Glossary

50 wt – delivered cargo is weighed, net, and 50 is the divisor to come up with the quantity that gets multiplied by the rate. For example, 40,000 (net) / 50 = 800 x ?? (See CWT below).

Accessorial Charges – charges to the shipper over and above the base rate that should be passed on to the truck. For example, lumper (unloading) fees, fuel surcharges, tarping, etc.

Assign – the act of turning over – contracting - a load of cargo to a carrier for which the carrier receives a bill of lading.

Back Haul – a load that is picked up soon after making a delivery giving the motor carrier a round trip load.

Base Rates – these are charges for moving cargo from point A to point B (line haul) without including any Accessorial Charge. (See Above).

BASICs – these are the several behavioral categories used by the FMCSA to score motor carriers. The scores range from 0 to 100 with 100 being the worst. Scores are currently presented in an "absolute" manner rather than "relative" comparisons.

Bills of Lading – these are contracts between the owner of the goods (seller) and the carrier (transport agent). The contract spells out the details of what is being shipped, to whom it is assigned, the value, the name and address of the consignee (buyer) plus other related information. It provides a receipt for goods tendered to the carrier.

BOC-3 – designation of process agent gives a freight broker legal representation in all 48 states. It is one of three elements required to obtain a broker authority.

Broker Authority – consists of a motor carrier number, evidence of a $75,000 surety bond or trust fund and a BOC-3.

CWT – “hundred weight” or 100 lbs of cargo which is used as a divisor when calculating rates. For example, 40,000 (net) / 100 = 400 x ??? (See 50 wt above).

Capacity – relates to the number of available trucks with drivers compared to the number of available loads for any given area or lane.

Carrier Liability – after taking possession of goods, the common carrier is liable for any damage or loss to goods with exceptions to include acts of God, act of a public enemy, act of a public authority, etc.

Certificate of Insurance – certificates issued by insurance companies outlining the name and address of the insured, types, amounts and expiration dates of insurance coverage.

Claim – a charge issued against a motor carrier by the shipper for either damaged or missing cargo or overcharges.

Classes of Cargo – various classes or categories are assigned to cargo to help calculate rates for usually LTL loads. Classes include a number between 50 and 500. The density and weight of the cargo figure into the how the cargo is classified.

Clean Bill of Lading – a receipt for goods issued by a carrier with an indication that the goods were received in "apparent good order and condition," without damages or other irregularities.

Common Carrier – carriers who provide "for hire" transportation to the general public and must obtain BI and PD liability insurance as well as cargo insurance.

Compliance Review (CR) – this is a detailed review of motor carriers to determine the degree of conformity to FMCSA regulations.

Confirmation – a written document outlining the details of a load of cargo issued by the shipper to the broker and by the broker to the motor carrier.

Consignee – the firm (buyer) named in a freight contract to whom goods have been delivered. "Intermediate" consignees may take temporary

possession until the cargo is delivered to the "ultimate" consignee.

Consignment – a load of cargo turned over to a carrier for transport.

Container – a rectangular shipping box that is transported usually via ocean transport, rail or by truck.

Contract Carrier – carriers who provide "for hire" transportation to specific individual shippers based upon contracts and must obtain only BI and PD liability insurance.

Contract Rates – rates that are established by contract usually between shipper and broker or motor carrier. See Spot Rates below.

Customs Broker – a company licensed by the government to enter and clear goods through international boundaries. Customs brokers perform duties related to cargo classification and valuation and the payment of duties, taxes, or other assessed charges.

Dead Head – driving empty without cargo.

Dead Head Miles – the number of miles a truck drives empty to pick up a load.

Dead Head Pay – monies that truckers collect for driving empty, usually to pick up a load after making a drop or enroute to picking up a head load.

Drayage - this is the movement of cargo within a short distance such as from a sea port to a nearby intermodal area.

Drops – the number of stops for delivery on any particular load. Additional drops usually require paying the driver an additional fee.

ETA – estimated time of arrival.

Factor – a company that will advance money based upon their customer’s accounts receivable. Money advanced to a customer creates no debt liability for the customer.

Flat bed – a trailer that generally consists of a floor which may be flat or may have a drop deck. Flats beds may have sides or they may have tarps.

