



Shipping & Logistics

Objectives:

- Know the Fundamentals of Shipping Industry
- Differentiate shipping from logistics and its importance.
- Be aware of how liner shipping works.
- Identify different types of cargo ship, container and cargo nature.
- Know the role and importance of Technology in Shipping and the terminologies used.

Facts About Shipping

- The international shipping industry is responsible for the carriage of around 90% of world trade.
- Shipping is the life blood of the global economy. Without shipping, intercontinental trade, the bulk transport of raw materials, and the import/export of affordable food and manufactured goods would simply not be possible.
- Ships are technically sophisticated, high value assets (larger hi-tech vessels can cost over US \$200 million to build), and the operation of merchant ships generates an estimated annual income of over half a trillion US Dollars in freight rates.
- There are around 50,000 merchant ships trading internationally, transporting every kind of cargo.

Facts About Shipping

- Shipping is the safest and most environmentally benign form of commercial transport. Perhaps uniquely amongst industries involving physical risk, commitment to safety has long pervaded virtually all deep sea shipping operations.
- Inherently international nature, the safety of shipping is regulated by various United Nations agencies (ie. IMO).
- Shipping is the least environmentally damaging form of commercial transport and, compared with land based industry, is a comparatively minor contributor to marine pollution from human activities.
- There has been a substantial reduction in marine pollution over the last 15 years, especially with regard to the amount of oil spilled into the sea, despite a massive increase in world sea borne trade.

How Liner Shipping Works

1. Liner ships offer regular scheduled services on fixed routes like a bus or train service does.
2. Each shipment represent a specific supply chain.
3. Every supply chain is unique
 - * involves the timely and accurate transfer of goods between various modes of transport.
 - * Goods transported by ocean containers on liner ships is placed in the container at the factory origin.
4. The container is locked and sealed so the goods can remain safely secured inside the container until it arrives at the purchaser's warehouse, factory or store.



Importance of Shipping



Importance of the role of shipping and ships can be appreciated from the fact that ships transport about **95%** of world's cargo (including that by road, rail, air, and other means). The economy of the world depends upon shipping. All attempts are made to make ships suitable and economical for carrying different types of cargo.

What is Shipping?

Shipping is...

The act or business of transporting goods. The **shipping** process follows the manufacture and the packing of goods and will be controlled by a **shipping** or logistics company



What is Logistics?

Logistics means the movement of goods from one location to another.

Common Modes of Transportation



Transportation

- Transportation - The means of moving people and goods from origin to destination, inclusive of information interchange.
- “Intermodal” Transportation - The concept of transporting passengers and/or freight from origin to destination in such a way that the parts of the transportation process, inclusive of information exchange are efficiently connected.



Transportation

Intermodal Door-to-Door Transport



Barge



Railway Transportation



Eco-Truck

- Less packaging material
- Less labor input for packing and stowage work
- Less transport damage – lower insurance costs
- Less storage space – container as “mini warehouse”

Lower costs for customers

Mode of Transportation

Other transportation modes :

Transportation Mode	Description
Motor Carrier	Truckload, Less Than Truck Load
Rail	Railroad
Small Package	UPS, Federal Express, Airborne, etc..
Mail	USPS
Private Fleet	Shipper's own vehicles
Bulk	Tank truck
Ocean	Ship, Barge, etc..

Types of Vessel

There are two major categories (not counting the ships for defense – Navy) - namely Cargo Ships and Passenger Ships. Cargo Ships are further subdivided into Dry Cargoes and Wet Cargoes as given in the chart below. There are other types that can be placed under 'special category'.

Cargo Ships				Passenger Ships
Dry Cargo Ships		Liquid Cargo Ships (Tankers)		Cruise Liner
General Cargo	General Cargo (Boxes, Machinery, etc.)	Oil Tankers	Crude oil, refined oils, and petroleum products	Ferries
Container Vessel	Containers	Chemical Carriers	Chemicals in bulk	
Bulk Carriers	Bulk Cargos (Ore, Grain, Coal, Cément, etc.)	Gas Carriers	Liquefied Gases (LNG, LPG, and other gases in liquid state)	
Roll On - Roll Off Vessel	Trucks, trailers, vehicles			
Other ships: Tug Boats, Offshore supply vessels, Cable laying ships, survey ships, Oil platforms, etc..				

Types of Vessel



General Cargo Ships: Are used for carrying different types of dry cargo in different sizes and shapes. This type is the earliest of cargo ships. First change was in the size of ships, then in method of packaging cargo, several other factors made the ships more and more specialized and thus different categories.



A Container Ship is one such advance version of general cargo ship providing options for different sizes of containers and a very speedy loading and discharging of cargo.

Types of Vessel



Roll-on/ Roll-off (RORO or ro-ro) is yet another version of a 'General Cargo ship' designed to carry wheeled cargo such as automobiles, trailers or railroad cars. RORO vessels have built-in ramps which allow the cargo to be efficiently "rolled on" and "rolled off" the vessel when in port. Car/Truck Carriers are distinctive looking ships with a box-like superstructure running the entire length and breadth of the hull, fully enclosing and protecting the cargo. They typically have a stern ramp and a side ramp for dual loading of many thousands of vehicles, as well as extensive automatic fire control systems.

Bulk Carrier, bulk freighter, or bulker is a merchant ship used to transport unpackaged bulk cargo such as grain, coal, ore, cement and other similar cargoes.

