

<div>Module 8</div> <div>Section A: Transportation Fundamentals</div> <div>Term</div> <div>Agent</div> <div>APICS CLTD Learning System</div> <div>© 2024</div>	<div>One who acts on behalf of another (the principal) in dealing with a third party. Examples include a sales agent and a purchasing agent.</div>
<div>Module 8</div> <div>Section A: Transportation Fundamentals</div> <div>Term</div> <div>Broker</div> <div>APICS CLTD Learning System</div> <div>© 2024</div>	<div>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.</div>
<div>Module 8</div> <div>Section A: Transportation Fundamentals</div> <div>Term</div> <div>Carrier</div> <div>APICS CLTD Learning System</div> <div>© 2024</div>	<div>A company that provides air, sea, or land transportation services.</div>
<div>Module 8</div> <div>Section A: Transportation Fundamentals</div> <div>Term</div> <div>Common carrier</div> <div>APICS CLTD Learning System</div> <div>© 2024</div>	<div>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.</div>

**Module 8**

*Section A: Transportation Fundamentals*

**Term**  
Consignee

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The receiver of a shipment of freight.

**Module 8**

*Section A: Transportation Fundamentals*

**Term**  
Consignor

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The sender of a shipment in a contract of transport.

**Module 8**

*Section A: Transportation Fundamentals*

**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.

**Module 8**

*Section A: Transportation Fundamentals*

**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.

## Module 8

### Section A: Transportation Fundamentals

#### 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.

## Module 8

### Section A: Transportation Fundamentals

#### 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.

## Module 8

### Section A: Transportation Fundamentals

#### 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.

## Module 8

### Section A: Transportation Fundamentals

#### 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.

## Module 8

### Section A: Transportation Fundamentals

#### Term

Lead logistics providers (LLPs)

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

## Module 8

### Section A: Transportation Fundamentals

#### Term

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.

## Module 8

### Section A: Transportation Fundamentals

#### Term

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.

## Module 8

### Section A: Transportation Fundamentals

#### 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.

## Module 8

### Section A: Transportation Fundamentals

#### 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.

## Module 8

### Section B: Road Transportation

#### Term Freight rate

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In logistics, an established price for the transport of goods, based on any number of factors; e.g., distance, weight, measure, equipment type, package, or commodity.

## Module 8

### Section B: Road Transportation

#### Term Full truckload (FTL)

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An agreement to ship a minimum of an entire truckload or container load to a single customer. The cargo is typically homogenous and stays on the same vehicle from the origin to the destination.

## Module 8

### Section B: Road Transportation

#### Term Less-than-truckload (LTL)

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1) A small shipment that does not fill the truck. 2) A shipment of insufficient weight to qualify for a truckload quantity rate discount (usually set at about 10,000 lbs.) normally offered to a general commodity trucker.

**Module 8**  
*Section B: Road Transportation*

**Term**  
Line haul

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The portion of a transportation journey that moves between two transportation terminals. It is distinguished from and excludes the pickup and delivery portions of a journey used to acquire or distribute LTL freight. For motor carrier transportation, the shipment is loaded in a semi-permanent trailer configuration that maximizes the amount of freight that each driver can legally haul over that portion of the journey. This may involve hauling multiple trailers.

**Module 8**  
*Section B: Road Transportation*

**Term**  
Motor carrier

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Motor vehicles that use the road mode of transportation.

**Module 8**  
*Section B: Road Transportation*

**Term**  
Truckload (TL) carriers

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Carriers that deliver/charge only for full truckload shipments.

**Module 8**  
*Section C: Rail Transportation*

**Term**  
Rail gauge

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The spacing of the width of the rails on a railway track, measured between the inner sides of the rails. In rail transport, this is a key parameter in determining interoperability, since all vehicles must have running gear that is compatible with the spacing. This can vary between countries and cause compatibility issues.

**Module 8**  
*Section C: Rail Transportation*

**Term**  
Trailer on a flatcar (TOFC)

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A specialized form of containerization in which motor and rail transport coordinate. Syn.: piggyback.

