CONSOL TRAINING MANUAL

Introduction:

Consol department is involved in international movement of cargo from one destination to another.

There are different modes thru which cargo can be moved internationally, they are:

a) Air

b) Sea or Ocean

c) Surface (Road or Rail)

The word freight means Cargo & movement of the cargo is referred as forwarding.

Consol is the short form for Consolidation and this will be discussed in detail later.

The following are the entities involved in freight forwarding or consolidation:

- **The freight forwarding (FF) or Consol agent (Destination agent),**
- **Their counterpart agent (Origin agent),**
- **Supplier (s) or the Shipper,**
- **The consignee or the importer**
- **Co-loader in the case of LCL shipments**
- **The carrier (shipping line or airlines)**

International Commercial Terms (INCOTERMS)

International Commercial Terms (INCO TERMS)

Term	CIP(1) Carriage & Insurance	DAF Delivery at Frontier	DES Delivered Ex-Ship	DEQ Delivered Ex-Quay Duty Unpaid	DDU Delivered Duty Unpaid	DDP Delivered Duty Paid	EXW Ex-Works	FCA Free Carrier	FAS Free Alongside Ship	FOB Free on Board	CFR Cost & Freight	CIF Cost Insurance Freight	CPT(1) Carriage Paid To
SERVICE	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY	PAID BY
WAREHOUSE/ STORAGE AT POINT OF ORIGIN	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
WAREHOUSE LABOUR AT POINT OF ORIGIN	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
EXPORT PACKING	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
LOADING AT POINT OF ORIGIN	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
EXPORT CLEARANCE	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
INLAND FREIGHT	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER(3)	SELLER	SELLER	SELLER	SELLER	SELLER
PORT RECEING CHARGES	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER
FORWARDING FEE	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	SELLER(2)	SELLER(2)	SELLER	SELLER	SELLER
LOADING ON OCEAN CARRIER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER
OCEAN/AIR FREIGHT	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	SELLER	SELLER	SELLER
CHARGES AT FOREIGN PORT/AIRPORT	SELLER	SELLER	BUYER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER(3)	SELLER
IMPORT CLEARANCE DUTIES/TAXES ABROAD	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
DELIVERY CHARGES TO FINAL DESTINATION	BUYER	BUYER	BUYER	BUYER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER

1) Risk of loss or damage is transferred from seller to buyer when the goods have been delivered to the carrier
2) Payments of the freight forwarder's fee can be controversial depending on the contract of sale.
3) Responsibility may be either the Buyer or the seller.

The INCOTERMS (International Commercial Terms) is a universally recognized set of definitions of international trade terms, such as FOB, CFR and CIF, developed by the International Chamber of Commerce (ICC) in Paris, France. It defines the trade contract responsibilities and liabilities between buyer and seller. It is invaluable and a cost-saving tool. The exporter and the importer need not undergo a lengthy negotiation about the conditions of each transaction. Once they have agreed on a commercial term like FOB, they can sell and buy at FOB without discussing who will be responsible for the freight, cargo insurance, and other costs and risks.

The INCOTERMS was first published in 1936---INCOTERMS 1936---and it is revised periodically to keep up with changes in the international trade needs. The complete definition of each term is available from the current publication---INCOTERMS 2000. The publication is available at your local Chamber of Commerce affiliated with the International Chamber of Commerce (ICC).

Many importers and exporters worldwide are accustomed to and may still use the INCOTERMS 1980, the predecessor of INCOTERMS 1990 and INCOTERMS 2000.

EXW {+ the named place}

Ex Works

Ex means from. Works means factory, mill or warehouse, which are the seller's premises. EXW applies to goods available only at the seller's premises. Buyer is responsible for loading the goods on truck or container at the seller's premises, and for the subsequent costs and risks.

In practice, it is not uncommon that the seller loads the goods on truck or container at the seller's premises without charging loading fee.

In the quotation, indicate the named place (seller's premises) after the acronym EXW, for example EXW Kobe and EXW San Antonio.

The term EXW is commonly used between the manufacturer (seller) and export-trader (buyer), and the export-trader resells on other trade terms to the foreign buyers. Some manufacturers may use the term Ex Factory, which means the same as Ex Works.

FCA {+ the named point of departure}

Free Carrier

The delivery of goods on truck, rail car or container at the specified point (depot) of departure, which is usually the seller's premises, or a named railroad station or a named cargo terminal or into the custody of the carrier, at seller's expense. The point (depot) at origin may or may not be a customs clearance center. Buyer is responsible for the main carriage/freight, cargo insurance and other costs and risks.

In the air shipment, technically speaking, goods placed in the custody of an air carrier is considered as delivery on board the plane. In practice, many importers and exporters still use the term FOB in the air shipment.

The term FCA is also used in the RO/RO **(roll on/roll off) services.**

In the export quotation, indicate the point of departure (loading) after the acronym FCA, for example FCA Hong Kong and FCA Seattle.

Some manufacturers may use the former terms FOT (Free On Truck) and FOR (Free On Rail) in selling to export-traders.

FOB {+ the named port of origin}
Free On Board

The delivery of goods on board the vessel at the named port of origin (loading), at seller's expense is FOB. Buyer is responsible for the main carriage/freight, cargo insurance and other costs and risks.

In the export quotation, indicate the port of origin (loading) after the acronym FOB, for example FOB Vancouver and FOB Shanghai.

