approved by a classification bureau for the calculation of the vessels stability.

LOC: See Letter of Credit.

Local Area Network (LAN): A data communications network spanning a limited geographical area, usually a few miles at most, providing communications between computers and peripheral devices.

Local Carrier/Railway A local carrier or railway refers to the railway physically serving a shipper. In other words, a firm's local railway is the one which has track running into its property.

Local Charge See On-line Charge

Local Freight Train Train with an assigned crew that works between predesignated points. Local trains handle the switching outside the jurisdiction of a yard switcher.

Local Move Traffic originating and terminating on a railroad's lines without any interchange. The one carrier serves both the origin and destination station.

LOCAL PURCHASE - A purchase made directly by an agency, apart from the central purchasing office, for its own use or for the use of another agency logistically supported by it.

Local Rate See On-line Rate

Local Rate: A rate published between two points served by one carrier.

Local Service Carriers: A classification of air carriers that operate between less-populated areas and major population centers. These carriers feed passengers into the major cities to connect with major carriers. Local service carriers are now classified as national carriers.

Localized Raw Material: A raw material found only in certain locations.

Locating Pin See Cones

Location Any named geographical place, recognized by a competent national body, with permanent facilities used for goods movements associated with international trade, and used frequently for these purposes. Geographical place such as a port, an airport, an inland freight terminal, a container freight station, a container yard, a container depot, a terminal or any other place where customs clearance and/or regular receipt or delivery of goods can take place. An area (e.g. in a warehouse) marked off or designated for a specific purpose.

LOCATION NO. All CFS/Bonded Warehouses have a location or facility code that uniquely identifies them to US Customs

Locational Determinant: The factors that determine a facility's location. For industrial facilities, the determinants include logistics.

Lock For marine purposes: A space, enclosed at the sides by walls and at each end by gates, by which a vessel can be floated up or down to a different level.

Locker A compartment, in a shed or on board of a vessel, used as a safekeeping place to stow valuable goods, which can be secured by means of a lock.

Locomotive Capacity: Locomotives available to move demand

Log Book The daily report, authenticated by the master of all events and other relevant particulars of a vessel, attested by the proper authorities as a true record.

Logbook: A daily record of the hours an interstate driver spends driving, off duty, sleeping in the berth, or on duty but not driving.

Logistics The management of freight and information throughout the total supply chain from the original raw material source to the ultimate consumer of the finished product, encompassing factories, assembly and packing plants, warehouses, distribution centres and retail outlets.

Logistics Logistics is the overall management of relocating resources to where they are required. It involves the integration of transportation, inventory, warehousing, handling, packaging, crating, pick-up and delivery.

Logistics The process of planning, implementing, and controlling procedures for the efficient and effective storage of goods, services, and related information from the point of origin to the point of consumption for the purpose of conforming to customer requirements. This definition includes inbound, outbound, internal, and external movements. Also see the Council of Logistics Management's definition of Logistics.

Logistics (CEN) The planning, execution and control of the movement and placement of people and/or goods and of the supporting activities related to such movement and placement within a system organized to achieve specific objectives.

Logistics Chain All successive links involved in the logistic process.

Logistics Channel: The network of supply chain participants engaged in storage, handling, transfer, transportation, and communications functions that contribute to the efficient flow of goods.

Logistics Costs: The factors associated with the acquisition, storage, movement, and disposition of goods.

Logistics Data Interchange (LDI): A computerized system that electronically transmits logistics information.

Logistics Management as defined by the Council of Supply Chain Management Professionals (CSCMP): Logistics management is that part of supply chain management that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements. Logistics management activities typically include inbound and outbound transportation management, fleet management, warehousing, materials

handling, order fulfillment, logistics network design, inventory management, supply/demand planning and management of third party logistics services providers. To varying degrees, the logistics function also includes sourcing and procurement, production planning and scheduling, packaging and assembly, and customer service. It is involved in all levels of planning and execution - strategic, operational, and tactical. Logistics management is an integrating function which coordinates and optimizes all logistics activities with other functions, including marketing, sales, manufacturing, finance, and information technology.