**Module 8**  
*Section D: Air Transport*

**Term**  
International Air Transport Association (IATA)

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An international industry trade group that represents the interests of the airline industry.

**Module 8**  
*Section E: Ocean and Inland Waterway Transportation*

**Term**  
Barge

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A self-propelled, pushed, or pulled flat-bottomed ship for use in inland waterways. It is frequently used to transport bulk commodities.

**Module 8**  
*Section E: Ocean and Inland Waterway Transportation*

**Term**  
Container

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A large box in which commodities to be shipped are placed.

**Module 8**

*Section E: Ocean and Inland Waterway  
Transportation*

**Term**

Full-container load (FCL)

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A container that has been filled close to its volume or weight limit, or that holds only one shipper's order and the shipper has requested it be the only order in the container. See: full truckload.

**Module 8**

*Section E: Ocean and Inland Waterway  
Transportation*

**Term**

Less-than-container/carload (LCL)

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1) A small shipment that does not fill the container/railcar. 2) A shipment of insufficient weight to qualify for a carload quantity rate discount.

**Module 8**

*Section E: Ocean and Inland Waterway  
Transportation*

**Term**

Non-vessel-operating common carrier (NVOCC)

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A consolidator of ocean freight shipments that operates similarly to a freight forwarder and issues its own bills of lading, thus acting as a carrier even though it does not own the means of transportation being used.

**Module 8**

*Section E: Ocean and Inland Waterway  
Transportation*

**Term**

Short-sea shipping

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A form of water transportation that does not cross an ocean, but instead utilizes coastal and inland waterways to move shipments from maritime ports to their destination. Often used as an alternative to road transportation.



**Module 8**

*Section E: Ocean and Inland Waterway  
Transportation*

**Term**

Twenty-foot equivalent unit (TEU)

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A measurement used to describe the carrying capacity of a cargo ship or a terminal's handling capacity. One [of these] equals a standard 20 ft. x 8 ft. x 8 ft. (length x width x height) shipping container.

**Module 8**

*Section F: Intermodal and Other Transportation  
Modes*

**Term**

Container on a flatcar (COFC)

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A specialized form of containerization in which rail, motor, and sea transport coordinate.

**Module 8**

*Section F: Intermodal and Other Transportation  
Modes*

**Term**

Multimodal solutions

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

**Module 8**

*Section F: Intermodal and Other Transportation  
Modes*

**Term**

Tariff

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An official schedule of taxes and fees imposed by a country on imports or exports.

**Module 8****Section F: Intermodal and Other Transportation Modes****Term**

Trailer on a flatcar (TOFC)

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A specialized form of containerization in which motor and rail transport coordinate. Syn.: piggyback.

**Module 8****Section G: Transportation Management****Term**

Business intelligence

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Information collected by an organization on customers, competitors, products or services, and processes. [It] provides organizational data in such a way that the organizational knowledge filters can easily associate with this data and turn it into information for the organization. Persons involved in [these kind of] processes may use application software and other technologies to gather, store, analyze, and provide access to data, and to present that data in a simple, useful manner. The software aids in business performance management and aims to help consumers make better business decisions by offering them accurate, current, and relevant information. Some businesses use data warehouses because they are a logical collection of information gathered from various operational databases for the purpose of creating [this].

**Module 8****Section G: Transportation Management****Term**

Commodity rate

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A rate to ship a specific commodity across a specific origin-destination pairing.

**Module 8****Section G: Transportation Management****Term**

Cube rate

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1) A rate used to improve warehouse order picker productivity by placing items with smaller total cubic space requirements closer to the shipping area. A larger total number of items can be stored near the shipping area in this way, thereby reducing the aggregate order-picking travel time. 2) A freight rate calculated on cargo volume rather than weight.

**Module 8**  
*Section G: Transportation Management*

**Term**  
Master contract

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1) A contract that lays out the general provisions of a long-term agreement and governs most of the details of future individual contracts or purchase orders for a period of time. 2) In relation to unionized labor, the contract between the labor union and the employer. Syn.: master service agreement.