Under the rules of the INCOTERMS 1990, the term FOB is used for ocean freight only. However, in practice, many importers and exporters still use the term FOB in the air freight.

In North America, the term FOB has other applications. Many buyers and sellers in Canada and the U.S.A. dealing on the open account and consignment basis are accustomed to using the shipping terms FOB Origin and FOB Destination.

FOB Origin means the buyer is responsible for the freight and other costs and risks. FOB Destination means the seller is responsible for the freight and other costs and risks until the goods are delivered to the buyer's premises, which may include the import customs clearance and payment of import customs duties and taxes at the buyer's country, depending on the agreement between the buyer and seller.

In international trade, avoid using the shipping terms FOB Origin and FOB Destination, which are not part of the INCOTERMS (International Commercial Terms).

CFR {+ the named port of destination}

Cost and Freight

The delivery of goods to the named port of destination (discharge) at the seller's expense is CFR. Buyer is responsible for the cargo insurance and other costs and risks. The term CFR was formerly written as C&F. Many importers and exporters worldwide still use the term C&F.

In the export quotation, indicate the port of destination (discharge) after the acronym CFR, for example CFR Karachi and CFR Alexandria.

Under the rules of the INCOTERMS 1990, the term Cost and Freight is used for ocean freight only. However, in practice, the term Cost and Freight (C&F) is still commonly used in the air freight.

CIF {+ the named port of destination}

Cost, Insurance and Freight

The cargo insurance and delivery of goods to the named port of destination (discharge) at the seller's expense. Buyer is responsible for the import customs clearance and other costs and risks.

In the export quotation, indicate the port of destination (discharge) after the acronym CIF, for example CIF Pusan and CIF Singapore.

Under the rules of the INCOTERMS 1990, the term CIF is used for ocean freight only. However, in practice, many importers and exporters still use the term CIF in the air freight.

CPT {+ the named place of destination}

Carriage Paid To

The delivery of goods to the named place of destination (discharge) at seller's expense is CPT terms. Buyer assumes the cargo insurance, import customs clearance, payment of customs duties and taxes, and other costs and risks.

In the export quotation, indicate the place of destination (discharge) after the acronym CPT, for example CPT Los Angeles and CPT Osaka.

CIP {+ the named place of destination}

Carriage and Insurance Paid To

The delivery of goods and the cargo insurance to the named place of destination (discharge) at seller's expense. Buyer assumes the import customs clearance, payment of customs duties and taxes, and other costs and risks.

In the export quotation, indicate the place of destination (discharge) after the acronym CIP, for example CIP Paris and CIP Athens.

DDU {+ the named point of destination}
Delivered Duty Unpaid

This the term under which delivery of goods and the cargo insurance to the final point at destination, which is often the project site or buyer's premises, at seller's expense. Buyer assumes the import customs clearance and payment of customs duties and taxes. The seller may opt not to insure the goods at his/her own risks. In the export quotation, indicate the point of destination (discharge) after the acronym DDU, for example DDU La Paz and DDU Ndjamena.

DDP {+ the named point of destination}
Delivered Duty Paid

The seller is responsible for most of the expenses, which include the cargo insurance, import customs clearance, and payment of customs duties and taxes at the buyer's end, and the delivery of goods to the final point at destination, which is often the project site or buyer's premises. The seller may opt not to insure the goods at his/her own risks.

In the export quotation, indicate the point of destination (discharge) after the acronym DDP, for example DDP Bangalore and DDP Chennai.

Import Air Freight Forwarding & Consolidation:

ENQUIRY HANDLING:

The Air consol dept is maintaining the net/net (net buying rates without addition of profit margin) air freight rates from majority of the origins on all major airlines operating from the respective sector and also the ex-works rates. Whenever any enquiry is received, the following details are checked before quoting the client:

a) Shipping Terms
b) If Ex-works, the shipper’s contact details or at least the pin code
c) Nature of Commodity

Where net/net rates are not available for a particular sector, the quote request is sent to the respective agents in the particular sector.

Preparation of Quotation:

