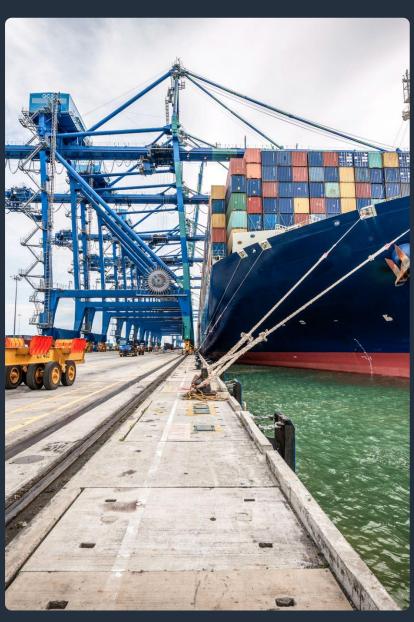
**EGUIDE** 

# How to Move FCL Ocean Freight

Your one-stop guide to understanding the Ocean FCL shipment lifecycle











Phase 01 **Booking** 



Phase 02
Origin Trucking



Phase 03

Docs & Customs



Phase 04 **Destination Trucking** 

#### **INTRODUCTION**

## What is a US Ocean FCL Import?

Let's break it down.

**US Import:** if cargo is being imported to the United States, it means that the goods are being shipped from a foreign country to a party in the US.

**Ocean:** this is simply the mode of transportation (as opposed to air, rail, truck, etc.) meaning the cargo is going to move between countries on an ocean vessel.

**FCL:** also known as Full Container Load\* (vs <u>Less than Container Load or LCL</u>), these shipments are those whose cargo requires full use of one or more shipping containers rather than partial or shared use of a container.

All together, a US Ocean FCL Import refers to a shipment being moved from a foreign country to the US in one or more unshared shipping containers via an ocean vessel.

Keep in mind that there will always be some variability in the shipment process depending on where you're shipping from and where you're shipping to. In this case, we wanted to provide a high-level, end-to-end overview to help build your foundational understanding of the topic before you start diving into the particulars.

For this example, we'll assume you're moving one shipping container from a foreign/origin warehouse, all the way to a US/destination warehouse (AKA door/door freight service) using a freight forwarder.

\*Check out FlexU's short course, <u>Ocean FCL 101</u>, for a higher-level overview of the FCL shipment lifecycle!

#### PHASE 01

## **Booking**

## What Information is Needed to Request a Booking?

In order to request an Ocean FCL booking, your freight forwarder will need the following information:

Freight Service (i.e. port-port, door-port, door-door, etc.
Origin Port
Destination Port
Commodity (HS Code a plus)
Container type, size, and quantity
Estimated cargo weight & volume (per container)
Cargo Ready Date (CRD)

Once a booking confirmation (also known as a <u>Shipping Order</u>) has been received, this means that the ocean carrier has granted space for your cargo on one of their vessels. Space confirmation is dependent on several factors including the <u>Ocean Market and COVID-19 impacts</u>.

#### Flexport Advantage!

If you're a Flexport client, you'll be notified on our platform as soon as a booking confirmation is uploaded to your shipment page.

## How Long Does it Take to Confirm a Booking?

Booking turnaround time varies by ocean carrier. You can typically expect to receive confirmation (or at least an update) within 2-4 hours, but that time can sometimes extend to 24-48 hours if there's a problem with the requested space or trade lane.

Please note that while the above is typical, the timeline for a final, confirmed shipping order will vary based on market conditions.

#### **How Early Should I Request a Booking?**

The earlier you request a booking, the more likely you are to get the space you want. It's recommended to request space at least 4 weeks in advance of your cargo ready date if you can but, especially during the COVID-19 era, at least 6 weeks ahead of time is more likely to be needed.

Space availability varies by trade lane and changes often so your freight forwarder will appreciate as much time as you can give them to negotiate space for your cargo.















#### What if I Need to Make a Change to My Booking?

No problem, let your freight forwarder know what changes you need and they will work with the ocean carrier to fulfill your request.

A word of caution though, vessel space fills up quickly and is almost always over-allocated. For this reason, the longer you wait to request an update, the less likely your request is to be granted.

Check out our FlexU course, <u>Trade Lane Management 101</u> to learn more about allocation and the freight market.

## What If I Can't Get Space Within My Requested Timeline?

If you can't get a booking within your requested timeline, it may be worth looking into other transportation modes, like LCL and <u>Air</u>, if your shipment is time-sensitive.

