

From Origin

Taking the Mystery Out of Choosing a Freight Forwarder

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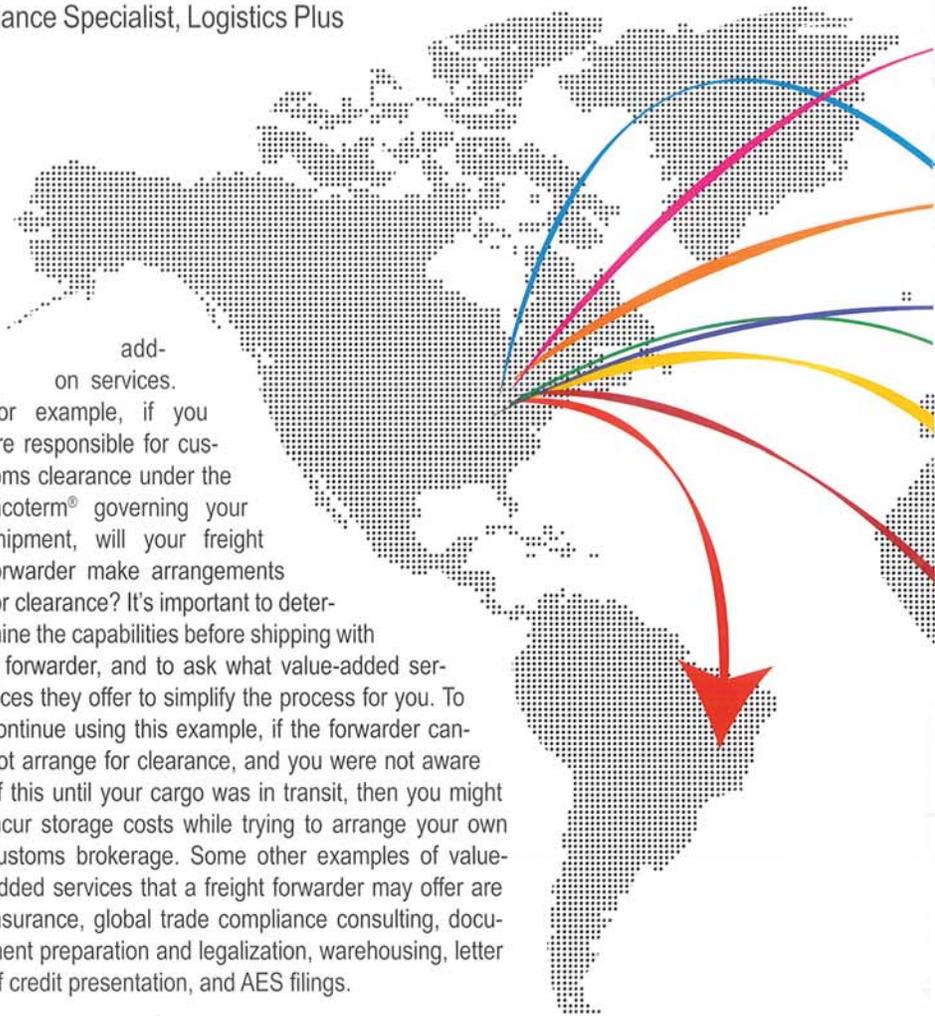
Many people think that a freight forwarder is a company that simply gets freight from point A to point B, (though "simply" can oftentimes be an overstatement) when, in fact, they perform a variety of functions. A freight forwarder plays a critical role in making sure your freight gets to its destination efficiently. They act as your agent and provide an itemized list of costs—including freight costs, documentation costs, insurance, and handling fees. The forwarder also prepares and files the export documentation, which includes the bill of lading and may include an Automated Export System (AES) filing. Along with advising on the most efficient method of transportation, the forwarder also reserves cargo space on a vessel, aircraft, train, or truck, and may make arrangements with overseas customer brokers for customs clearance. The International Air Transport Association (IATA) licenses freight forwarders to handle airfreight, while the Federal Maritime Commission (FMC) licenses freight forwarders to handle ocean freight.

Of course, it's easy to "Google" to find a list of freight forwarders, but how do you actually choose which one to utilize? It can be somewhat overwhelming. One important thing to consider is if the forwarder is large enough to handle your shipment. No one freight forwarder has offices in every corner of the world, but a trustworthy freight forwarder should have the capability of shipping anywhere you need to ship. They can do this by building a network of agents, so that they have a personal contact in the area where you need to ship.

Other key elements to consider are what the capabilities of the forwarder are, and what the charges are for

add-on services. For example, if you are responsible for customs clearance under the Incoterm® governing your shipment, will your freight forwarder make arrangements for clearance? It's important to determine the capabilities before shipping with a forwarder, and to ask what value-added services they offer to simplify the process for you. To continue using this example, if the forwarder cannot arrange for clearance, and you were not aware of this until your cargo was in transit, then you might incur storage costs while trying to arrange your own customs brokerage. Some other examples of value-added services that a freight forwarder may offer are insurance, global trade compliance consulting, document preparation and legalization, warehousing, letter of credit presentation, and AES filings.

Not all shipments are created equal, so it's critical that the freight forwarder you use be able to handle specialized shipments. Hazmat, ITAR (International Traffic in Arms Regulations), EAR (Export Administration Regulations), and ATA carnet shipments each have their own requirements, and it's essential that





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your forwarder be able to meet those requirements. Your customer may require that you use a C-TPAT certified forwarder, so this is a key element to verify as well.

As important as it is that your freight forwarder be large enough to handle your shipment, it's also important that it not be so big that it doesn't serve your needs. If you are calling a 1-800 number to track your shipment and going through a menu to discover the location of your freight, you may prefer to deal with a forwarder that offers more personalized customer service. After all, without service, the customer is all alone. Your forwarder should offer a direct phone number or e-mail to the person dedicated to your shipment in order to track your freight from origin to destination.

In choosing a freight forwarder, it's crucial that you do your research and ask a lot of questions. Don't make any assumptions about the services that are provided by your freight forwarder. If you do your homework before your cargo leaves its origin, you will not be surprised by additional charges when your freight reaches its destination. 🌐

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Gretchen Blough has been with LP for 6 ½ years as a global trade compliance specialist. She helps LP's customers navigate the complex regulations for moving their freight internationally.

Logistics Plus is a "global solutions" company with more than 250 employees in 19 countries headquartered in Erie, Pa. We are always available to answer any questions about this article or any of your freight forwarding needs. Please visit our website at www.logisticsplus.net for contact information.