

# International Resource Group, Inc.

## How Freight Forwarders Can Help Importers Solve Problems Associated With Importing

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# Topics to be discussed

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- What are 3PL's?
- Explanation of What Freight Forwarders Do
- When NOT to use a Freight Forwarder
- Consolidating Multiple Vendors at origin
- Using Distribution Centers
- Letters of Credit and House Bills of Lading

# Variations of the 3PL Provider

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- “Third-Party Logistics Provider” suggests that the entity is a disinterested third party and presumes that they are “non-asset based” provider.
- In reality, everyone from warehouses to truckers, consultants, forwarders, financial institutions, and railroads have found it fashionable to describe themselves as 3PL’s.

# What Freight Forwarders do...

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- Buy wholesale, sell retail
- Coordinate various modes of transport for door to door transportation (or any part thereof)
- Consolidation – “minimize minimums”
- Documentation, AMS Filing
- Banking & collection services
- Cargo insurance
- Warehousing/Distribution Centers

# International FF Certifications

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- IATA – Int'l Air Transport Association Certifies and Licenses international air freight forwarders.
- Federal Maritime Commission certifies and bonds Non-Vessel Common Carriers and Ocean Transportation Intermediaries (previously "ocean freight forwarders")
- Ability to ship individual shipments or consolidated shipments
- US Customs and Border Protection certifies and licenses Customs Brokers

# When Not to use a FF

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- Small “courier-sized” shipments
- When you can negotiate your own time-volume contracts directly with the carriers.
- When you have time/resources to “shop” for rates, and book, track and process shipments, and if you are well-versed in INCO terms and customary trade practices.

# Consolidating Multiple Vendors

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- Consolidation at a CFS (Container Freight Station) Warehouse or at one of the vendors that is party to the transaction
- Consolidation with complimentary products
  - metal hinges with patio furniture
  - Printed material with golf bags

# Using Distribution Centers

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- Warehousing/Distribution Centers can receive your imports in a consolidated shipment and distribute them to various vendors
- Foreign Trade Zones allow for duty deferment

# LC's and House B/L's

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House Bill vs. Master Bill of lading – why do we have them?

Letter of Credit conditions and the role of the B/L

- Latest ship date
- Clean On-board conditions