PHASE 02

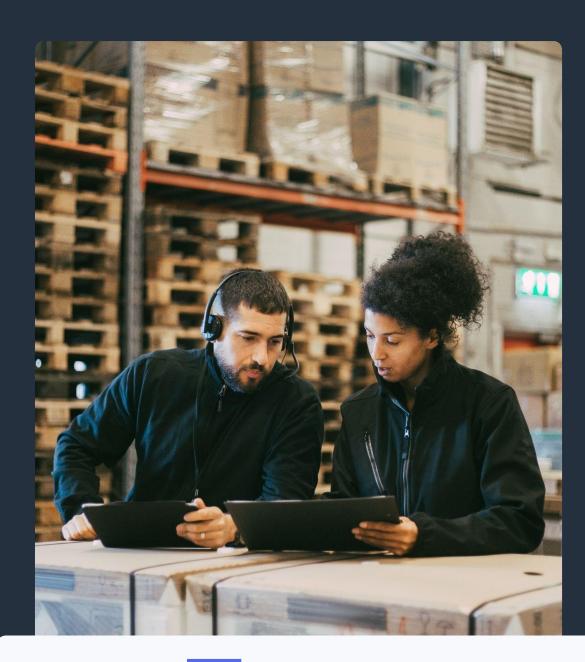
## **Origin Trucking**

#### What Does the Origin Trucking Process Look Like?

After your booking has been confirmed, the shipping order will need to be sent to the truck carrier and an appointment will need to be set up between them and the pickup location. The trucking carrier handles this appointment process directly after receiving the <u>Delivery Order</u> (DO) from your freight forwarder, which includes the following information:

	Pickup location address		
	Contact information (pickup location)		
	Booking details:		
	Booking number  Ocean Carrier  Empty Container Pick-up Location  Full Container Return Location  Earliest Return Date (ERD)  Container Yard (CY) cut		
	Additional pickup location details:		
	<ul> <li>What are the hours of operation?</li> <li>Are any specific reference numbers required?</li> <li>Is an appointment needed?</li> <li>Is there a loading dock?</li> <li>Does the pickup location need help with loading?</li> <li>Is a live load or drop &amp; pick preferred?</li> <li>Any other additional details</li> </ul>		
	Container count & size		
·	sight for condensation will possed the DO coincide the information was aver-		

Your freight forwarder will send the DO using the information you provide for the pickup location, but that is just half the battle. Ensuring your pickup location is up to speed on what's coming their way is just as important as making sure your freight forwarder has the information they need. In this case, the more information sharing between parties, the better.



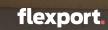














When appointment day arrives, the trucker will grab an empty container and bring it to the pickup location to be loaded. Once loaded, the trucker will return the full container to the port by the <a href="CY">CY cut-off</a>.

Want more information? Flexport's experts can get you up and trucking with our FlexU course, <u>Trucking 101</u>.

#### **Do I Communicate Directly With the Trucker?**

Your freight forwarder will handle all the communication with the truck carrier but may reach out to you with questions if any arise (Ex. How is the cargo packaged? Is it palletized?)

The trucking carrier will coordinate with the pickup location directly based on the contact information provided on the Delivery Order.

## How Do I Know My Cargo Has Been Successfully Delivered to the Port?

Once the trucker has successfully delivered the loaded container to the port, you will be notified either by the trucker or your freight forwarder. Once you have a Master Bill of Lading number and/or container number, you can also track your shipment using Track & Trace.

#### How Do I Know My Cargo is Safe?

Safety protocols exist to ensure the safe transport of your cargo from origin to destination. Most notably, via the container seal.

Once a container is loaded, a container seal is applied. Each seal has a number which must be reported to the ocean carrier when Shipping Instructions are submitted. This seal is monitored throughout the shipment journey and immediately reported if it is ever broken or tampered with in any way. If anything ever happens with your container seals, you will have the opportunity to have the cargo inspected for damage/theft and either resealed for continued movement, or returned to origin.

#### Flexport Advantage!

With <u>Flexport Visibility</u>, you can track shipments in the Flexport Platform, even if you ship with other forwarders or directly with carriers.