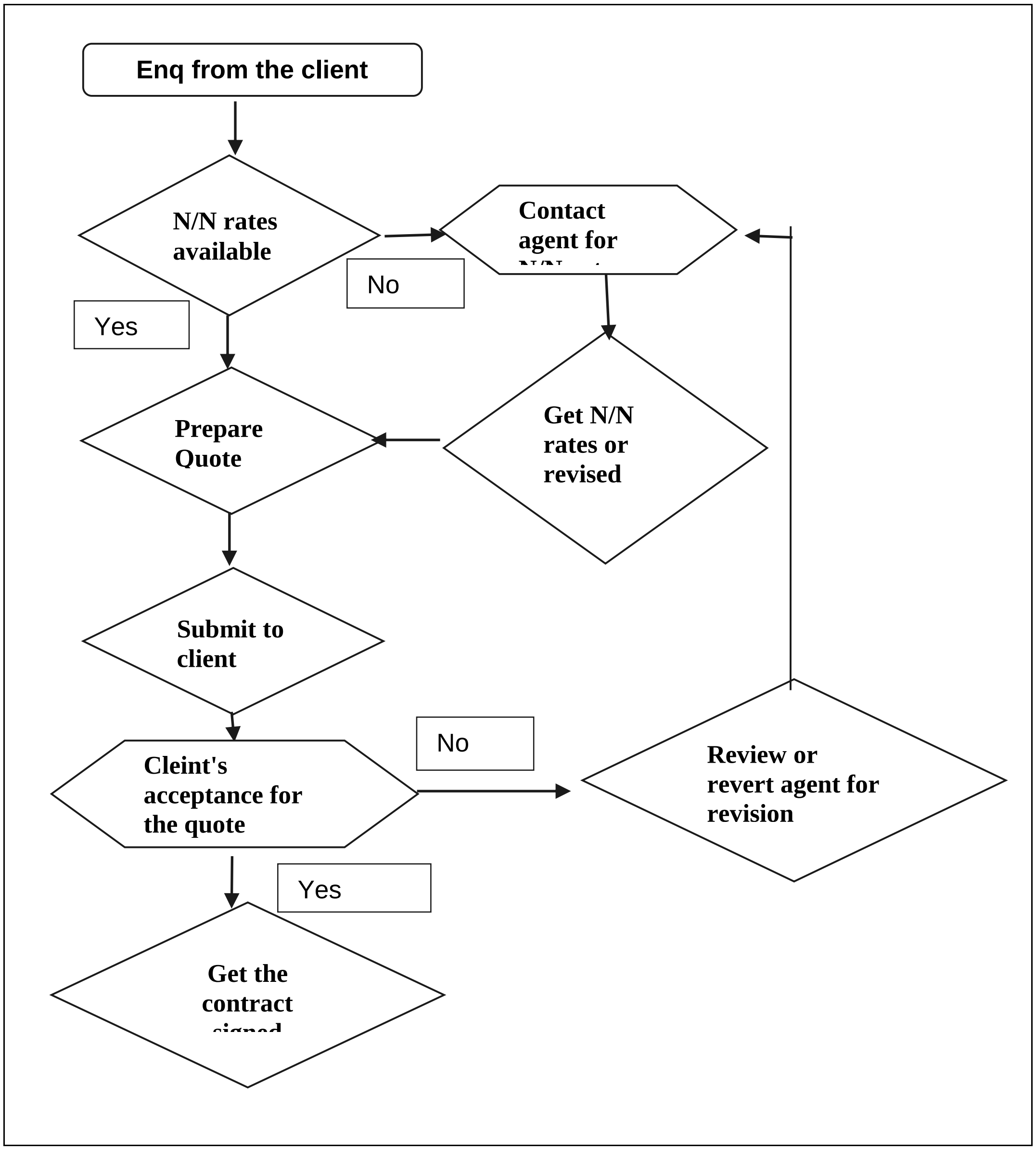
The quote or the proposal is prepared in the prescribed format by adding nominal profit margin on the net/net rates keeping in mind the profit share to the agent as per mutually agreed terms.

The air freight quote shall always be given on all weight breaks or as per the weight of the cargo, if the requirement is specific and also on all possible airlines operating from that sector to India.

All other surcharges such as Fuel Surcharge (FSC), Security Surcharge (SC) or some times referred as War Risk etc., are also quoted as part of the quotation.

Destination charges: The quote should also include the following destination charges such as

-Charges Collect (CC) fee
-Delivery Order (DO) fee
-Airines fee
-IGM Filing Charges (IFC) fee
A copy of the quote duly approved by the importer or a contract/agreement for handling freight forwarding is obtained for billing & records.

