

Guide To Shipping & Logistics Terminology

If you're new to the transportation world, or are simply overwhelmed by all of the various terms used in the shipping process, we have just the thing for you. We've compiled all of the most commonly used terms and phrases and their definitions in one place to help make your life easier.



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A

Accessorial: An extra fee charged by carriers for additional services rendered, which can include detention and fuel surcharges.

Asset-based: A transportation company that owns its own equipment, usually trucks or containers.

B

Bill of Lading (BOL): A transportation document that acts as a contract between a shipper and receiver and includes details specific to the shipment.

Blanket rates: Lower, contracted rates you can obtain from LTL carriers if you have enough shipping volume.

Blocking and bracing: A method of securing cargo to prevent shifting during transportation.

Bulk cargo: A cargo commodity that is transported unpackaged in large quantities. For example, coal and gravel.

C

Capacity: The availability of carriers and equipment to haul freight.

Cargo: Goods or product being shipped.

Carrier: A person or business that transports goods, usually used interchangeably with "trucking company."

Certificate of Insurance: A document noting that insurance has been secured to cover loss or damage to a shipment while in transit.

Claim: A charge made against a carrier by a shipper or consignee due to loss, damage, or delay to the shipment.

Commodity: The type of goods you are shipping.

Consignee: The receiver of a shipment.

Container: A box or trailer used for shipping goods.

Council of Supply Chain Management Professionals (CSCMP): A professional association dedicated to the advancement of the logistics and supply chain industries.

Cross docking: The process of unloading inbound freight and immediately loading it onto a different outbound method of transportation, often across the same dock.

C

Customs broker: A firm that represents importers and exporters in dealing with customs in international shipments and is responsible for gathering all necessary documents to do so legally.

Deadhead: A truck traveling without freight in order to pick up its next load.

Dead on Arrival (DOA): When a product is delivered in a non-functional condition.

Declared value: The value of freight in a shipment as noted by the shipper on a bill of lading.

Density rates: LTL shipping rates that are based on the shipment's density and size, rather than on their freight class.

Department of Transportation (DOT): A federal organization designed to manage the country's transportation system and functions.

D

Detention: Additional shipping costs charged by a carrier if they must wait beyond the specified loading and unloading times.

Dispatch: A job function of the carrier to arrange drivers, tracing of drivers, and equipment for specified shipments.

Door to door: A shipment arranged by a single transportation provider that travels directly from the shipper to the consignee.

Door to port: A shipment arranged by a single transportation provider that travels directly from the shipper to a port.

Drayage: The transport of ocean or rail containers to and from ports or rail yards.

Drop trailer: A type of shipment when a carrier drops off their trailer at a facility for an extended period of time.

E

Enroute: When a shipment is in the middle of its transport.

Expedited shipping: A form of transportation that involves shipments being moved at a faster rate than usual.

Federal Motor Carrier Safety Administration (FMCSA): A federal organization whose primary mission is to reduce crashes, injuries and fatalities involving large trucks and buses.

Freight All Kinds (FAK): Refers to a negotiated LTL rate based on the combined freight class of multiple commodities.

Flatbed: A type of trailer that has a long floor, but is not enclosed. This is often used to ship large products, like equipment or pipes, that wouldn't ordinarily fit in the confines of a normal trailer.

F

Freight: Goods being transported from one place to another.

Freight class: A classification of LTL shipments based on the freight's weight, length, height, density, ease of handling, and value.

Freight forwarder: A company that specializes in the arranging and storage of foreign shipments.

Freight quote: Estimated pricing from a carrier or 3PL for the arrangement and shipping of specific freight on a specific lane.

G

Goods: Another term for freight or product.

Hazmat: A type of specialty shipment that involves the transport of hazardous materials.

H

Hotshot: A specialty LTL shipment that has a single customer's freight on board without multiple stops.

Heavy haul: A specialty shipment for goods heavier than normal truckload will allow for.

Insurance certificate: An official document issued to the consignee that outlines the insurance provided to cover potential loss or damage of freight while it's in transit.

I

Intermodal: A shipping mode that involves multiple modes of transportation. Most commonly, this refers to utilizing the rail in addition to trucks.

International shipping: Transportation of goods into or out of foreign countries.

J

Just in Time (JIT): A specialty transportation service that is based on the material flow of manufacturing companies. Products are delivered only when they are needed to cut down on required storage space.