#### PHASE 03

### **Docs & Customs**

## What Documentation is Needed to Successfully Export My Cargo From the Origin Country?

For typical <u>customs clearance</u>, your licensed customs broker will need the following documents\*:

Commercial	Invoice	(CI

Packing List (PL)

In addition to the origin country's export customs filing, imports to the United States require an <a href="Importer Security Filing">Importer Security Filing</a> (ISF) which must be filed in the US before the cargo departs the Port of Loading. Your freight forwarder, or nominated customs broker, can complete the ISF filing on your behalf.

Much of the information used to file export customs is also used to submit the Shipping Instructions (SI) and <u>Verified Gross Mass</u> (VGM) to the ocean carrier. The SI is used to generate the House and Master <u>Bills of Lading</u>, while VGM needs to be reported in order to ensure proper weight distribution on the vessel. VGM is submitted to the ocean carrier in conjunction with the SI and is calculated as: [gross weight of cargo + container tare weight\*\*].

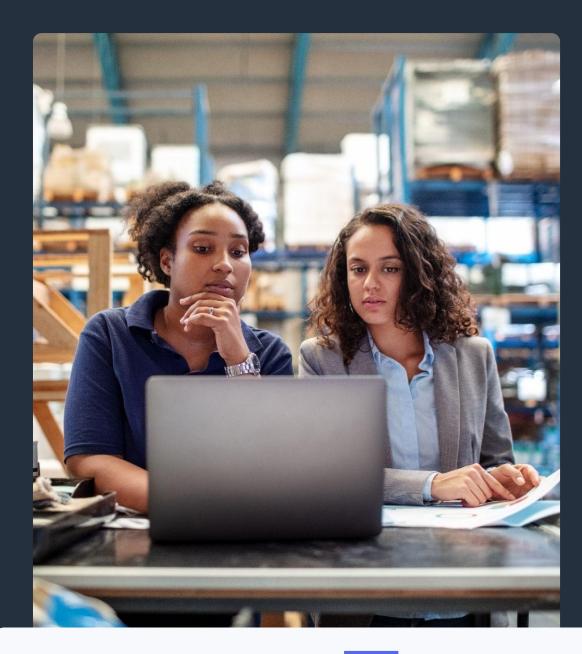
\*Additional documentation may be required for <u>certain commodities</u> and when exporting from certain countries. Be sure perform due diligence!

\*\*You can typically find the container tare weight on the ocean carrier's website or physically on the container door.

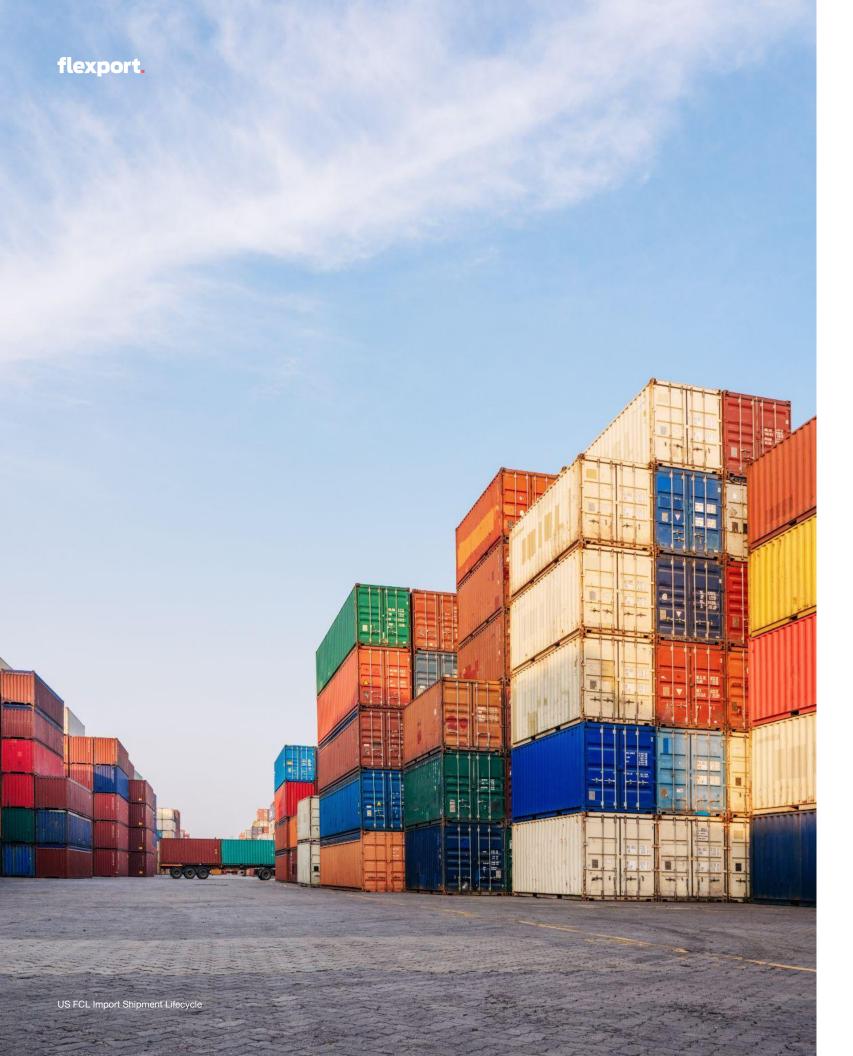
#### When Do I Need to Provide This Documentation?