Types of Vessel



Tanker is a ship designed to transport liquids in bulk. Petroleum tankers are a particular brand of tanker. A wide range of products are carried by tankers, including:

- Crude oil, refined oils, and many other liquids
- Chemical carrier is yet a specialized version of a tanker
- Yet another specialized version of a tanker is liquefied gas carriers - liquefied petroleum gas (LPG), liquefied natural gas (LNG), and other gases in liquid state



Passenger / Cruise Liners: A passenger ship is a ship whose primary function is to carry passengers. The category does not include cargo vessels which have accommodations for limited numbers of passengers

Types of Vessel



Offshore Supply Vessel (OSV): OSV is a ship specially designed to supply offshore oil platforms. These ships range from 65 to 350 feet in length and accomplish a variety of tasks. The primary function for most of these vessels is transportation of goods and personnel to and from the offshore exploration activities.



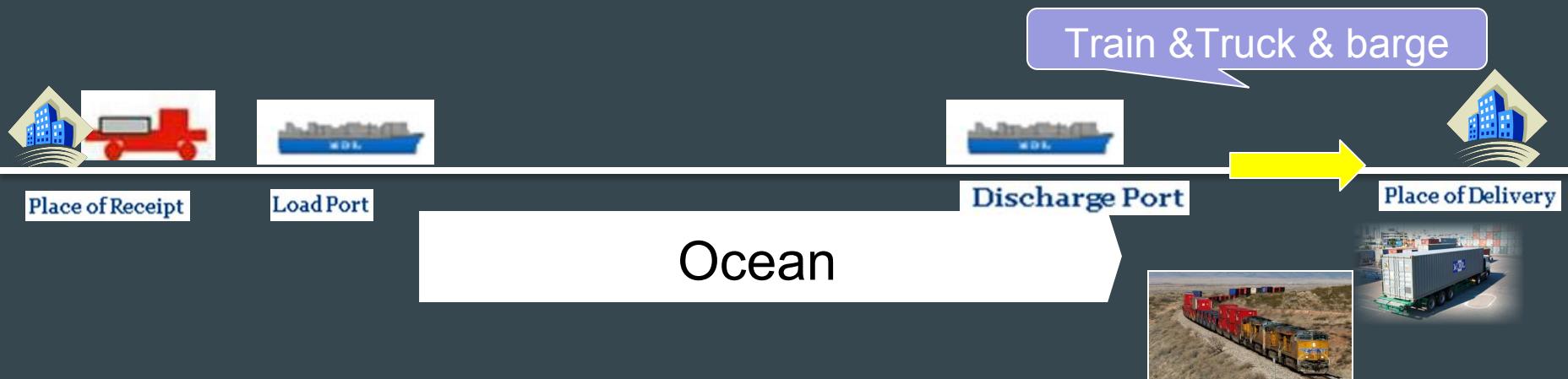
Tugboat, or tug, is a boat, with a high-powered engine, used to maneuver, primarily by towing or pushing, other vessels in harbors, over the open sea or through rivers and canals. They are also used to tow barges, disabled ships, or other equipment like towboats.



Types of Cargo & Its' Nature

Where does shipping company offer service?

Container shipping company can provide service to inland location as well.



Load Port/Discharge Port

= CY

Rail Ramp

= CY

Place of Receipt/Place of Delivery

= CY or CFS or Door

Example 1

Cargo receipt at customer's warehouse. Carrier appoints the trucker to pick up the laden container and then connect to appointed rail company under Carrier service.



Example 2

Discharge container at Rotterdam first and then connect to barge and truck.
Carrier appoints barge company and truck company under Carrier service to customer.



Types of Shipment

- FCL(Full container Load)
- LCL(Less than a container load)
- RoRo(Roll on – Roll off)
- Break-bulk



FCL and LCL

CFS is used for LCL(Less than Container Load) cargos.

Some customers don't have enough cargos to fill full container and shipping company receives LCL cargos at CFS and combines many LCL cargos to full 1 container.

Customer's warehouse / factory



FCL : Full Container load. One container having cargo of only one customer.

For FCL cargos, stuffing is under shipper's responsibility. Shipper is responsible to arrange stuffing so that cargo can endure various vibrations during transport.



LCL: Less than container load. One container having cargoes of many customers.

When shipper doesn't have enough cargo filled up a container, they don't have to pay for full container but pay for LCL only

Nature of Cargo

- Temperature Control
- Dangerous Goods
- Out of Gauge Cargo-OOG
- Dry Cargo





Containers

Container Overview

The container was invented by Malcolm P. McLean (trucker in the USA) in the 1930s

- McLean wanted to improve the transport of goods by:
 - a. shortening of loading and discharge time
 - b. making freight easily transferable from one mode of transportation to another
 - c. extend trucking aboard the ship
 - d. It took 20 years from the idea to 1st deployment of a container:
- April 1956 in Newark: First container loaded on a freight vessel
- Today: Standard-format containers (20'/40') and a variety of specialized containers (e.g. reefers) continuously increase the share of containerized cargo



Advantages of a Container

The standardization of the box resulted in continuous increase of the share of containerized freight:

- a. Intermodal door-to-door-transport
- b. Improved transit- and turnaround times
- c. Reduced handling costs
- d. Less damage of cargo
- e. Less Packing Material
- f. Less Labor for Packing
- g. Less Storage – Container as ,Mini-Warehouse



- Highly developed systems and measures of control are competitive success factors for liner shipping companies

What is a Container?