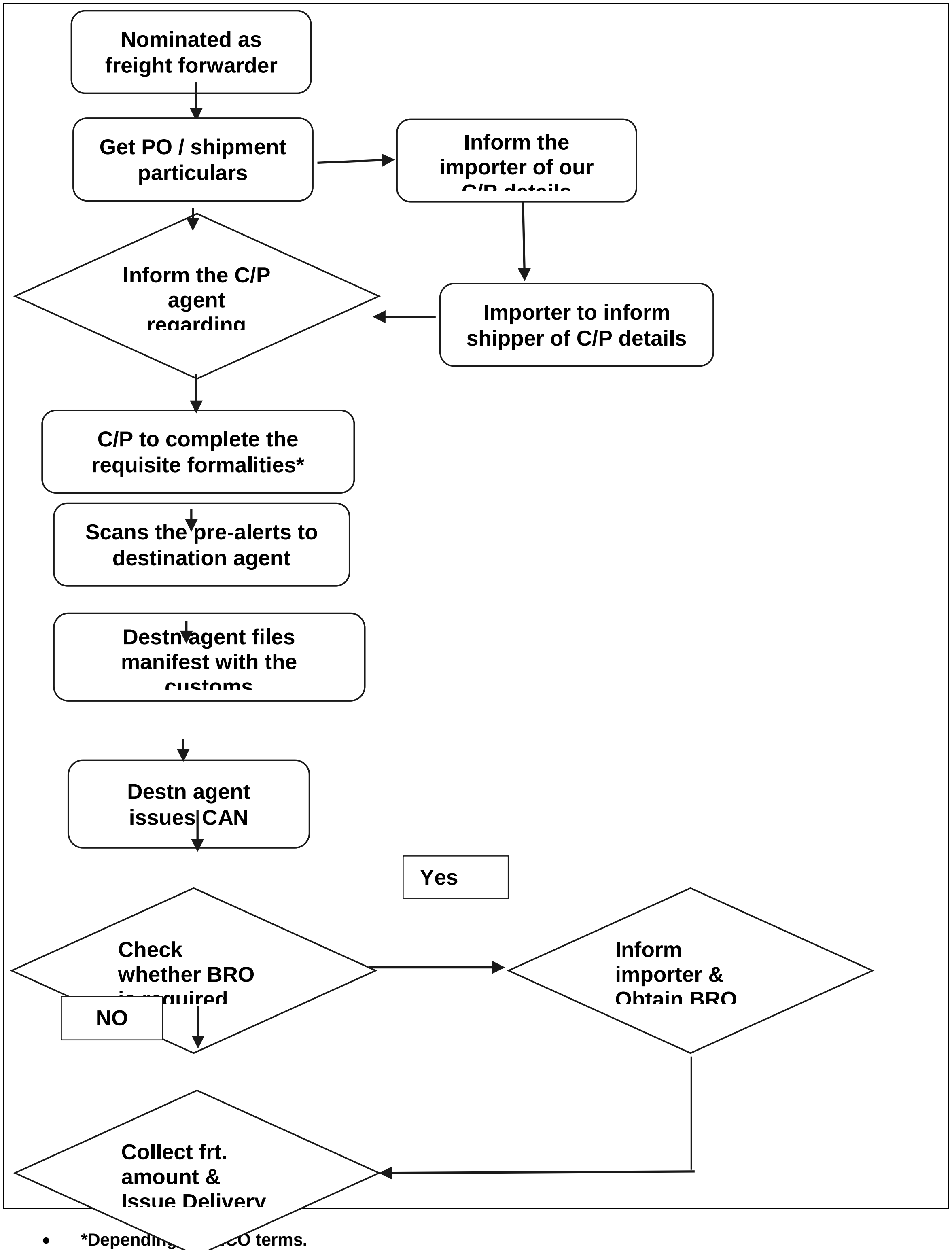


<u>Obtaining nomination & shipment handling by the agent</u>:

Once the importer approves our quotation & the contract is signed, we request them to nominate us as their official forwarder. In order to facilitate the smooth handling of their cargo, we provide them the details of our counterpart agent & request them to forward to the shipper. Simultaneously we obtain the details of the shipment or the purchase order and inform our counterpart agent to follow-up for the shipment. Continuous follow-up by our agent with the shipper for the shipment is tracked through our persistent follow-up with them.

Once the shipment is in possession of our agent for forwarding, they would make arrangements to book the cargo on the prescribed airlines. They agent is also required to scan the pre-alerts comprising of the following documents:

- **a) Master Air Way Bill**
- **b) House Air Way Bill**
- **c) Invoice**
- **d) Packing List**
- **e) Cargo Manifest &**
- **f) Any other document**



- *Depending ... CO terms.
- C/P: Counter part agent.

MASTER AIRWAY BILL (MAWB)

MAWB is a document issued by the airlines to the forwarding agent which not only acts as an acknowledgement for receipt for cargo but also as a contract. MAWB is a contract between the carrier and the forwarding agent for the transportation of goods. This is a document which spells out the "conditions of carriage" and explains the liability/responsibility of the airlines involved in the transportation. Whenever the customer books the directly with the airlines, the shipment will be treated as 'direct' and the origin or the destination agents will have no role to play.

The important checks to be done in MAWB whenever the pre-alert is received:

Ensure that

1. **Origin Agent's name appears in shipper's column**
2. **Destination's agent's name in the consignee's column**
3. **10 digit pan based registration no. is mentioned in the handling information column**
4. **'Consol cargo as per attached manifest' is mentioned in the commodity column & actual description of the cargo is not mentioned.**
5. **Terms of delivery – Charges Collect (CC) or Pre-paid (PP) is mentioned on the AWB.**
6. **MAWB does not reach the actual consignee.**

House Air Way Bill (HAWB):

House airway bill is contractual document issued by a forwarder to his customer. In this case the forwarder acts in the capacity of a carrier. The forwarder would then take a number of shipments (HAWB) and consolidate this under an airline MAWB in order create larger volumes and be able to negotiate better rates from the airline. The forwarder is also able to club low volume shipments with density ones and there by improve its profitability as they would charge the customer based on volume and only have to pay for actual weight to the airline.

The important checks to be done in HAWB whenever the pre-alert is received:

Ensure that

1. **Actual Shipper & actual consignee's name appears in the respective columns.**
2. **Actual description of the cargo appears in the commodity column.**
3. **Terms of shipment is clearly spelt out.**
4. **The total of the chargeable weights tallies with that mentioned in the MAWB.**
5. **Freight rates are mentioned as 'As agreed'**

Cargo Manifest:

This is an intimation given by the consol agent at the origin to the airlines on the details of the shipment such as shipper, consignee, cargo particulars like description of the commodity, its weight, etc.,

SPECIMEN COPIES OF MAWB, HAWB & CARGO MANIFEST

Here below a specimen copy of the shipment documents are displayed for clear understanding.
MASTER AIR WAY BILL
HOUSE AIR WAY BILL
CARGO MANIFEST
Manifest Filing:

Manifest filing is a process of notifying the Indian customs of the particulars of the shipment thru their web portal called ICE Gate. This is mandatory as per the Ministry of Finance's directive.

Once all the relevant details of the shipment are fed into the system, an unique number known as Import General Manifest No. (IGM No.) is allocated for the shipment. This is very important from the point of view of custom clearance of the imported cargo. This is required to be done prior to arrival of the cargo based on the pre-alert documents provided by the counterpart agent. The consol agent is duty bound to file the manifest and any delay to do so, will attract penalty from the customs. It is also the duty of the consol agent to keep this important matter informed to the counterpart agent.