LOLO (Lift-On Lift-Off Vessel) Vessel of which the loading and discharging operations are carried out by cranes and derricks.

Lo-Lo: Lift on – Lift off. Cargo carrying vessel that has its cargo lifted on and/or off. This type of ship may also have passenger carrying capacity (Pax-Lo) and/or Ro-Ro features (Ro-Lo).

Long Term Debt Financing Long Term Debt Financing usually applies to assets your business is purchasing, such as equipment, buildings, land, or machinery. With long term debt financing, the scheduled repayment of the loan and the estimated useful life of the assets extends over more than one year.

Long Ton 2,240 pounds.

Longitude The angular distance of a position on the equator east or west of the standard Greenwich meridian up to 180o east or west.

Longshoreman Also known as stevedore. Worker who loads and unloads a ship. Terminal operator who is designed to facilitate the operation of loading and discharging vessels, as well as other terminal activities.

Lorry Motor truck used for transport of goods. Note: Motor truck is an American term. British synonym for motor truck is Heavy Goods Vehicle. This British term means any vehicle exceeding 7.5 metric tons maximum laden weight.

Loss and Damage "Normal" day-to-day losses and damages as a result of moving freight such as vandalism, damage due to shipping or derailments and accidents.

Lot Control A set of procedures (e.g., assigning unique batch numbers and tracing each batch) used to maintain lot integrity from raw materials, from the supplier through manufacturing to consumers.

Lot Size The quantity of goods a company purchases or produces in anticipation of use or sale in the future.

LOWEST (RESPONSIVE AND) RESPONSIBLE BIDDER - Originally, the bidder submitting the lowest initial price and capable of performing the proposed contract. Under modern purchasing

concepts, often construed as generally the same as the "lowest responsive and responsible bidder," or the bidder who submits the "lowest and best bid," or the "most advantageous bid, price, and other factors considered." For clarity and accuracy, the recommended provision for determining award is the "responsive and responsible bidder whose bid is most economical for the purpose intended, according to criteria set forth in the solicitation."

Low-VOCs (volatile organic compounds): Products with a low-VOC content meant for indoor use have been positively correlated with better indoor air quality. Using products with low VOCs is especially important for chemically sensitive individuals.

LPG vessels: Liquefied Petroleum Gas. Vessels used to transport ammonia and liquid gases (ethane, ethylene, propane, propylene, butane, butylenes, isobutene and isobutylene). The gases are transported under pressure and/or refrigerated.

LR1, product tanker: Long Range 1. Product tanker with the maximum dimensions for passing through the Panama Canal (width of 32.21 meters and length of 289.5 meters) of approximately 50,000—80,000 dwt.

LR2, product tanker: Long Range 2. Product tanker too large to pass through the Panama Canal of approximately 80,000 dwt.

LT Long Ton. 1 Long Ton = 2,240 lbs

Ltge. Lighterage

LTHC Terminal Handling Charge for Named Country

LTL Less than Truck Load - the basis on which most TBAC freight moves, defined as a rate per lb of freight moved

LTL Less truckload. Often refers to a freight rate that is usually higher than for a full truckload.

LTL See Less-Than-Truckload Carriers.

LTL (Less than Truck Load) A term used if the quantity or volume of one or more consignment(s) does not fill a standard truck.

LTL shipment A less-than-truckload shipment, one weighing less than the minimum weight a company needs to use the lower truckload rate.

Luffing Crane A crane with which the load can be moved to or from the crane horizontally.

Luggage Travellers' baggage, suitcases, boxes etc., normally accompanied by a passenger.

Lumping: When a driver assists with loading and unloading the trailer contents.

Lump-sum An agreed sum of money, which is paid in full settlement at one time. This term is often used in connection with charter parties.

Lump-sum Charter A voyage charter whereby the shipowner agrees to place the whole or a part of the vessel's capacity at the charterer's disposal for which a lump-sum freight is being paid.