A container is a storage unit made up of steel. It is used for carrying goods from one place to another in a safe condition.



Types of Containers

Dry storage container

The most commonly used shipping containers; they come in various dimensions standardized by ISO. They are used for shipping of dry materials and come in size of 20ft/GP, 40 ft. GP/HC, 45HC, and 10ft.



Flat rack container

With collapsible sides, these are like simple storage shipping containers where the sides can be folded so as to make a flat rack for shipping of wide variety of goods.



Types of Containers

Open top container

With a convertible top that can be completely removed to make an open top so that materials of any height can be shipped easily.



Refrigerated ISO containers or Reefer

These are temperature regulated shipping containers that always have a carefully controlled low temperature. They are exclusively used for shipment of perishable substances like fruits and vegetables over long distances.



Types of Containers

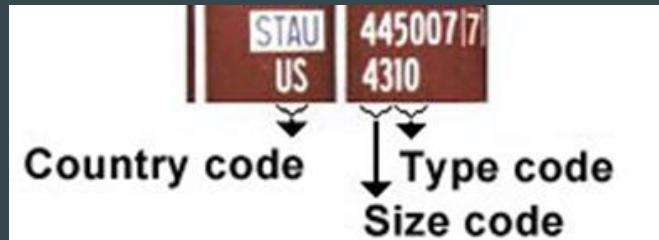
Tanks

Container storage units used mostly for transportation of liquid materials, they are used by a huge proportion of entire shipping industry. They are mostly made of strong steel or other anti corrosive materials providing them with long life and protection to the materials.



Different Sizes and Codes of Containers

The following photo shows a variant of horizontal marking which additionally includes country, size and type codes (in accordance with the 1985 version of DIN ISO 6346, use of which is still permitted):

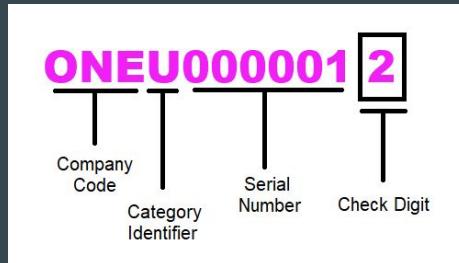


Appropriate abbreviations are used for the various countries, here US for United States of America, GB for Great Britain etc.

The first digit of the size code indicates the length of the container, with the number 4 standing for a 40' container. The second digit indicates height and whether or not a gooseneck tunnel is present. In our example, the number 3 stands for a height of 8 foot 6 inches (8'6") with gooseneck tunnel. The first digit of the type code indicates container type. Here, 1 means that the container is a closed container with ventilation openings. The second digit of the type code relates to special features. The 0 used here means opening at the end.

Different Sizes and Type Codes of Containers

Size and type codes additionally stated in accordance with current standard:



The standard establishes a visual identification system for every **container** that includes a unique serial **number** (with check digit), the owner, a country code, a size, type and equipment category as well as any operational marks. The standard is managed by the International **Container** Bureau (BIC).

Different Sizes and Type Codes of Containers

TYPES OF CONTAINER MARKINGS

Vertical marking – the identifying details are more or less clearly visible



Horizontal marking

NFIU 491076 9
4EG1

The owner code and product group code are also known as the alpha prefix. The check digit is often written in a box: .

Who is involved in container shipping transport?

- Shipper
- Consignee
- Freight Forwarder
- NVOCC
- Customs broker
- Terminal operator
- Intermodal transport provider
(rail company/trucker/barge operator)
- Maritime Authority

Shipper and Consignee

A Japanese bearing manufacturer supplies their products to the new plant.

An automobile manufacturer launched new plant in USA.



Shipper : Term used to describe exporter or seller. Shipper is the owner of the cargo.

Consignee : An individual or company to whom the goods are shipped. Consignee is the customer at the destination who takes ownership or charge of the cargo from shipping line.

➤ Container shipping company works for sellers and their buyers all over the world.

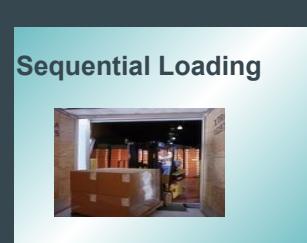
Freight Forwarder

- Freight Forwarder offers services of any kind relating to the container transport nevertheless domestic or international**. Freight Forwarder is referred to Air freight forwarder and Sea freight forwarder.

** consolidation, storage (warehouse), trucking, customs clearance, packing or distribution of the goods, collecting or producing payment or transport documents of the goods etc...



Garment On Hanger



Sequential Loading



Shrink Wrap & Pallatization



Pick & Pack



Tagging



Customs Management



Quality Assurance



Barcode Label Services

NVOCC

- NVOCC (Non-Vessel Operating Common Carrier) is a shipment consolidator or sea freight forwarder who does not own any vessel, but functions as a Transporter by assuming responsibility for the container shipments.
NVOCC acts ‘carrier to shipper’ (from point of shipper) and ‘shipper to carrier’ (from point of carrier).