Collection of documents form the airlines:

The original documents that accompany the cargo in the consol pouch is required to be collected from the airlines along with the delivery order from them. Based on the pre-alerts, the list of documents that are accompanying the cargo is intimated to the person visiting the airlines office for collection of the docs. The person checks for the same at the time of collection of the docs.

The person will also enquire for the actual arrival of the cargo & in case of any delay, the same is intimated to the customer service team to updation to the respective client.

CHECKING OF CONSOL DOCUMENTS

When the consol pouch arrives at the office, the following checks are conducted to verify the receipt of the following documents.

- **Master Air Waybill**
The MAWB Commodity column to be mentioned as CONSOL CARGO as per attached manifest if not it's treated as Direct shipment.
- **Cargo Manifest**
- **HAWB (as manifested)**
- **Supplier Invoice/ Packing List/ Certificate of Origin or any other documents deemed necessary for the particular shipment.**
- **Check for the Invoice # mentioned on the HAWB**
- **Check whether the shipment is consigned to BANK**
- **The Shipper & Consignee details on Shipper's Invoice are the same as mentioned on HAWB.**
- **The Air freight to be charged on Chargeable Weight**
- **Check for Inco-terms on supplier's invoice**

Issuing Cargo Arrival Notice:

Cargo Arrival Notice or CAN in short is intimation to the consignee on the arrival of the cargo. This is issued upon arrival of the cargo. The Cargo Arrival Notice is not just a mere intimation, it serves also as a freight bill to the customer, based on which only the consignee pays the freight charges.

ARRIVAL INFORMATION TO CONSIGNEE

3 way information to the Customer

Call customer & inform arrival of the cargo

Mail/Fax CAN, HAWB, Invoice

Courier CAN, HAWB, Invoice Packing List

If consignee has given standing instructions to fax a copy of the documents to CHA or Handover the docs if Self Clearance, do accordingly.

Issuing of Delivery Order:

The Delivery Order, the DO in short is the document which authorizes the consignee to take delivery of the cargo from the custodian. Prior to issuing the agent's DO, the agent is required to settle the dues of the carrier & obtain their DO from them. Based on this, the consol agent issues the delivery order upon collection of relevant CAN amount and documents as the case may be.

CHECK LIST FOR THE ISSUE OF DELIVERY ORDER

- **Authorization Letter to be collected from Customer if clearance is done by other agent**
- **Payment to be collected & then release the DO for one time customers**
- **Freight Certificate to be collected in case of Charges collect shipment**
- **Bank release order to be collected if its consigned to Bank**

- **High Sea sales (HSS) shipments DO to be issued after collecting a copy of the HSS agreement, if the consol agent is not the Custom House Agent (CHA).**
- **the Actual customer & high sea sale customer to be mentioned on the Delivery order**
- **If the Delivery order is not picked up by the consignee or his representative CHA, a reminder is sent to the Consignee, simultaneously advising origin of un cleared cargo**
- **The same processes are repeated after ten and fifteen days as second and third/final reminder respectively by Mail or Fax & Kept the same in the docket**

FREIGHT FORWARDING IN SEA MODE

SEA Consol & freight forwarding works on the similar principles as that of air mode but for few minor differences.

Enquiry Handling:

The sea consol department would get all the details of the shipment from the importer like

1. **Commodity**
2. **Weight**
3. **Dimension**
4. **Terms of shipment**
5. **Port of Loading (POL)**
6. **Port of Discharge (POD)**
7. **Final destination**

For example if the shipment is on ex-w basis, the supplier's address (or atleast the pin code of the supplier's place) has to be provided by the consignee for quoting the pick-up charges, custom clearance & handling charges.

The Sea consol department if already having the relevant rate information would quote to the client else would forward the details to the counterpart agent for quoting. Where possible the rates with local liners or co-loaders are also obtained.

Preparation of Quotation:

The quote or the proposal is prepared in the prescribed format by adding nominal profit margin on the net/net rates keeping in mind the profit share to the counterpart agent as per mutually agreed terms.

The quotation to be submitted to the clients has three major portions:

a) **Ocean Freight & allied surcharges.**
b) **Ex-works charges (as per INCO terms)**
c) **Destination charges**

There are various cost factors associated with the ocean freight quote. The major being

a) **Basic Ocean Freight**
b) **Bunker Adjustment Factor (BAF)**
c) **Currency Adjustment Factor (CAF)**
d) **Trade surcharges called by many names.**

Bunker adjustment factor or BAF refers to floating part of sea freight charges which represents additions due to oil prices. BAF charges used to be determined by Carrier Conferences to be applicable for a certain period on a certain trade route.

The European Commission (EC) banned Carrier Conferences as of October 17th 2008. The shipping lines now set their own independent BAF rates. They will be closely monitored by the EC to ensure that no collusion is taking place.

The recent fluctuations in oil price (2008) means that the BAF rates are now coming down, but there are some wide variations in application.

Currency Adjustment Factor - CAF
A type of charge applied on top of freight costs by carriers servicing trade between the United States and Pacific Rim countries. The charge was developed due to costs that carriers incur from constantly changing exchange rates between the U.S. dollar and other foreign currencies.

Investopedia explains *Currency Adjustment Factor - CAF*...

