

# ANATOMY OF A SHIPMENT

## Hampton Roads Global Business Conference



*Presented by*

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**Partner**

WILLCOX SAVAGE

*September 26, 2014*

# Introduction

- Background
- Today
  - Sale/purchase
  - Booking
  - Shipping
  - Paperwork
  - Regulatory hurdles

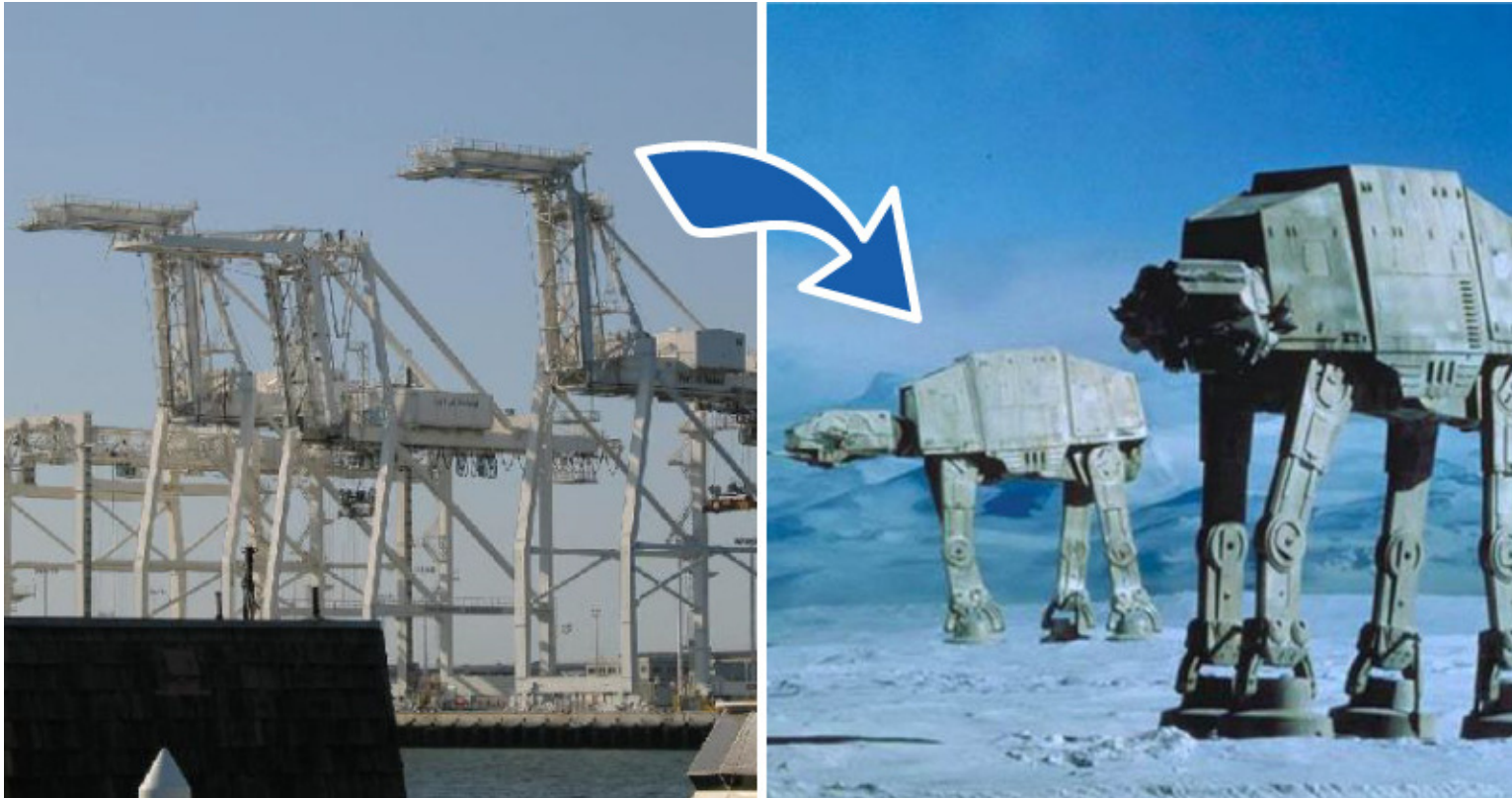


# Scope of World Trade

- About 90% of world trade is carried on ships
  - Hampton Roads
    - 544,629 containers Q1:2014
    - 214,355 August 2014 – all-time high



Not to be confused with . . .