Advantage of using NVOCC for shipper & consignee

- When shipper is unfamiliar to export procedure, they can rely on NVOCC’s experience and knowledge. NVOCC has branches overseas.
- More and more carriers stop providing CFS service. When shipper doesn’t have enough cargo filled up a container, they use LCL service of NVOCC and the NVOCC sums up LCL cargos (from various customers) and make

Customs broker

- Before the cargo leaves a country (for EXPORT) and the cargo enters into a country (for IMPORT), permission from a national customs authority needs to be granted. A customs broker act on behalf of an exporter or importer and conduct documents arrangement and duties payment for permission.

Customs broker is one of Forwarder.

Terminal operator

- Terminal operator checks container gate-in/gate-out at terminal and also makes container stacking planning at terminal and also loading/discharging planning at the port on behalf of the carrier.
Some terminal operators are a subsidiary or associated company of shipping carrier.



Container Yard stacking planning



Vessel stowage planning at each loading port

Maritime Authority

- There are authorities regulating the waterborne foreign and domestic offshore commerce. They ensure international trade is open to all nations on fair and equitable terms and protect against unauthorized activity. ONE has to comply with the regulations properly such as filing the rate and tariff in advance and checking valid license of NVOCC before signing up a contract.

Example :

- 1) FMC (Federal Maritime Commission) in the US
- 2) China MOT (Ministry of Transport and Communications)

In addition, complying Law and regulation related to transportation is important.
e.g. IMDG code, Basel convention, SOLAS, Hague-Visby Rules, Anti Trust law etc..

Documents and Services

...

What is Bill of Lading (B/L)?

Bill of Lading is a transport document issued or signed by a shipping carrier at the timing of receipt of cargo.

B/L has 3 important characteristics.

 DRAFT - NON NEGOTIABLE		PAGE: 1 OF 1 SEA WAYBILL	
SHIPPER/EXPORTER THE MOVERS TRADING CLUB ROBINSONS RELOCATION LTD AS AGENT FOR THE MOVERS TRADING CLUB NUFFIELD WAY ABINGDON, OXFORDSHIRE OX14 1TN		BOOKING NO: LIVV07198900 EXPORT REFERENCES(S)or the Merchant's and/or Carrier's reference only. See back clause 8.(4). 161143	
CONSIGNEE MATTHEW RICHARD DYER 11795 KING ROAD ROSWELL GA 30075 USA		FORWARDING AGENT/REFERENCE FMC NO:	
RECEIVED by the Carrier in apparent good order and condition (unless otherwise stated herein) the total number or quantity of Containers or other packages or units indicated in the box entitled "Carrier's Receipt", in the name of the Consignee, and delivered to the named consignee at the place of delivery indicated in the box entitled "Port of Discharge or Place of Delivery" as applicable. Delivery of the Goods to the Carrier for carriage under this Bill of Lading shall be deemed to be delivery to the Consignee. The Carrier shall not be liable for damage, whether printed, stamped or otherwise inscribed on this Bill of Lading or on the reverse side of this Bill of Lading and the terms and conditions of the Carrier's applicable tariff(s) as they were at the time of the movement and until the time of delivery of the Goods to the Consignee. This Bill of Lading is valid for one year from the date it was issued or superseded by this Bill of Lading. If this is a negotiable (To Order) Bill of Lading, one original Bill of Lading shall be surrendered to the Carrier or their Agent for cancellation and the Consignee shall be entitled to exchange for the Goods or a Delivery Order or the pin codes for any applicable Electronic Releases System. If this is a non-negotiable (straight) Bill of Lading, the Carrier shall deliver the Goods to the Consignee or their Agent and the Consignee shall be entitled to exchange for the Goods or payment of outstanding Freight) to the named consignee against the surrender of one original Bill of Lading and the Consignee shall be entitled to exchange for the Goods or a Delivery Order or the pin codes for any applicable Electronic Releases System. The Consignee shall be responsible for the return of the original Bill of Lading to the Carrier, in accordance with the national law at the Port of Discharge or Place of Delivery as applicable. IN WITNESS WHEREOF the Carrier or their Agent has signed the number of Bills of Lading stated at the top, at the place and date, and whenever one original Bill of Lading has been surrendered or other Bills of Lading shall be used.			
PRE-CARRIAGE BY	PLACE OF RECEIPT BASINGSTOKE, HAMPSHIRE	FACILITY DESTINATION (for the Merchant's reference only) ATLANTA	
OCEAN VESSEL VOYAGE NO. FLAG BERLIN BRIDGE 058W	PORT OF LOADING LONDON GATEWAY		
PORT OF DISCHARGE CHARLESTON, SC	PLACE OF DELIVERY ATLANTA, GA	TYPE OF MOVEMENT(IF MOVED, USE DESCRIPTION OF PACKAGES AND GOODS FIELD) FCL / FCL DOOR / CY	
(CHECK 'Y/N' COLUMN IF HAZARDOUS MATERIAL) PARTICULARS DECLARED BY SHIPPER BUT NOT ACKNOWLEDGED BY THE CARRIER			
GROSS NOS. /SEAL NOS. MARKS & NUMBERS	QUANTITY PACKAGES DECLARED/IN CONTAINER(S)	H M DESCRIPTION OF GOODS /FCL / FCL/40HQ/4959.000KGS/47.630M3	GROSS WEIGHT 4959.000LBS 47.630CBM
TCNU07070509 / 00968	MR AND MRS MATT & EMMA DYER C/O AIRES AI RELOCATION SOLUTIONS	226 PACKAGES 226 PACKAGES IN TOTAL 1X40HC CONTAINER(S) : OF USED HOUSEHOLD AND PERSONAL EFFECTS HBL NO: LIVV07198A01	
OCEAN FREIGHT PREPAID SHIPPER'S LOAD, STOW AND COUNT SHIPPED ON BOARD >N PHONE: 260-212-7018 FAX: 412-788-0245			

3 important characteristics

1) Evidence of the contract of carriage of goods

B/L is the evidence of the contract of carriage entered into between the “shipping carrier” and “shipper or cargo owner” in order to carry out the transportation of the cargo as per the contract between the buyer and the seller.