**Module 8**  
*Section G: Transportation Management*

**Term**  
Network design

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1) In supply chain management, the design of a supply chain's sourcing, manufacturing, and distribution facilities and information flows to meet the organization's strategic goals. These strategic goals can include being efficient, responsive, customer-focused, or some other mix of priorities. The design includes determining the best locations, numbers, sizes, capacities, capabilities, and ownership models of facilities to support these goals. 2) In logistics, the design and periodic review of inbound and outbound transportation networks—all types of warehouses by number, location, size, layout, and optimum mix of inventory levels per location—to meet the organization's strategic goals. Considerations are made to balance tradeoffs among warehouse costs, transportation times and expenses, and customer service goals.

**Module 8**  
*Section G: Transportation Management*

**Term**  
Price elasticity

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The degree of change in buyer demand in response to changes in product price. Calculated by dividing the percentage of change in quantity bought by the percentage of change in price. Prices are considered elastic if demand varies with changes in price. If demand changes only slightly when the price changes, demand is said to be inelastic. For example, demand for most medical services is relatively inelastic, but demand for automobiles is generally elastic.

**Module 8**  
*Section G: Transportation Management*

**Term**  
Statement of work

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1) A description of products to be supplied under a contract. 2) In project management, the first project planning document that should be prepared. Describes the purpose, history, deliverables, and measurable success indicators for a project. Captures the support required from the customer and identifies contingency plans for events that could throw the project off course. Because the project must be validated for management, staff, and review groups, the statement of work should be a persuasive document.

**Module 8***Section G: Transportation Management*

**Term**  
Stowability

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The ease or difficulty of loading, handling, and storage of shipping items. Used as a factor for determining shipment costs and classifying freight, it considers regulations, liability, and item characteristics (e.g., hazardous materials, excessive weight, irregular shape).

**Module 8***Section G: Transportation Management*

**Term**  
Transportation management

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The process of executing requirements for the planning, scheduling, and budgeting of transportation assets, services, and related systems of the shipping process through delivery.

**Module 8***Section H: Transportation Administration*

**Term**  
Bill of lading (house) (B/L)

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A bill of lading issued by a non-vessel-operating common carrier (NVOCC), consolidator, or freight forwarder. It indicates the carrier's name and lists the master bill of lading. See: bill of lading (master).

**Module 8***Section H: Transportation Administration*

**Term**  
Bookings

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The value of all sales after discounts and rebates have been applied.

**Module 8***Section H: Transportation Administration***Term**  
Consolidation

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The grouping of shipments to obtain reduced costs or improved utilization of the transportation function. Consolidation can occur by market area grouping, grouping according to scheduled deliveries, or using third-party pooling services such as public warehouses and freight forwarders. Syn.: freight consolidation. See: milk run.

**Module 8***Section H: Transportation Administration***Term**  
Demurrage

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The carrier charges and fees applied when rail freight cars and ships are retained beyond a specified loading or unloading time. See: detention, express.

**Module 8***Section H: Transportation Administration***Term**  
Detention

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Carrier charges and fees applied when truck trailers are retained beyond a specified loading or unloading time. See: demurrage, express.

**Module 8***Section H: Transportation Administration***Term**  
Electronic data interchange (EDI)

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The paperless (electronic) exchange of trading documents, such as purchase orders, shipment authorizations, advanced shipment notices, and invoices, using standardized document formats.

**Module 8***Section H: Transportation Administration***Term**

Exception management

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The practice of responding only to issues or events that fall outside a predetermined threshold. Managers are prompted to respond to these critical matters first. This practice is often applied to management of budgets, projects, and risks. Sometimes referred to as management by exception.

**Module 8***Section H: Transportation Administration***Term**

Freight bill

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A freight carrier's invoice for a shipment.

**Module 8***Section H: Transportation Administration***Term**

Freight settlement

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A document that compares the freight order invoice as received to the invoice as expected and authorizes payment if the documents are consistent.

**Module 8***Section H: Transportation Administration***Term**

Proof of delivery (POD)

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Carrier's records indicating the person signing for delivery with the date, time, and other related information.

**Module 8**

*Section H: Transportation Administration*

**Term**  
Tracking

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The process of determining and reporting the location of a shipment throughout the supply chain channel.