The currency adjustment factor rises as the value of the U.S. dollar falls. It is applied as a percentage on top of the base exchange rate, which is calculated as the average exchange rate for the previous three months. Due to this added charge, shippers are now looking to enter into "all inclusive" contracts at one price, that accounts for all applicable charges, to limit the effect of the CAF.

<u>International Ship & Port Facility Code (ISPS) :</u>
As a result of the September 11th terrorist attacks in the United States, and the increased risk of terrorist attacks worldwide on December 12, 2002 International Maritime Organization (IMO) adopted security measures for ships and ports called the ISPS Code. The surcharge collected in respect of this is called ISPS.

As far as Ex-w charges are concerned the basic cost factors which our agent quotes are:

- **a) Pick-up & On-forwarding (if any)**
- **b) Custom processing service charges**
- **c) Handling charges**
- **d) Miscellaneous charges, if any.**

The destination charges comprises of

- **a) Shipping line/Co-loader charges such as**

    1. **Inland Haulage Charges (IHC) – if applicable**
    2. **Terminal Handling Charges (THC)**
    3. **Trans-Shipment advise (TSA) – if applicable**
    4. **Container washing & survey**
    5. **Manifestation charges**
    6. **Delivery Order (DO) & documentation charges**
    7. **Container Detention charges – if applicable**
    8. **LCL Charges – if applicable**

- **b) Agent's DO & Documentation charges**
- **c) Custodian (CWC/CONCOR) charges.**

The sea shipment is basically carried in three ways:

- **a) LCL Shipment**
- **b) FCL Shipment**
- **c) Break-bulk shipment**

<u>LCL Shipment:</u>

LCL is the short form for Less than Container Load. If the size of the shipment is such that it does need a full container for movement, then such a shipment is offered to forwarder who closes the containers on their own. These forwarders are known as co-loaders. So LCL is necessarily a containerized cargo. The rate is offered on Weight or measurement basis usually denoted as w/m. The weight of the cargo is expressed in terms of tons & the measurement is expressed as Cubic Meter (CBM). The minimum rate is charged per ton or per CBM whichever is higher.

<u>FCL Shipment:</u>

FCL denotes Full Container Load. As the name itself suggests the cargo is stuffed into a container for the exclusive movement of the shipment. The containers are available in different sizes & types. The commonly used containers are of size 20 feet standard (also known as General Purpose (GP)), 40 feet GP, & 40 feet high cube. There are several other types of container available such as

- **a) Refrigerated (Reefer) containers employed for movement of perishable cargo.**
- **b) Open top (OT) for employed for movement of odd or over dimensional cargo such heavy machineries, equipments etc.,**
- **c) Flat Rack (FR) also employed for movement for heavy machinery or equipments**

The specification of different sizes, types of containers are as below:

Inside Length	19'4"	5.89 m
Inside Width	7'8"	2.33 m
Inside Height	7'10"	2.38 m
Door Width	7'8"	2.33 m
Door Height	7'6"	2.28 m
Capacity	1,172 ft^3	33.18 m^3
Tare Weight	4,916 lb	2,229 kg
Max. Cargo	47,999 lb	21,727 kg

Inside Length	39'5"	12.01 m
Inside Width	7'8"	2.33 m
Inside Height	7'10"	2.38 m
Door Width	7'8"	2.33 m
Door Height	7'6"	2.28 m
Capacity	2,390 ft^3	67.67 m^3
Tare Weight	8,160 lb	3,701 kg
Max. Cargo	59,040 lb	26,780 kg

Inside Length	39'5"	12.01 m
Inside Width	7'8"	2.33 m
Inside Height	8'10'	2.69 m
Door Width	7'8"	2.33 m
Door Height	8'5"	2.56 m
Capacity	2,694 ft^3	76.28 m^3
Tare Weight	8,750 lb	3,968 kg
Max. Cargo	58,450 lb	26,512 kg

Inside Length	19'4"	5.89 m
Inside Width	7'7"	2.31 m
Inside Height	7'8"	2.33 m
Door Width	7'6"	2.28 m
Door Height	7'2"	2.18 m
Capacity	1,136 ft^3	32.16 m^3
Tare Weight	5,280 lb	2,394 kg
Max. Cargo	47,620 lb	21,600 kg

Inside Length	39'5"	12.01 m
Inside Width	7'8"	2.33 m
Inside Height	7'8"	2.33 m
Door Width	7'8"	2.33 m
Door Height	7'5"	2.26 m
Capacity	2,350 ft^3	66.54 m^3
Tare Weight	8,490 lb	3,850 kg
Max. Cargo	58,710 lb	26,630 kg

Inside Length	17'8"	5.38 m
Inside Width	7'5"	2.26 m
Inside Height	7'5"	2.26 m
Door Width	7'5"	2.26 m
Door Height	7'3"	2.20 m
Capacity	1,000 ft^3	28.31 m^3
Tare Weight	7,040 lb	3,193 kg
Max. Cargo	45,760 lb	20,756 kg

Inside Length	37'8"	11.48 m
Inside Width	7'5"	2.26 m
Inside Height	7'2"	2.18 m
Door Width	7'5"	2.26 m
Door Height	7'0"	2.13 m
Capacity	2,040 ft^3	57.76 m^3
Tare Weight	10,780 lb	4,889 kg