# Breakbulk to Containers

From Old



To New



# The Sale/Purchase

- What are you buying/selling?
  - Details details details!
- How much?
  - 20'? 40'?
- When?
  - Christmas tree lights!
- Cost
  - Landed cost – the real cost
- Payment
  - Cash, collection, LC
- Risk

# Terms of Sale

- Risk is a part of life
  - Ships sink
  - Cargo is lost or damaged
  - Who bears the risk of loss?
  - Answer – it is in the terms of sale (or should be)
- Terms of sale also critical to fixing costs

# Terms of Sale

- INCOTERMS®
  - What are INCOTERMS?
  - Examples
    - Ex warehouse
    - FOB Port (Free on board)
    - CIF (Cost insurance freight)
    - DDP (Delivered duty paid)
- Transfer of title not governed by Incoterms



# Cost Components

- Base price
- Inland transportation x 2
- Ocean freight
- Marine insurance
- Customs duties and compliance or forwarding
- Export compliance (licenses etc.)

# INCOTERMS Terms of Sale Chart

DESCRIPTION	Mode of Transport	Risk	Insurance
<b>EXW</b> Ex Works	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>FCA</b> Free Carrier	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>CPT</b> Carriage Paid to	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>CIP</b> Carriage and Insurance Paid to	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>DAT</b> Delivered at Terminal	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>DAP</b> Delivered at Place	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>DDP</b> Delivered Duty Paid	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>FAS</b> Free Alongside Ship	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>FOB</b> Free on Board	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>CFR</b> Cost and Freight	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER
<b>CIF</b> Cost, Insurance and Freight	All modes of transport	SELLER	BUYER
	Sea and inland waterways	SELLER	BUYER
	CCIS	SELLER	BUYER

■ All modes of transport   
 ■ Sea and inland waterways   
 ■ CCIS   
 ■ RISK   
 ■ INSURANCE

# The Booking

Eagle Rock, VA



Mumbai, India



# Now What?

- How do you get it there?
- How do you get paid?

# The Carriers

- VOCCs
- NVOCCs
  - Non vessel operating common carriers

***Federal Maritime Commission***  
*Washington, D.C. 20573-0001*

**OCEAN TRANSPORTATION INTERMEDIARY LICENSE  
NON-VESSEL-OPERATING COMMON CARRIER**

NO. 022654N

THIS IS TO CERTIFY THAT

**NORTON DILLY LOGISTICS, LLC**

is the holder of an Ocean Transportation Intermediary License and, as such, is duly authorized to carry on the business of providing non-vessel-operating common carrier services for the provision of transportation by water of cargo via common carriers between the United States, its territories or possessions and foreign countries.

This license is conferred pursuant to the authority contained in Section 19 of the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998, and is subject to the provisions of said Act, Part 515 of Title 46 of the Code of Federal Regulations as it is or may be amended, and the pertinent provisions of other applicable regulations promulgated under the foregoing Act.

By authority of the Federal Maritime Commission

  
Director  
Bureau of Certification and Licensing

Effective: MAY 26 2010



# Freight Forwarders

- Travel agents for cargo
- Logistics - the paper/data flow





# Customs House Brokers




# What Size Container?

## Know Your Stow

### 20' 1376/1170


20'

**20' GP**




	L	W	H
External	20'0"	8'0"	8'6"
Internal	19'4"	7'8"	7'9"
Door Opening	19'4"	7'8"	7'6"
Max Capacity	1158-1186 (cu ft)	39380-47860 (lbs)	32.85-33.58 (m)
Tare Weights	5030-5490 (lbs)	2280-2490 (kgs)	