2) Proof of receipt for the goods shipped

B/L is issued by shipping carrier (or their agent) to the shipper in exchange for the receipt of the cargo. The issuance of B/L is proof that the carrier has received the goods from the shipper in apparent good order and condition, as handed over by the shipper.

3) Document of Title

The holder of B/L is generally considered to be the owner of the cargo, and is entitled to delivery.

Sea Waybill

- Sea Waybill

B/L has the nature of “Document of Title”. In case someone lost B/L, then there is potential risk that wrong party can receive the cargo. In order to avoid the unnecessary risk, Sea Waybill is commonly used.

Ocean B/L

- Evidence of the contract of carriage of goods
- Proof of receipt for the goods shipped
- **Document of Title**
- Negotiable

Sea Waybill

- Evidence of the contract of carriage of goods
- Proof of receipt for the goods shipped
- Non Negotiable

Mainly used for :

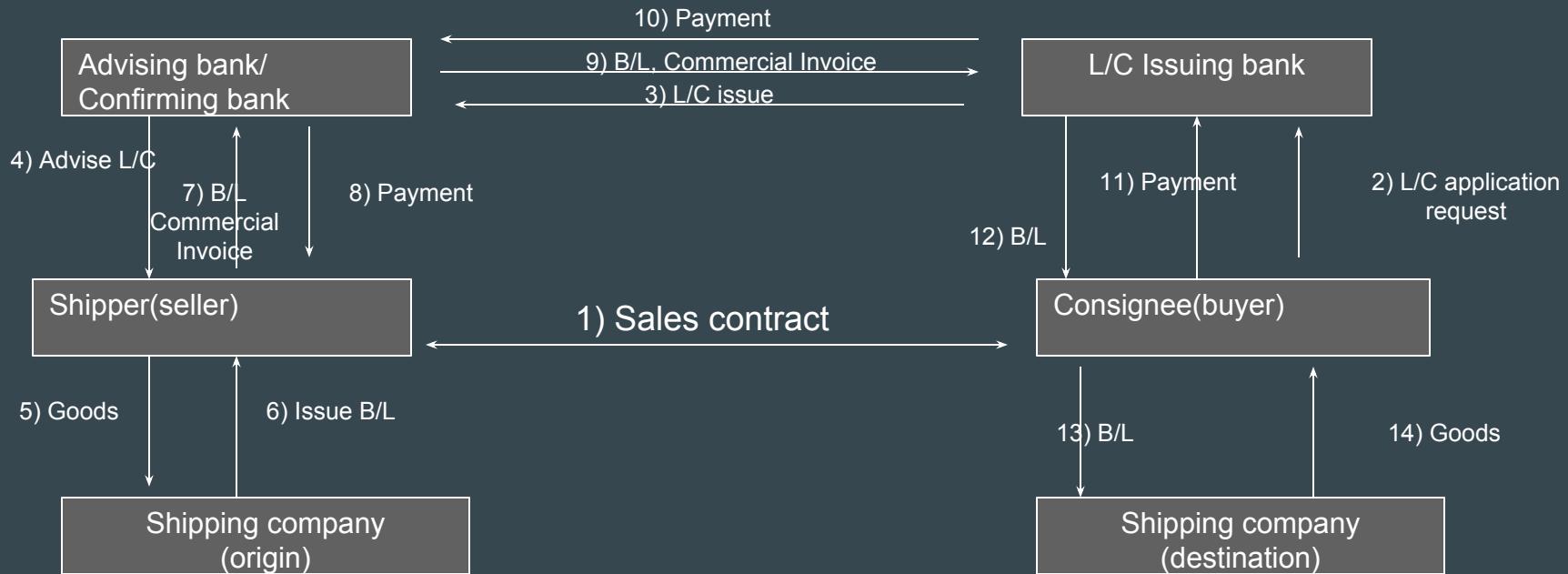
New business, high-risk business

Mainly used for :

Parent company and subsidiary business
Long-term partnership business

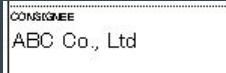
Letter of credit

- A letter of credit (L/C) is a written financial document issued by the consignee's (buyer's) bank to guarantee the payment. L/C is frequently used in container shipping transport.
- L/C usually requires "On Board B/L".



Who can hold Bill of Lading?

Straight B/L



In straight B/L, consignee is already mentioned in B/L.

Delivery of cargo under a Straight B/L is generally to the named consignee only.

→ Sea waybill is always Straight B/L and cannot be Order B/L.

Order B/L

In order



mentioned in B/L.

The indicated owner of the goods is transferred . When transferred the indicated owner of the goods, the person or company indicated is mentioned by endorsement.

Delivery of cargo under an order B/L is generally made to the holder of the document.

How is Bill of Lading created?