Max. Cargo	56,276 lb	25,526 kg
Inside Length	18'5"	5.61 m
Inside Width	7'3"	2.20 m
Inside Height	7'4"	2.23 m
Tare Weight	5,578 lb	2,530 kg
Max. Cargo	47,333 lb	21,469 kg
Inside Length	39'7"	12.06 m
Inside Width	6'10"	2.08 m
Inside Height	6'5"	1.95 m
Tare Weight	12,081 lb	5,479 kg
Max. Cargo	85,800 lb	38,918 kg
Inside Length	18'6"	5.63 m
Inside Width	7'3"	2.20 m
Inside Height	7'4"	2.23 m
Tare Weight	6,061 lb	2,749 kg
Max. Cargo	61,117 lb	27,722 kg
Inside Length	39'7"	12.06 m
Inside Width	6'10"	2.08 m
Inside Height	6'5"	1.95 m
Tare Weight	12,787 lb	5,800 kg
Max. Cargo	85,800 lb	38,918 kg
Inside Length	19'11"	6.07 m
Inside Width	8'0"	2.43 m
Inside Height	7'4"	2.23 m
Tare Weight	6,061 lb	2,749 kg
Max. Cargo	52,896 lb	23,993 kg
Inside Length	40'0"	12.19 m
Inside Width	8'0"	2.43 m
Inside Height	6'5"	1.95 m
Tare Weight	12,783 lb	5,798 kg
Max. Cargo	66,397 lb	30,117 kg

Break-Bulk Cargo:

In shipping, break bulk cargo or general cargo is a term that covers a great variety neither of goods that must be loaded individually, and not in shipping containers nor in bulk as with oil or grain. Ships that carry this sort of cargo are often called general cargo ships. The term *break bulk* derives from the phrase breaking bulk — the extraction of a portion of the cargo of a ship or the beginning of the unloading process from the ship's holds. These goods may be in bags, cases, crates, drums, barrels, or they may be kept together by baling or loaded onto pallets.

A break-in-bulk point is a place where goods are transferred from one mode of transport to another, for example the docks where goods transfer from ship to truck.

Break bulk was the most common form of cargo for most of the history of shipping. Since the late 1960s the volume of break bulk cargo has declined dramatically worldwide as containerization has grown. Moving cargo on and off ship in containers is much more efficient, allowing ships to spend less time in port. Break bulk cargo also suffered from greater theft and damage.

Break-bulk marine transport is widely used to transport tree fruit, grapes, and bananas to and from ports lacking container-van loading facilities. This system is also used on older or smaller ships that have common cold storage rooms. The break-bulk designation refers to an older system in which individual packages are re-handled each time the cargo is transferred from one mode of transport to another. This method is costly due to slow loading and unloading, rough handling, and high labor costs. Break-bulk marine shipping dominates in certain trade lanes but is slowly losing ground to containerized shipping. In general, reefer ships are more

efficient for trade lanes dominated by refrigerated products. Container ships predominate in trade lanes with a large share of dry freight.

In most break-bulk systems, packed products are handled as pallet units. When a pallet load is broken apart, its inner surfaces are exposed to ambient conditions, which can increase product deterioration. These problems are minimized in newer ships that can handle pallet loads and have better refrigeration systems. Packed products in pallet units are sometimes transported part of the way in break-bulk ships, transferred at a port to marine containers, and transported in container ships to final destination ports.

BILL OF LADING (BL)

A bill of lading (sometimes referred to as a BOL,or B/L) is a document issued by a carrier, e.g. a ship's master or by a forwarding company's shipping department, acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee who is usually identified. A *through* bill of lading involves the use of at least two different modes of transport from road, rail, air, and sea. The term derives from the noun "bill", a schedule of costs for services supplied or to be supplied, and from the verb "to lade" which means to load a cargo onto a ship or other form of transport.

BILL OF LADING IS A NEGOTIABLE DOCUMENT.

Carriers using multi modes of transportation issue bills of lading when they undertake the transportation of cargo. A bill of lading is, in addition to a receipt for the delivery of goods, a contract for their carriage and a document of title to them. Its terms describe the freight for identification purposes; state the name of the consignor and the provisions of the contract for shipment; and direct the cargo to be delivered to the order or assigns of a particular person, the consignee, at a designated location.

For a consolidated cargo, there are 2 BLs involved – a Master BL (MBL) and House Bill of Lading (HBL). The method & mode of executing a BL either MBL or HBL is similar to AWB execution as explained above except the fact that there is no restriction to mention the actual description of the cargo on the MBL unlike MAWB.

Besides all the relevant details required to be mentioned in the BL, it is stressed to clearly mention the Port of Loading, Port of Discharge & the Place of Final Delivery or Final Destination. This assumes more significance whenever the cargo is required to be moved to dry ports (also known as Inland Container Depots (ICDs)) Once the freight rates are negotiated upto a place of final delivery, it is important to clearly indicate such place of final delivery which binds the carrier (Liner or the co-loader) to comply with.

Classification of Bill of Lading

a) House Bill of Lading(HBL)

Released by the forwarder who is registered with MTO (Multimodal Transporter). For each of the house bill of lading there should be one mother bill of lading and the vice-versa is not true.

b) Mother/Master Bill of Lading (MBL)

Released by the NVOCC (Non-Vessel Operating Common Carrier) members or Shipping line/Carrier.

