

Step 7 – Transportation

- Qualifications of a Good Freight Forwarder
- How to Prepare an International Shipment
- How to Handle Small Shipments
- How INCOTERMS® Affect Your Shipment
- Required Shipping Documents
- Why Insurance is Important
- Where To Get Help



How to Choose a Good Freight Forwarder

X	Questions to Ask	Comments
	Are they receptive to working with customers who are new to exporting?	
	Are they small enough to handle your shipments personally, but have a sufficient global staff?	
	Do they have a large network of good agents at your shipping destination (VERY important for perishable products!)	
	Do they have experience with air, ocean, rail and truck shipments?	
	What are their product specialties? Do they specialize in specific industries or geographic areas? Do they have expertise with products like yours? Do they have the resources and expertise to handle special needs, such as refrigeration?	
	Are they licensed or approved by the appropriate entities In the U.S. ocean freight forwarders must be licensed by the Federal Maritime Commission. Although not legally required, the International Air Transport Association (IATA) registers freight forwarders to handle international air shipments.	
	Do they offer a full line of related service such as customs house brokerage, insurance, documentation support, etc. (Customs brokerage service is essential for handling returned items)	
	Will they be able to reply to your quotes within 48 hours?	
	What is their turnaround time for documentation?	
	Are they knowledgeable about U.S. government export regulations?	
	Are they financially sound? Do they have "errors and omissions" insurance?	
	Do they give dependable and competitive quotes for freight costs, port charges, duties and customs fees? Are their quotes itemized and easy to understand?	
	Do they have global tracing and tracking capabilities?	

	Will a specific person be assigned to oversee and manage your account?	
	Do they have freight consolidation expertise?	
	Can they assist with packing, or refer you to someone who can?	

How to Prepare an International Shipment

Starting Point of Export _____
Ending Point of Delivery _____

- 1) Single or multi-mode transportation? _____
 - 2) Can the shipment be containerized? _____
 - 3) Is it an FCL (full container load) or will it be consolidated in an LCL (less container load)? _____
 - 4) Are there any transportation restrictions or prohibitions for your product?) _____
 - 5) Is your product considered HAZMAT? _____
 - 6) Is special packaging required for any reason? _____
 - 7) Does the shipment require specialized transportation (i.e. refrigerated container, insulation or ventilation, open top truck, etc.) _____
 - 8) Who will handle packaging, marking and preparing shipper's letter of instruction? _____
- Note: Do not label content for expensive items such as iPhones, television sets, etc. to prevent theft**
- 9) What special packaging and marking considerations apply to your product and shipment (For example, a shipment of chocolate bars can't sit on the tarmac in the middle of summer in Phoenix, computer parts are fragile, and certain products require HAZMAT labeling and instructions)? _____
- _____

Shipping Document Checklist

X	Document	Comments
Required Documents		
	Pro Forma Invoice	
	Commercial Invoice	
	Export Packing List	
	Shippers Export Declaration (SED)	
	Shipper's Letter of Instructions	
	Bill of Lading	
	Destination Control Statement*	

Additional Documents (if applicable)		
	Export License	
	Electronic Export Information (EEI)	
	Certificate of Origin	
	Notarized Consular Invoice	
	Certificate of Free Sale	
	Hazardous Goods Certificate	
	Health Certificate	
	Ingredients Certificate or Analysis	
	Fumigation Certificate	
	Fisheries Certificate	
	Halal Certificate	
	Phytosanitary Certificate	
	Radiation Certificate	
	Inspection Certificates	
	Import License	
	Weight Certificate	
	ISMP 15 Certificate	
	ATA Carnet (for trade shows)	

***Example of Destination Control Statement**

“These commodities/technology/software products were exported from the United States in accordance with the Export Administration Regulations. Diversion to any destination other than specified is prohibited by U.S. law.”

Insurance

You NEED insurance. If something were to happen to the ship or the goods were damaged in transit, you wouldn't be paid, and would still be responsible for the entire value of the cargo. Use the following matrix to determine the best type of insurance for your needs.

Type	Coverage Pros/Cons	Cost
All Risk		
Shipment -by-Shipment		
CIF		
Umbrella Policies		

Small Shipments

Small shipments such as samples and initial shipments are best handled by companies such as Federal Express, UPS and DHL. However, they can be expensive. The U.S. Postal Service (USPS) has the least expensive program and guarantees delivery to over 190 countries. However, the post office in the destination country needs to be good for the USPS to work well. Use the following matrix to determine the best alternatives for small shipments.

Method	Pros	Cons	Cost
USPS (Note: weight limits are country specific and range from 22-70 pounds)			
Federal Express			
UPS			



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As the exporter, one of your responsibilities is to ensure goods are properly packaged and prepare the required export documentation. You can choose among a variety of delivery options, all of which have varying levels of responsibility and risk. This means you need to decide what level you're willing to assume. Please use the following matrix for reference. If a box is black, the buyer pays, if it's white, you're responsible for the charges.

INCOTERMS	EXW	FAS	FCA	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP
Load on truck	Black	White	White	White	White	White	White	White	White	White	White
Export duty payment	Black	White	White	White	White	White	White	White	White	White	White
Transport to port of departure	Black	White	White	White	White	White	White	White	White	White	White
Unload from truck at port	Black	Black	White	White	White	White	White	White	White	White	White
Landing charges at port of departure	Black	Black	Black	White	White	White	White	White	White	White	White
Transport to destination port	Black	Black	Black	Black	White	White	White	White	White	White	White
Landing charges at destination port	Black	Black	Black	Black	White	White	White	White	White	White	White
Transport to importer's location	Black	Black	Black	Black	Black	Black	White	Black	Black	White	White
Insurance costs	Black	Black	Black	Black	Black	Black	White	Black	Black	Black	White
Custom fees, duties & taxes	Black	Black	Black	Black	Black	White	White	Black	White	Black	Black
	Black	Black	Black	Black	Black	Black	White	Black	Black	Black	White

Resources

- Freight Forwarders – www.forwarders.com
- World Port Index – www.worldportsource.com/index.php
- Directory of Export Transportation services - www.transport911.com
- Shipping and Freight Resource - www.shippingandfreightresource.com
- Freight Quote – www.freightquote.com
- Holmvall, Leif, "Export & Import: Winning in the Global Marketplace"
- Small Business Development Center (SBDC) – www.cochise.edu/sbdc/