Floor Load – this is cargo that is loaded on the trailer floor rather than with pallets or in bins.

Foul Bill of Lading – a receipt for goods issued by a carrier with an indication that the goods were damaged when received.

Freight Forwarders – freight forwarders take actually possession of cargo and usually warehouse it for future pick up or movement.

Full Truck Load (TL) – this is cargo from one shipper load that is sufficient in quantity to fill a 48′ or 53′ trailer for example.

Gross Weight – the full weight of a shipment, including goods and packaging.

Hazmat – hazardous materials such as dangerous chemicals, liquids or gases that are highly regulated regarding transport and storage.

Head Load – the first cargo pick up (and perhaps the only).

Hundred Weight (cwt) – a cargo packing unit which weighs 100 lbs. Some shippers pay by the hundred weight (100 cwt).

Intermodal – movement of goods by two or more modes of transport, i.e., airplane, truck, railroad and ship.

LCL - less than container load and refers to cargo that is heavy or large. Charges are based upon volume in cubic meters.

LTL – less than truck load and refers to loads where the broker puts together different shipments from more than one shipper in order to make up a full truck load.

Legal Process Agent – a representative for freight brokers or motor carriers upon whom legal papers may be served in any proceeding brought against them.

Line Haul – the cost of moving cargo from point A to point B without adding any additional (accessorial) charges. See Accessorial Charges above.

Load Density – see Load-to-truck Ratio below.

Load-to-truck Ratio – the number of trucks available compared to the number of loads for any given geographic area or lane.

Lumper – a person who unloads cargo at unloading docks for a fee.

Lumper Fee – the fee that a lumper charges for unloading.

Motor carrier number – issued by the Federal Motor Carrier Safety Administration (FMCSA) assigning a number and showing evidence of freight broker registration. It is one of three elements required to obtain a broker authority.

Net Weight – the weight of a shipment after deducting the truck weight.

No Touch – refers to the fact that the driver does not get involved in unloading or assisting in unloading cargo at the delivery point.

Owner Operator (OO) – an independent motor carrier who owns and operates his own truck.

Pallet – a type of wooden (or plastic) platform on which various types of product are loaded and then securely bound for easy transport of the goods.

Pallet Exchange – empty pallets that are delivered by the truck at pick up and then returned upon delivery.

Picks – the number of cargo pickups for any given load. Each additional pickup usually requires paying the driver an additional fee.

Pickup Number – the shipper normally assigns a specific number for each load which is then given to the broker or the motor carrier to ensure the integrity of the correct person picking up the cargo.

Piece Rate – shippers may pay per piece that is being shipped, i.e., so much per box of frozen chickens or so much per bag of onions.

Reefer – a refrigerated trailer that requires temperature control usually from anywhere between zero to 40 degrees.

SMS (Safety Measurement System) – this system was created by the FMCSA to score on-road safety performance of motor carriers and drivers.

SafeStat - this is the old system used by the FMCSA to score motor carriers. In 2010, CSA 2010 was implemented initiating SMS/BASIC methodologies.

Safety Rating – this is a rating by the FMCSA on motor carriers for compliance. Motor carriers are rated either Satisfactory, Conditional or Unsatisfactory. Very few motor carriers are actually rated due to a number of reasons.

Sales Forecast – a projection of future sales activity for any designated time period. For example, one may multiply the average income per load times any number loads for any designated time period.

Spot rates – rates that are negotiated individually without a contract in place.

Surety bond – evidence of a $75,000 bond or trust fund which is available to pay motor carriers in the event the freight broker does not pay them. The bond or trust fund is one of three elements required to obtain a broker authority. The bond is sometimes collateralized with accounts receivable.

TL – full truck load.

Tri Haul – a load that is picked up after dropping the first load and involves driving some dead head miles. See Back Haul above.

Truck Capacity – the number of trucks available compared to the number of loads. See Load-to-truck Ratio above.

Van – a trailer used for dry cargo which does ot require temperature control.n

Vented Van – a trailer used for dry cargo which has a vent in the front and back of the trailer. Used for hauling watermelons, potatoes, onions and such.

Weigh Ticket – upon delivery, the truck is weighed and given a written record of the gross and net weight.

White Line Fever – ask any truck driver.