Types of Bill of lading

a) Received for Shipment Bill of lading

- **i) Issued by the shipping line/forwarder immediately upon receipt of the cargo by the carrier/forwarder.**
- **ii) Mainly used in dry ports. On receipt of the goods and proper documents the bill of lading will be issued.**
- **iii) Will be issued prior to the consignment goes on board per vessel.**

b) On Board Bill of lading

- **i) Issued by shipping line/Forwarder only after the confirmed loading of the consignment on the designated vessel.**

ii) Mandatory if the documents are need to be purchased by the shipper at their banker's counters.

iii) Required if the purchase order/LC clearly spells out for such requirement.

c) Surrender Bill of lading

It is nothing but handing over of full set of bill of lading at the origin port itself. In turn the shipping line/forwarder advice their counter part to release of the cargo without insisting for the original bill of lading after the proper identification of the CNEE is established (Strictly on the advice by the shipper).

- Heavily used by the freight forwarders. In order to release the house bill of lading, the freight forwarders will release surrendered mother bill of lading and released the House bill of lading to the shipper.
- While shipping multiple LCL consignments/during consolidation only one surrendered MBL will be released by the master carrier and several HBL may be released by the forwarders or consolidators to the respective shippers.
- The bill of lading may be released for collect as well as prepaid shipments.

d) Sea way Bill of lading

- A non-negotiable document that also functions as a receipt for shipment and as evidence of the contract of carriage. However, the document need not be presented in order to obtain the delivery of the cargo from the carrier. Seaway bills therefore do not provide constructive possession of the goods covered under that B\L, an aspect which has a number of consequences.
- On the other hand, the utility of document is limited by the fact that the document itself can not be used for transfer of ownership and property. Hence, the seaway bill of lading is not suitable for following
  - If sale of the goods in transit is envisaged or
  - if independent, document security is required by a buyer or by a bank involved in a letter of credit or other finance arrangement.

e) Express Bill of lading

- Only one non-negotiable copy of bill of lading will be released and delivery will be effected at the destination without insisting for the original bill of lading
- Released only for the "Freight Prepaid" Shipment.

f) Forwarders Cargo Receipt (FCR)

This is the delivery order being issued to the shipper at the Origin itself. However, the MTO operator will not have any responsibility for title of the goods.

Documents required for the release of any bill of lading.

- Shipping instruction/LC copy/Contract copy
- Clear copy of the Shipping Bill
- Copy of Invoice, Packing List
- Tentative planning for the shipment as per the final carrier.
- Survey Report/Stuffing Report by the co-loader for LCL Shipment
- Copy of Rail Receipt/Let Export Copy for FCL Shipment/

Points to be remembered for release of bill of lading

- Bill of lading No, should be in ascending order

  We Sindhu Family agreed to follow the pattern of

“SCSL/Origin/Destination/Year/Rotation Number”

- **Date of Bill of Lading should be between, the date of filing of the shipping bill and sailing of the vessel.**
- **The bill of lading should be properly sealed and signed where ever required.**
- **Care has to be taken to mention correct measurement of the cargo in case of LCL Cargo (Survey report is the base document) and Container No, OTL No in case of FCL Shipment (RR Copy and Survey report is the base document).**
- **In case of On-Board bill of lading, please ensure to have the proper document in your hand evidencing the actual on board date. On Board date should be sealed & signed by the competent authority.**

Terminologies commonly used in the bill of lading.

Consignee :

- **Consignee may be direct buyer, made as "To Order", buyer's banker or to the Third Party based on the contractual term of the sale.**
- **If the Consignee is "To Order" – Shipper need to endorse on the back side of the bill of lading.**
- **If the Bank involved in the Consignee the Endorsement of the designated banker is required on the back side of the bill of lading**

Notify

- **Notify column contains - upon arrival of the goods, whom to be intimated.**
- **Should contain**
  - **Full style address**
  - **Phone Number & Fax Number**
  - **Contact person (If available)**

Marks and Numbers

- **Ensure the correct marking on the bill of lading which needs to identify the goods at the destinations. (Ensure to check the marking by the operation staff with regard to base documents like invoice, packing list. If any difference, bring to the notice of the shipper and rectify at initial stage only)**
- **Mention the correct container number and OTL (One time lock) number.**

Description

- **Description should contain the packaging details, description of the goods, Quantity, invoice No, Shipping Bill No; IEC No.**
- **Ensure to mention all the relevant details required by the shipper as per the his contractual terms**
- **Further please ensure to place the "Said to Contain" seal on top of the description because as carrier we may not know the exact contents inside the packages.**
- **Also ensure to mention the "Shipper's Stow/Load/Count" on the bill of lading as we the carrier may not know actual quantity being shipped by the shipper in the particular packages. And we are mentioning all the description details based on the shipper's declaration only.**

Volume

- **Volume – mention the exact volume of the cargo on this column (mandatory for the LCL cargo and optional for the FCL cargo)**
- **No. of Ctrs: If FCL cargo it is mandatory to mention the No. of containers that are being exported under the particular bill of lading**

Type of Clearance

- **LCL/LCL – Less than container load/less than container load – The cargo is being moved in this type as part of the container cargo and the carrier is responsible for Numbers of packages (count of the package) till the delivery of the goods to CNEE at destination port.**
- **LCL/FCL – Less than container load/Full container load – In load port the cargo is taken as partial cargo and at destination, the same is treated full container. The responsibility of the carrier is for the count of the packages.**
- **FCL/FCL – Full container load/Full container load – Mainly used for factory stuffing and carrier is not responsible for contents inside the container until and unless the OTL is tampered.**