**20' HQ**




	L	W	H
External	20'0"	8'0"	9'6"
Internal	19'4"	7'8"	8'10"
Door Opening	19'4"	7'8"	8'6"
Max Capacity	1350-1390 (cu ft)	39380-47860 (lbs)	38.23-39.36 (m)
Tare Weights	5350-5550 (lbs)	2427-2495 (kgs)	

**20' DD**




	L	W	H
External	20'0"	8'0"	8'6"
Internal	19'4"	7'8"	7'9"
Door Opening	19'4"	7'8"	7'6"
Max Capacity	1158-1186 (cu ft)	39380-47860 (lbs)	32.85-33.58 (m)
Tare Weights	5030-5490 (lbs)	2280-2490 (kgs)	

**20' Side Open**




	L	W	H
External	20'0"	8'0"	8'6"
Internal	19'4"	7'8"	7'9"
Door Opening	19'4"	7'8"	7'6"
Max Capacity	1158-1186 (cu ft)	39380-47860 (lbs)	32.85-33.58 (m)
Tare Weights	5030-5490 (lbs)	2280-2490 (kgs)	

**20' OT**




	L	W	H
External	20'0"	8'0"	8'6"
Internal	19'4"	7'8"	7'9"
Door Opening	19'4"	7'8"	7'6"
Max Capacity	1158-1186 (cu ft)	42280-62240 (lbs)	32.85-33.58 (m)
Tare Weights	4630-4960 (lbs)	2100-2250 (kgs)	

**20' FR**



	L	W	H
External	20'0"	8'0"	8'6"
Internal	18'1"-19'6"	8'0"	7'1"-7'7"
Door Opening	5'1"-5'94m	2.44m	2.16-2.33m
Max Capacity	46910-39900 (lbs)	21280-30005 (kgs)	
Tare Weights	4850-6000 (lbs)	2200-2720 (kgs)	

**20' RF**



	L	W	H
External	20'0"	8'0"	8'6"
Internal	17'6"	7'2"	7'4"
Door Opening	17'6"	7'3"	7'3"
Max Capacity	932-1003 (cu ft)	45460-60450 (lbs)	26.4-28.4 (m)
Tare Weights	6750-7450 (lbs)	3060-3380 (kgs)	


### 20' Container

New - DNV, GL or ABS Certified  
 Used - Under IICL, Cargo Worthy, Wind Water Tight  
 Customized - Upon request

### 40' 2752/2391


40'

**40' GP**




	L	W	H
External	40'0"	8'0"	8'6"
Internal	39'6"	7'8"	7'9"
Door Opening	39'6"	7'8"	7'6"
Max Capacity	2390-2397 (cu ft)	58820-60740 (lbs)	67.70-37.80 (m)
Tare Weights	6460-8380 (lbs)	2390-3800 (kgs)	

**40' HQ**



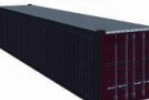
	L	W	H
External	40'0"	8'0"	9'6"
Internal	39'6"	7'8"	8'10"
Min. Door Opening	39'6"	7'8"	8'6"
Max Capacity	2700-2715 (cu ft)	58970-60400 (lbs)	76.40-76.88 (m)
Tare Weights	6800-8230 (lbs)	3080-3730 (kgs)	

**40' DD**




	L	W	H
External	40'0"	8'0"	8'6"
Internal	39'6"	7'8"	7'10"
Door Opening	39'6"	7'8"	7'6"
Max Capacity	2390-2397 (cu ft)	58820-60740 (lbs)	67.7-37.80 (m)
Tare Weights	6460-8380 (lbs)	2930-3800 (kgs)	

**40' OT**




	L	W	H
External	40'0"	8'0"	8'6"
Internal	39'5"	7'8"	7'9"
Door Opening	39'5"	7'8"	7'6"
Max Capacity	2295 (cu ft)	58490 (lbs)	65 (m)
Tare Weights	8050 (lbs)	3650 (kgs)	