Bill of Lading is created on basis of shipper's declaration. We call this particular declaration form, "Shipping Instruction(S/I)".

Container is always gated in terminal with seal closure and shipping carrier cannot check container contents physically.

In this regard, ONE always add "SHIPPER'S LOAD AND COUNT" "SAID TO CONTAIN" in additional to customer's declaration in order to prevent potential risks.

→ All B/L information becomes Manifest data which container shipping carrier is obligated to declare to customs on entry of the vessel and departure. Fines are imposed if shipping carrier do not submit manifests to customs timely. Manifests are transmitted to foreign ports to satisfy their own government customs requirements.

→ In case there are Hazardous cargos contained, container shipping carrier needs to declare Manifest separately.



When is Bill of Lading date?

B/L date is used in many ways. The most common usage is “On Board Date” which states the goods are surely boarded onto the vessel (i.e. regarded as completion of export).

Shipped or On Board B/L

B/L stating, “Laden on Board”

The date when the goods are loaded to the vessel should be used as B/L date.

Once shipping carrier confirms “Shipped” & payment, B/L is issued.

Received for Shipment B/L

B/L stating, “Received”

The date when the goods are gated-in should be used as B/L date.

Although the intended vessel is named on B/L, there is no indication that the cargos have been loaded.

B/L is issued after the date of receipt of the cargo & payment.

IMPORTANT

→ Use of an earlier date would be considered a false entry.

→ Use of a later date, provided it is not later than the date of sailing, is allowed under the Rules.

Where is Bill of Lading issued & collected?

- **B/L issuance**

Basically B/L is issued at the place of receipt office but also issued at an office other than the place of receipt office if customer requests.

In case the country is different between the issuing office and the place of receipt, this is called "third-country B/L issuance".

- **B/L collection**

Basically B/L is collected at the place of destination office.

- **Surrendered B/L**

Shipper can surrender B/L directly back to the office of the shipping company that issued them (usually after they confirm payment from consignee). This event eliminates the need for the consignee to provide an original B/L at destination and can speed up the release of cargos at destination. Surrendered B/L is used especially in short distance shipment which cargo may arrive faster than B/L.

House B/L

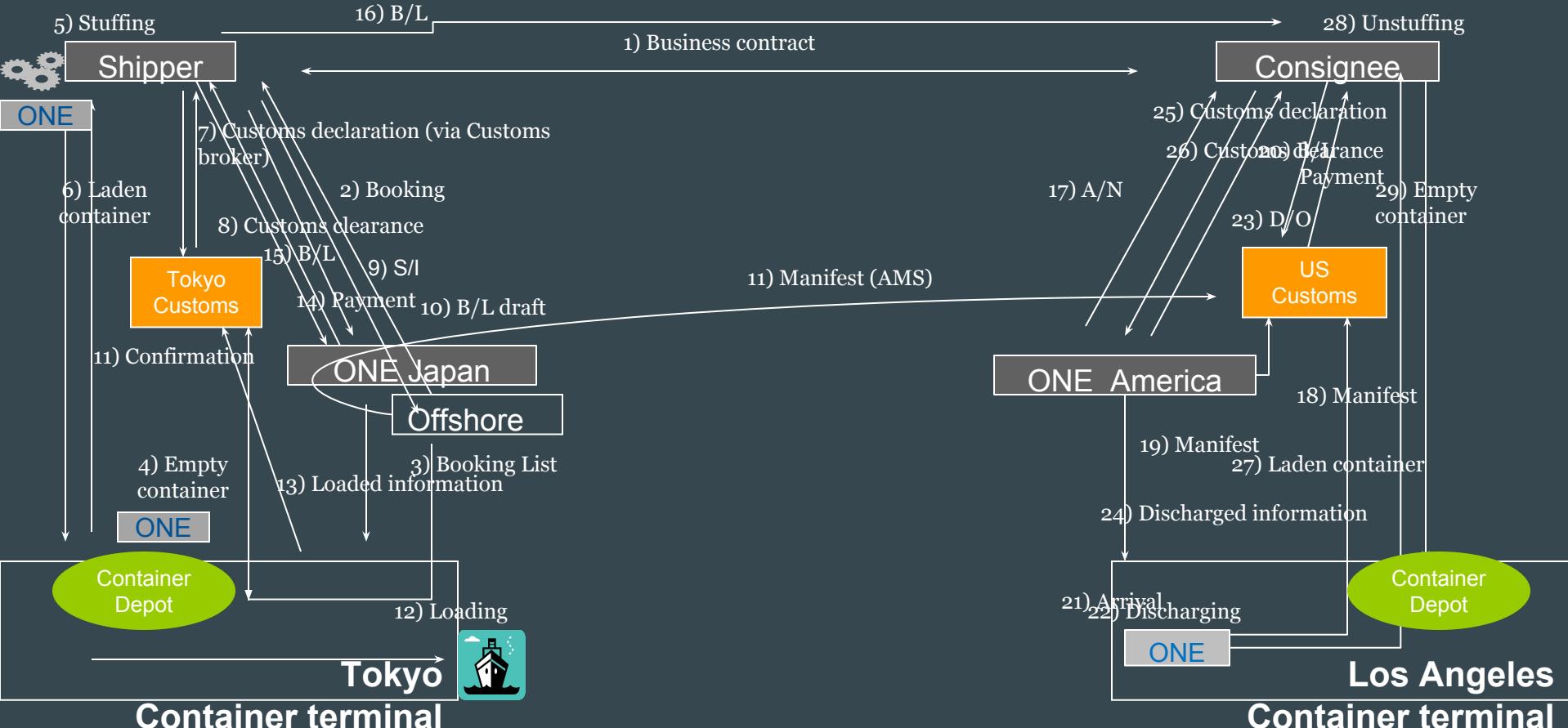
- If B/L is issued by a shipping carrier to NVOCC, then another B/L which is called “**House B/L**”(HBL) is issued by the NVOCC to their customers. Referring to this practice, B/I issued by a carrier is normally called “ **Master B/L**”(MBL).
- In the interest of the NVOCC and their insurance coverage/exposure, all the details on HBL and MBL (e.g. vessel/voyage information, cargo description, number of containers, seal numbers, weight, measurements) usually remain the same.
The only difference should be the shipper and consignee details.