K

Lane: The commercial route between the origin and the destination of your shipment. For example, "Miami to Chicago is a great lane for this carrier."

Layover: Extra charges from a carrier for the extra time (a day or more) spent waiting to load or unload at a shipper or receiver.

Less-Than-Truckload (LTL): A mode of transportation for freight that would not fill a full truckload trailer.

L

Liftgate: A mechanical platform on the back of a vehicle that can be raised during loading and unloading of heavy cargo. This is used when the shipper or consignee do not have a loading dock on site to load or unload the freight.

Logistics: The coordination of activities and transportation needed to bring goods to market.

LTL Terminal: Where LTL carriers load and unload freight that needs to switch trucks on the way to its final destination.

Lumper: Additional fee charged to the carrier when a shipper utilizes a third-party worker, called a lumper, to help load or unload trailer contents.

Mileage: The distance a carrier travels for a shipment, which is a determining factor in shipping costs.

M

Mode: A term used to distinguish different methods of transportation. For example, truckload, LTL, and intermodal.

Motor carrier: A private company that provides the transportation of goods by means of a commercial motor vehicle.

N

National Motor Freight Transportation Association: The organization who puts together the NMFC (National Motor Freight Classification) guidelines.

N

National Motor Freight Classification: The guidelines that determine the freight class of your shipment.

NMFC number: Different from freight class, this is a very specific number that corresponds to your commodity and how it is packaged. This number is used to determine your freight class.

Over-the-Road (OTR): A mode of travel that involves transportation of goods over public roadways.

O

Overdimensional and oversized: A specialty form of transportation for freight that cannot fit in the confines of a trailer due to its odd dimensions or size and isn't legally able to be transported without a special permit.

Owner/Operator: A truck driver that both owns a truck as well as operates it.

P and D: Pickup and delivery.

Pallet: A flat platform, typically made out of wood or plastic, that a shipment is placed upon (and usually shrink-wrapped to). This makes your shipment easier to lift, transport, and stack.

Parcel Shipment: Small shipments that are often for personal use versus commercial freight. These are typically sent via the postal service, or companies like UPS or FedEx.

P

Picking: The process of pulling products from storage to complete an order or shipment.

Port: A harbor where cargo ships anchor to load and unload.

Power only: Shipments that only require the use of a truck, as the customer provides a trailer.

Proof of Delivery (POD): An official document supplied to the consignee by the carrier that outlines the person who signed for the shipment and the time and date of delivery.

Q

Quick pay: An expedited means for carriers to get paid by a 3PL or freight broker.

Rail shipping: Another term for intermodal shipping, or transportation using trains.

R

Receiver: A consignee of a shipment, or the party receiving the shipment.

Reefer: A refrigerated or temperature-controlled trailer.

Refrigerated LTL: Temperature-controlled less-than-truckload shipping.

R

Responsible Care: A certification that represents the good standing of chemical shipping companies and companies that serve the chemical industry in the areas of health, safety, and environmental performance standards.

Route: A shipping lane from pickup to delivery.

Shipper: The party in a shipment that sends goods.

Spot market: A quick, one-time quote provided by a carrier for particular lane often without much notice before pickup.

S

Straight truck: A truck that has a trailer built onto it, acting as a single unit.

Step deck trailer: A platform trailer with no sides or roof and two deck levels.

Supply chain: The process of getting a product to market, from acquiring raw materials all the way to the delivery of the final product to the customer.

Tanker: A truck that is capable of carrying liquids in bulk quantities.

Temperature-controlled: A trailer capable of maintaining a specific temperature range as to not damage a product.

Third Party Logistics Provider (3PL): A company that provides outsourced logistics services, often including freight shipping arrangement and warehousing.

T

Tracing: The process of tracking a carrier or shipment while it's in transit.

Trailer: The container attached to a truck that hauls goods.

Transit time: The time it takes to transport a shipment from pickup to delivery.

Transportation Management Software (TMS): A software designed to manage and optimize logistics processes.

Truckload: Shipments that occupy the space in a standard trailer, often weighing around 40,000 pounds.

U

R

Van: The most common type of freight trailer hauled by commercial motor carriers, often between 26 and 53 feet.

Volume LTL: A larger LTL shipment that is more than 6 pallets or 5,000lbs (but less than 10,000lbs); takes up part of a trailer, but not all of it.

W

Warehousing: The process of using a facility to store products.

White glove: A specialty freight service for high-value freight to ensure extra protection and care during transit.

X

Y

Z