

# What did you say you do?



# The Freight Forwarder

An international freight forwarder is an agent for the importer/exporter and can move cargo from “dock-to-door,” providing significant services such as:

- Advising on exporting costs including freight costs, port charges, consular fees, costs of special documentation, insurance costs and freight handling fees
- Preparing and filing required export documentation, such as the bill of lading and routing appropriate documents to the seller, the buyer or a paying bank;
- Advising on the most appropriate mode of cargo transport and making arrangements to pack and load the cargo;
- Reserving the necessary cargo space on a vessel, aircraft, train, or truck.
- Making arrangements with overseas customs brokers to ensure that the goods and documents comply with customs regulations.
- Facilitating payment from buyer to seller by preparing documents for the bank, if applicable.



# Who regulates a FF?

- FMC Federal Maritime Commission for ocean shipping services:

To operate as a non-vessel-operating common carrier or ocean forwarder in the U.S. handling international ocean shipments, a company or individual must first obtain an ocean transportation intermediary (OTI) license.

- IATA – for air freight

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 290 airlines or 82% of total air traffic. They support many areas of aviation activity and help formulate industry policy on critical aviation issues. They also license Travel Agents and International Freight Forwarders.

## Core services:

- Transportation of goods – Internationally and domestically
  - Air
  - Less than container load cargo (LCL)
  - Full Container load cargo (FCL)
  - Intermodal and/or trucking services
  - Consulting and quoting services
  - Offer departments that handle specific commodity types such as perishables, pharmaceutical's, alcoholic beverages, automobiles, project cargo and out of gauge shipments.
- **Customs Clearance**
- **International export and import documentation**
- **Insurance**
- **Packing**
- **Storage**
- **Inventory management**



## Air Freight Services

- Direct and Consolidated consignment services
  - Express services
  - Hand carriage
  - Charter services
  - Door to Door
- Perishable cargo capabilities
- Oversized hazardous cargo
  - Bonded facilities
- In house customs broker

# Sea Freight Services

- Ocean FCL (any type equipment available)
- LCL services (dry and controlled temperature)
- Worldwide door delivery for FCL and LCL shipments
  - Door to Door Services
  - Packing, pick and pack
- Over-sized, hazardous cargo, project cargo
- World-wide network of offices and agents
  - Security areas for high cargo value.
  - Bonded facilities
  - In house customs brokers



# Common Export/Import Documents

- AIRWAY BILL
- BILL OF LADING
- COMMERCIAL INVOICE
- PACKING LIST
- ELECTRONIC EXPORT INFORMATION FORM aka Shipper's Letter of Instruction
  - Certificate of Origin
  - Consular Invoices
  - Sanitary Certificates
- Free trade agreement forms

# Commercial Invoice

A bill for the goods from the seller to the buyer. These invoices are often used by governments to determine the true value of goods when assessing customs duties. Governments that use the commercial invoice to control imports will often specify its form, content, number of copies, language to be used, and other characteristics.



# Export Packing List

- This document mirrors the commercial invoice and adds the packaging information. The packing list should include:
  - The number of packages
  - Net and gross weight
  - The type of packaging, i.e. cartons, pallets, sacks, etc.
  - Packaging marks – Addresses, #1 of 10, 2 of 10, etc.. – Information on how you would identify the freight.

# SLI - Shipper's Letter of Instruction

- An SLI is used to control exports and act as a source document for official U.S. export statistics. SEDs are required for shipments not using the U.S. Postal Service, when the value of the commodities, classified under any single Schedule B number/HTS code, is over \$2,500. SEDs must be prepared, regardless of value, for all shipments requiring an export license or destined for countries restricted by the Export Administration Regulations.



# Electronic Export Information Form or Shipper's Letter of Instruction

- Electronic Export Information is the electronic export data as filed in the Automated Export System (AES). This data is the electronic equivalent of the export data formerly collected as Shipper's Export Declaration (SED) information. This information is now mandated to be filed electronically through the Automated Export System or Automated Export System *Direct*. The SLI, when signed, gives the AES filer permission to submit the data.

# Cargo Insurance


- **Damaging weather conditions, rough handling by carriers, and other common hazards to cargo make insurance an important protection for U.S. exporters. If the terms of sale make the exporter responsible for insurance, the exporter should either obtain its own policy or insure the cargo under a freight forwarder's policy for a fee.**
- **Shipments by sea are covered by marine cargo insurance.**
- **Air shipments may also be covered by marine cargo insurance or insurance may be purchased from the air carrier.**
- **Export shipments are usually insured against loss, damage, and delay in transit by cargo insurance. Carrier liability is frequently limited by international agreements. Additionally, the coverage is substantially different from domestic coverage. Arrangements for insurance may be made by either the buyer or the seller, in accordance with the terms of sale. Exporters are advised to consult with international insurance carriers or freight forwarders for more information.**
- **Although sellers and buyers can agree to different components, coverage is usually placed at 110 percent of the CIF (cost, insurance, freight) value.**




# Imports – Role of the Customs Broker

## **What is a Customs broker?**

Customs brokers are private individuals, partnerships, associations or corporations licensed, regulated and empowered by U.S. Customs and Border Protection (CBP) to assist importers and exporters in meeting Federal requirements governing imports and exports. Brokers submit necessary information and appropriate payments to CBP on behalf of their clients and charge them a fee for this service. There are approximately 11,000 active licensed Customs brokers in the United States.

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- Brokers must have expertise in the entry procedures, admissibility requirements, classification, valuation, and the rates of duty and applicable taxes and fees for imported merchandise.
  - Brokers prepare and submit the information and payments to the Customs authorities on the importer's behalf.
  - Brokers also submit import information required by other government agencies, such as FDA, USFW, ATF and Agriculture .
  - Brokers also do post entry work such as preparing protests, supplemental information letters.
  - Brokers also file ISF (Importer Security Filings) and obtain ISF and Importer Customs bonds for the importer as required by law.
  - Brokers also prepare and submit binding rulings to Customs for the classification of products which determine duty rates.



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- Both CBP and the importing/exporting community have a shared responsibility to maximize compliance with laws and regulations. In carrying out this task, CBP encourages importers/exporters to become familiar with applicable laws and regulations.
  - Since September 11th 2001, the need to ensure the security of the global supply chain has become a foremost priority of governments. Policy makers have identified transport supply chains as the weak link in national security and particularly vulnerable to use by terrorist groups to achieve their aims. A dramatic tightening of transport security and customs requirements has already begun, demanded by the United States and being developed in the context of international organizations such as the International Maritime Organization (IMO), World Customs Organization (WCO) and the European Union.

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