Once your container(s) has been loaded, you'll be able to confirm final cargo details and generate your documentation. Your customs broker will need these documents as early as you can supply them in order to file customs clearance in time.

Customs clearance must be filed in order to submit Shipping Instructions (SI), which are used to generate the Master Bill of Lading. If shipping instructions are not submitted by the SI cut-off specified on the Shipping Order, your cargo will not be loaded onto the intended vessel and your booking will either be rolled (bumped to the next available vessel) or canceled.







## What Documentation is Needed to Clear US Import Customs?

As far as documentation goes, you need the same documents used to export from the origin country plus a couple more that were generated after departure. These include\*:

Commercial Invoice (CI)
Packing List (PL)
Certificate of Origin (COO)
Bills of Lading**:

Master Bill of Lading (MBL)House Bill of Lading (HBL)

Arrival Notice (AN)

Your customs broker may reach out for clarification on some items before calculating <u>import duties</u> and clearing your shipment.

The good news here is, very little (if any) additional documentation is needed from the destination side. All of these are provided and updated (as needed) on the origin side, including the documents generated after departure. The destination process includes auditing the documents provided by the origin team to ensure all the information matches up, from the CI/PL to the MBL and so on.

\*Additional documentation may be required for <u>certain commodities</u> and when importing to certain countries

\*\*Learn more about Bills of Lading in our 7 minute short course here

#### What Are Some Common Customs Roadblocks?

One of the biggest issues to resolve in import customs clearance is discrepancies in the documentation. As mentioned previously, these issues can only be updated on the origin side, so corrections can be quite time-consuming.

Another common, and unavoidable, roadblock is <u>customs exams</u>. Your customs broker will notify you if/when your shipment is randomly pulled for a customs exam and what <u>type of exam</u> is being conducted. These exams can delay your shipment anywhere from a couple of days to a full week or more, especially if your paperwork is not pristine.

#### Flexport Advantage!

Flexport is a fully licensed Customs Broker. Even if we're not moving your freight, our brokers will work with your freight forwarder, carrier, or any of your supply chain partners to clear your goods.

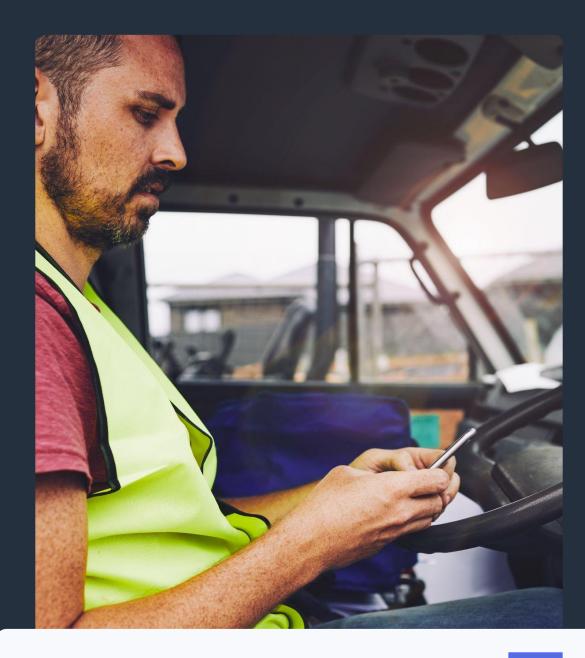
#### PHASE 04

## **Destination Trucking**

## What Does the Destination Trucking Process Look Like?

Similarly to the origin trucking process, the truck carrier will need to be provided with a Delivery Order (DO) in order to start coordinating final mile delivery for your cargo. This DO should include the following information:

Pickup location details:		
	FIRMS code	
Delivery location address		
Contact information (delivery location)		
Booking details:		
	Booking number	
	Ocean Carrier	
	Empty Container Pick-up Location	
	Full Container Return Location	
	Earliest Return Date (ERD)	
	Container Yard (CY) cut	
Additional delivery location details:		
	What are the hours of operation?	
	Are any specific reference numbers required?	
	Is an appointment needed?	
	Is there a loading dock?	
	Does the pickup location need help with unloading?	
	Is a <u>live unload or drop &amp; pick</u> preferred?	
	Any other additional details	















If you're using a freight forwarder, they will send the DO using the information you provide for the delivery location. Just like with origin trucking, ensuring your delivery location is up to speed on what's coming their way is just as important as making sure your freight forwarder and trucker have the information they need. Again, the more information sharing between parties, the better when it comes to pickup and delivery.

Once the trucking carrier has the information they need, they will reach out to the final destination and secure an appointment for delivery. When appointment day arrives, the trucker will pick up your container(s) from the port, ensure they're delivered and unloaded, and then return the empty container(s) to the port. Depending on delivery arrangements, all of this can take several days to complete.

## How Can I Confirm That My Cargo Has Been Delivered?

Once your cargo has been delivered, the trucker will immediately notify you or your freight forwarder and provide the Proof of Delivery (POD) document. You can also reach out to your delivery location for confirmation.

## **FAQs**

#### **What About Different Country Requirement?**

While Import/Export requirements may be similar for each country or region, there are often small differences to be aware of. These differences can include anything from an original bill of lading requirement to wood fumigation. Be sure to check-in with your freight forwarder and/or origin agent ahead of time to make sure you have all the information you need for your shipment.

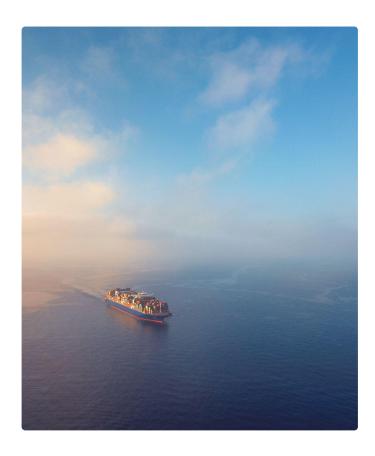
## How Will the Freight Market and/or COVID-19 Affect My Shipment?

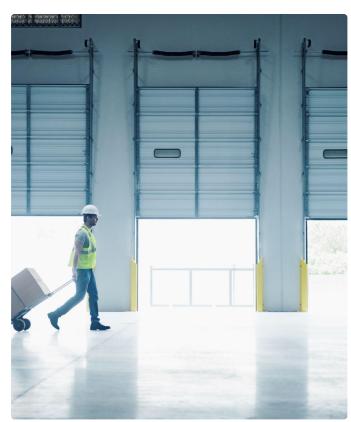
Staying up-to-date on the freight market is critical to effective supply chain management. Subscribe at the bottom of any Flexport web page to receive our weekly Freight Market updates.

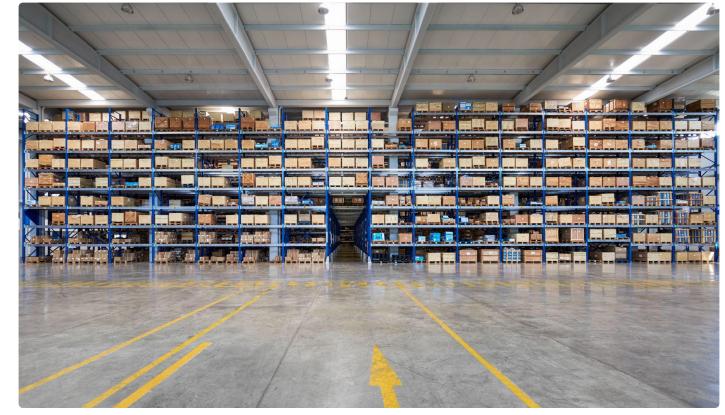
#### **What Costs Can I Expect For My Shipment?**

We do not have a comprehensive list at this time but take a look at a few of our Help Center articles to start digging into freight costs:

- Trucking costs
- Why do freight costs vary per trade lane?
- What costs are not included in my quote?
- Who pays for customs exams?
- <u>Demurrage and detention</u>







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