**40' RF**



	L	W	H
External	40'0"	8'0"	8'6"
Internal	37'8"	7'4"	7'1"
Door Opening	37'8"	7'4"	7'0"
Max Capacity	1963-2055 (cu ft)	56990-58180 (lbs)	65.60-59.29 (m)
Tare Weights	6560-5929 (lbs)	29850-26390 (kgs)	

**40' FR**



	L	W	H
External	40'0"	8'0"	8'6"
Internal	40'0"	8'0"	8'6"
Min. Door Opening	40'0"	8'0"	8'6"
Max Capacity	56188 (lbs)	25485 (kgs)	
Tare Weights	11012 (lbs)	4995 (kgs)	

### 40' Container

New - DNV, GL or ABS Certified  
 Used - Under IICL, Cargo Worthy, Wind Water Tight  
 Customized - Upon request

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# Book the Container

- Ocean Freight Rates
  - VOCC
  - NVOCC
  - Freight Forwarder
- Inland Freight Rate
  - Truck
  - Rail
  - Barge
- Type of rates
  - Tariff
  - Service Contract/NRA
  - Pros and cons of VOCC v. NVOCC





# What is a Bill of Lading?

- A bill of lading serves three distinct functions:
  1. A receipt for the goods
  2. Contract for their carriage
  3. Documentary evidence of title to the goods

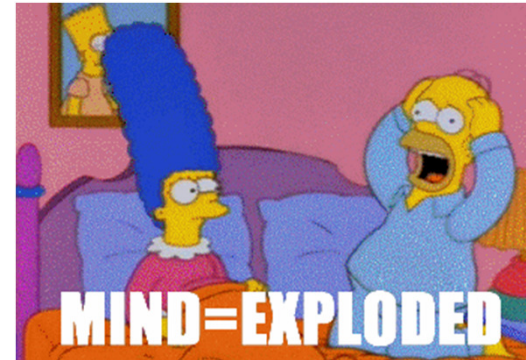
# Other Documents


- Certificate of origin
- Invoice
- Packing List
- Marine insurance
- Bank documents
  - L/C, collection etc.
- The bill of lading, commercial invoice, and packing list etc. all needed by seller to get paid and by buyer to clear goods upon arrival



# Export Landmines

- Sanctions
- Military equipment
- Dual Use





**Transportation Security Administration**

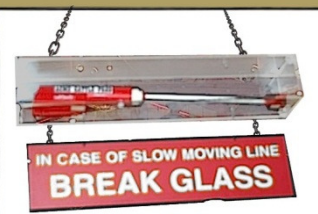
- [Sharp Objects](#)
- [Sporting Goods](#)
- [Guns & Firearms](#)
- [Tools](#)
- [Martial Arts & Self Defense Items](#)
- [Explosive & Flammable Materials, Disabling Chemicals & Other Dangerous Items](#)
- [Other Items](#)

Item	Carry-on	Checked
Axes and Hatchets	No	Yes
<b>Cattle Prods</b>	<b>No</b>	<b>Yes</b>
Crowbars	No	Yes
Hammers	No	Yes
Drills and drill bits (including cordless portable power drills)	No	Yes
Saws (including cordless portable power saws)	No	Yes
Tools (greater than seven inches in length)	No	Yes
Tools (seven inches or less in length)	Yes	Yes
Screwdrivers (seven inches or less in length)	Yes	Yes
Wrenches and Pliers (seven inches or less in length)	Yes	Yes

NOTE: Any sharp objects in checked baggage should be sheathed or securely wrapped to prevent injury to baggage handlers and Security Officers.

**OH, THE POSSIBILITIES OF A CATTLE PROD**

WHY DIDN'T I THINK OF THAT?




"I love this book! It talks to the heart of every business—its people."

**"Where Did I Put That Cattle Prod?"**

Robert K. McIntosh  
with a foreword by Mark Victor Hansen

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**"Cattle prods? . . . Yes sir, aisle three with the other management tools."**

# Import Hurdles

- U.S. Customs
  - Classification
  - Country of Origin (marking)
  - Valuation

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