In the HBL

Shipper : the actual shipper/exporter of the cargo

Consignee : the actual receiver/importer of the cargo

The flow of shipment



Ocean Freight inquiry



Once the customer's business is finalized, either shipper or consignee contacts ONE local office and ask ocean freight. (This can be before their business is finalized)
ONE sales at local office is responsible to inform sailing schedule and quote ocean freight.

Example

Customer: What is ONE schedule from Tokyo to Los Angeles, CA?

ONE: 11 days transit time.

Tokyo departure Saturday/ Los Angeles arrival Wednesday.

Customer: How much is the ocean freight?

ONE: USDXXXX/D2 subject to surcharges

→ Once the ocean freight is agreed, contract is signed up.

Booking process

Shipper

2) Booking

ONE Japan

Optional information

- Temperature settings (Reefer)
- Cargo size (Open top/Flat rack)
- Hazardous information (DG cargo)

“Booking” is when shipper reserves space on a vessel as well as reserve a container for their cargo.

The things we need to know before taking a booking:

- Commodity
- Cargo Weight
- Type of container
- Date the customer wants to pick up the container
- Location of container pick up and drop off
- Place of receipt / Place of delivery
- Port of loading / Port of discharge
- Contract number
- Customer contact info

Booking process

We need to make sure vessel space and equipment are both available and customer's loading commodity is acceptable to on-board, and then release Booking number in exchange of "acceptance".
Booking number becomes reference number in the further communication.

ONE services a variety of customers that making bookings in different ways:

- Email



→Once the booking number is released, Booking data is created in OPUS system.

- Phone



- EDI / Web

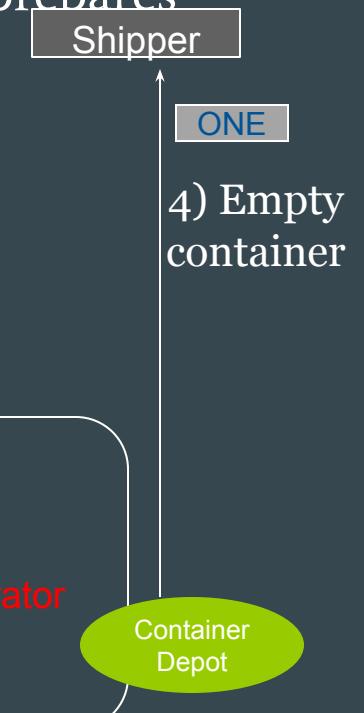
(EDI = Electrical Data Interchange)



Booking list is sent to terminal operator.
(The list becomes available through OPUS system)

Empty container pick up

- Before shipper picks up empty container, they need to send pick up order (P/O) for smooth arrangement. Terminal operator prepares container in accordance with P/O.



- Booking number
- Place of receipt / Place of delivery
- Port of loading / Port of discharge
- Pick up date
- Pick up location
- Container type / number
- Customs clearance status
- Special request

Important

Terminal operator checks if the contents match Booking data.
If there is any discrepancy, terminal operator contact shipping carrier & shipper for clarification.

Laden container gate-in

- There is a certain time of period for container gate-in.

CY OPEN

Terminal capacity is limited. In order to control terminal capacity and keep operational efficiency, CY Open is set up for each vessel.

CY CUT

In order to plan vessel stowage, CY CUT is set up for each vessel.

If shipper doesn't bring laden container before CY CUT, it's not possible to load onto scheduled vessel.



CY Open

Starting time of
gate-in.

CY CUT

Deadline of
gate-in.

Vessel departure

At the timing of gate-in, damage responsibility is under shipping carrier. Terminal operator checks container has no damage before gate-in and then release Equipment Interchange Receipt (EIR) as an evidence of container receipt.

B/L creation

- B/L is created at either onshore or offshore based on S/I submitted by customer.
- S/I(Shipping Instruction) contains :

Customer information

Shipper

Consignee

Notify Party

B/L information

B/L type (On-board B/L, Received B/L, Waybill)

Number of B/L issuance

Freight shown / Freight as arranged

Transport information

Vessel Name / Voyage

Place of receipt / Place of destination

Port of loading / Port of discharge

Container number / Container type

Seal Number

Commodity details

Gross Weight / Net Weight

Package (Outer package / Inner package) details

AMS filing / ENS filing

- AMS (Automated Manifest Service) is advance notification of shipments to U.S. Customs and Border Protection. The authority can reject any suspicious cargos at origin before the goods physically reach US shores. AMS filing needs to be made in 24 hours prior to the onset of loading.
- Similar to AMS Filing, ENS (Entry Summary Declaration) is submitted electronically by shipping carriers for all members of the European Union. This too means the EU has prior notification of cargos being imported into their regions and can be rejected if deemed of a suspicious nature, as with the US, ENS filing needs to be made in 24 hours prior to the onset of loading.

