

**Module 6**

*Section A: Understand Transportation Fundamentals*

**Term**  
Agent

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One who acts on behalf of another (the principal) in dealing with a third party. Examples include a sales agent and a purchasing agent.

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**Term**  
Broker

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An organization that helps match carriers to freight, adding value by helping the shipper and carrier obtain better rates and more fully utilize their capacity and equipment.

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**Term**  
Carrier

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A company that provides air, sea, or land transportation services.

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**Term**  
Common carrier

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Transportation available to the public that does not provide special treatment to any one party and is regulated as to the rates charged, the liability assumed, and the service provided. [It] must obtain a certificate of public convenience and necessity from the Federal Trade Commission for interstate traffic. Ant: private carrier.

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**Term**  
Consignee

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The receiver of a shipment of freight.

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**Term**  
Consignor

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The sender of a shipment in a contract of transport.

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**Term**  
Customs broker

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A person who manages the paperwork required for international shipping and tracks and moves the shipments through the proper channels.

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**Term**  
Export management company (EMC)

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An organization that serves as a sales department for a domestic organization's international markets, earning commissions on completed sales. EMCs select distribution channels and markets, arrange promotional campaigns, analyze customer credit information, advise on payment terms, administer documentation, and collect international debts. They may also arrange transportation, provide warehouse space, manage export inventory, and provide break-bulk services.

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#### Term

Export trading company (ETC)

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An organization that typically purchases goods outright in one country for resale in a different country at a profit. The organization locates buyers and handles all inland and overseas transportation, documentation, and foreign government requirements. Some may perform these services without formally taking title to the goods.

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#### Term

Fourth-party logistics (4PL)

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[This concept] differs from third-party logistics in the following ways: (1) [this type of] organization is often a separate entity formed by a joint venture or other long-term contract between a client and one or more partners; (2) [this type of] organization is an interface between the client and multiple logistics services providers; (3) ideally, all aspects of the client's supply chain are managed by the [this type of] organization; and (4) it is possible for a major 3PL organization to form [this type of] organization within its existing structure. See: third-party logistics.

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#### Term

Freight broker

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An individual or organization who finds appropriate carriers for shippers needing transportation. The broker helps negotiate terms and administers most of the documentation.

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#### Term

Intermodal transport

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1) Shipments moved by different types of equipment combining the best features of each mode. 2) The use of two or more different carrier modes in the through movement of a shipment.

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Lead logistics providers (LLPs)

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Organizations that oversee the third-party logistics operations of their clients.

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Modes of transportation

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A basic method of moving items. Modes include road, rail, air, water (ocean or inland waterway), pipeline, intermodal, and courier or parcel services.

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Multimodal solutions

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Transportation plans that involve multiple means of transportation and coordinate the physical and information requirements.

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Terminals

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In transportation, locations where carriers load and unload goods to and from vehicles. Also used to make connections between local pickup and delivery service and line-haul service. Functions performed in [these] include weighing connections with other routes and carriers, vehicle routing, dispatching, maintenance, paperwork, and administration. [They] may be owned and operated by the carrier or the public.

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#### **Term**

Third-party logistics (3PL)

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A buyer and supplier team with a third party that provides product delivery services. This third party may provide added supply chain expertise.

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#### **Term**

Transportation

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The function of planning, scheduling, and controlling activities related to mode, vendor, and movement of inventories into and out of an organization.