Other 24-Hours Advance Manifest filing rules :

Canada(ACI), Mexico(AMS), Japan(AFR), China(CCAM)

Confirmation / Loaded information

- Terminal operator summarizes all containers intended to load onto the vessel and cross-checks with carrier's booking list if there is any discrepancy. They also confirm if all containers cleared customs. Once it's confirmed, terminal operator arranges customs clearance of containers themselves* and proceeds loading containers onto the vessel and reports to customs after its completion.

* Customs clearance for container itself

Apart from cargos, container itself needs to be customs-cleared. This is not under shipper's responsibility but under carrier's responsibility because the containers are owned by carrier.

A/N (Arrival Notice)

- Destination local office sends Arrival Notice(A/N) either by fax or email to customer so that consignee can prepare cargo receipt.
This arrival notice includes function of invoice.
(Format is basically same as B/L)

Important remark:

A/N is not the obligation task to ONE. This is one of ONE's customer service and customer should be responsible for contacting carrier and check the arrival information of their cargo.

Manifest

- Manifest data is sent to Customs usually through EDI.

Manifest data is also sent out to terminal operator before vessel's arrival as well as other information such as special cargos(Reefer cargos, DG, OOG), Animal Quarantine/ Plant Quarantine list* and Bay plan.

***Items which may require “Animal Quarantine” or “Plant Quarantine” include the following types of products:**

Plant-related:

Fresh, cut or dried flowers, leaves, roots, bark or other plant products (could include potpourri, garlands, wreaths, baskets made of plant material, etc.)

Tobacco (excludes rolled cigarettes or cigars), tobacco leaves

Fresh or frozen fruit or vegetables

Non-roasted coffee beans

Beans, except canned-beans

Soil

Wheat, sesame, cotton, grain, barley, malt, straw, rice, flour, herbs, spices, tea (tea bags accepted), mushrooms, sugar cane

Wood, nursery tree, bulbs

Animal-related:

Meat, frozen meat, meat products, ham, sausage, beef jerky, including canned, bottled and vacuum-pouched products

Bacteria, viruses (human or animal)

Animal origin blood, blood product, serum, antibody, semen, tissue

Animal bone, horn, antler

Unprocessed animal fur, feathers

Gelatin, collagen

Pet food, wood or chews

Raw wool or leather

Insects

D/O(Delivery Order) release

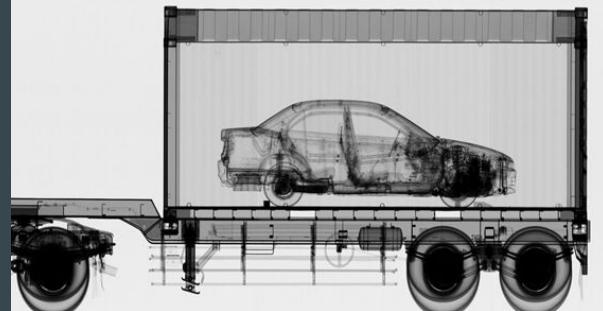
- 1) Consignee approaches ONE office at the place of destination and submit endorsed original B/L and pay destination charges.
- 2) ONE released Delivery Order(D/O) after confirming payment and endorsed original B/L.
- 3) Consignee submits D/O to terminal operator and pick up laden containers from terminal.

Important remark:

Nowadays, Paper Delivery Order is no longer used and Electrical Delivery Order (through EDI system) is replaced in many countries.

Discharged information & customs clearance

- Terminal operator declares to customs that the containers were discharged at the terminal, together with the containers themselves for customs clearance. Once consignee declares and clears customs for their cargos, carrier can release imported containers to consignee.
- When consignee declares to customs, they need to submit related import documents and pay the duties to customs before clearance.
- In case physical exam (including Animal Quarantine/ Plant Quarantine) or X-Ray exam is required by customs, it is carried at container terminal or customs exam site and then customs gives permission to consignee.



Laden gate-out

- Before consignee picks up laden container, they need to send request form to terminal in advance.
- After the timing of gate-out, damage responsibility is under consignee. Terminal operator checks container has no damage before gate-out and then release Equipment Interchange Receipt (EIR) as an evidence of container release.
- Consignee de-stuffs the laden container and return the empty container back to the container depot.

Demurrage & Detention

- Storage fee (Demurrage)

All ports and rail ramp have unique free time period and cost calculation. Normally there is 2-5 calendar days free-time commencing from discharge of container and consignee is required to pick up laden containers within the free-time. If they exceeds the free-time, storage fee is applied.

- Equipment rental fee (Detention)

Each carrier sets free-time period for improving the turn round time of containers. Normally, free-time allows 3-7 calendar days. After the expiry of free-time, detention equipment rental fee is applied.

Important remark:

The usage of Demurrage and Detention differs in each country.

In some countries, equipment rental fee incurs while the container is even situated at the container yard.

In some countries, demurrage means equipment rental fee and detention means demurrage.

When you communicate, better to use “Storage” and “Equipment rental” for safety sake.