5. Freight company, Freight Transport Association, Standard Carrier Alpha Code and Document automation

5.1 Freight companies

Freight Companies are companies that specialize in the moving (or "forwarding") of freight, or cargo, from one place to another. These companies are divided into several variant sections. For example, international freight forwarders ship goods internationally from country to country, and domestic freight forwarders, ship goods within a single country.

There are thousands of freight companies in business worldwide, many of which are members of certain organizations. Such organizations include the IATA (International Air Transport Association), TIA (Transportation Intermediaries Association) the BIFA (British International Freight Association), or the FTA (Freight Transport Association) and various or other regional organizations.

There are various methods of shipping goods; by air, road, sea, or rail. Some companies offer multi-modal solutions, this means that they offer more than one service, in many cases air and sea and in other cases air, sea, and road. The most common multi-modal way of shipping is referred to as inter-modal meaning truck pickup to rail to truck delivery.

A shipping method is by evaluating three factors: time, cost, and product characteristics. While shipping by sea could take longer than shipping by air, the latter is generally more expensive. Shipping by rail could also be complemented by piggybacking the freight onto a truck so it can be delivered to the receiver.

5.1.1Couriers

Courier companies are usually spin-offs from freight forwarders. There are various types of courier companies, such as airfreight courier companies (FedEx, Skynet WorldWide Express,Purolator, Purolator International], Crossflight) or road couriers (Circle Express).

5.1.2 Logistics brokers

Freight brokers are federally regulated and bonded companies. Most commonly they have a vast network and access to a library of freight carriers and search for the right availability based on customer specifications. These brokers also offer various value-added services that encompass transportation, logistics, and distribution.

Typically, freight brokers do not "fingerprint", or touch, the freight. They engage in helping shippers find the best price with the best carrier for any given load.

The proliferation of freight brokers called for an increase in financial integrity and liability of these companies, which has led to the passing of the Moving Ahead for Progress in the 21st Century Act (MAP-21).In order to obtain a license to broker freight, a freight brokerage must purchase a surety bond or trust agreement with the Federal Motor Carrier Safety Administration (FMCSA). Prior to June 2012 when the bill was signed by President Obama, the surety bond coverage required to hold a broker license was $10,000. Effective October 1, 2013, the surety bond requirement increased to $75,000. An example of a licensed freight brokerage is FreightCenter, which has a surety bond covering $100,000 in order to protect shippers and carriers from fraud.

Other logistics companies include 3rd-Party Logistics Providers. They offer a variety of supply chain and distribution-related practices and techniques in order to improve in-house logistics. The main difference between a traditional freight broker and most 3rd-Party Logistics Providers is that freight brokers do not actually touch (fingerprint) the freight, whereas 3rd-Party Logistics providers often do. This can happen, for example, when the 3rd-Party Logistics company handles outsourced manufacturing and/or warehousing. Such companies include the likes of Access America Transport, BAX Global, Murphy Warehouse Company, Schenker Logistics, United Parcel Service Logistics Division.

5.1.3 Freight companies

Some of the most well-known and worldwide companies are United Parcel Service, DHL, Purolator, GlobalTranz, FedEx and TNT.

5.1.4 Third Party Logistics Software

Every freight company utilizes software to maximize efficiency and track shipments. Some of the most well known and notable are Transcore and TMW Systems. Some freight companies specialize in certain parts of the market. For example, Transcore is the USA's largest load matching system, TMW Systems tends to specialize in asset based full truckload systems. Other freight management software companies service a specific niche market, like Cirrus TMS which creates technology solutions for small to mid-size 3rd-Party Logistics Providers (3PLs) that have negotiated rates with freight carriers.[6] A TMS or transportation management system stores carrier and customer data in order to electronically rate and dispatch freight. If a freight

company does not have its own negotiated carrier rates, there are other types of technology and partnerships that can be used in lieu of a transportation management system. For example, the FreightCenter API is open-source and available to Go Daddy, Inc. Quick Shopping Cart customers, as well as to any web-based eCommerce business or freight brokerage that does not have negotiated carrier rates.

Third Party Broker Liability

In Schramm, the Courts opened the door for freight brokers to be held legally liable in the case of a trucking accident, involving a carrier whom they hired to carry freight, that resulted in injury to a person. Many guidelines, most under the FMCSA's SAFER System, are available to freight brokers to screen potential carrier safety and, if it is proven that the broker did not utilize these government provided tools, liability can be transferred to or shared with them in the result of an injury accident.

5.2 Freight Transport Association

The Freight Transport Association (FTA) traces its roots back to 1889: its mission is to represent the views and interests of over 13,000 companies: from large multinationals and household names to small and medium businesses. It is one of the largest trade associations in the UK, with members moving goods by road, rail, sea and air.

FTA policy is decided by its members from all modes, through its quarterly regional and national councils. National Councils comprise the British Shippers Council, the Railfreight Council, the Road Freight Council and the Freight Council.

FTA also provide members with services that help them to operate safely, efficiently and in an environmentally sustainable way. It is based in Tunbridge Wells.

5.2.1 History

Following the 1888 Railway and Canal Traffic Act traders were given a right of complaint to the Board of Trade if they felt that railway rates or services were unreasonable. That resulted in an influential group of traders coming together in July 1889 and creating an organisation called the Mansion House Association on Railway Rates. Amongst its first members were Mr J J Colman of Reckitt & Colman, and a Mr Thomas Blackwell of Crosse and Blackwell.

The arrival of the internal combustion engine led to the formation in 1904 of the Motor Van and Wagon Users' Association, which changed its name to the Commercial Motor Users' Union in 1907.

In 1921 the third and final segment of the FTA was formed - the Traders' Co-ordinating Committee on Transport.

Over the years the work of the Mansion House Association expanded into more road orientated matters and in 1931 changing its name to the Mansion House Association on Transport.

In 1944 the Commercial Motor Users' Association decided that each of its constituent sectors needed its own identity and was reformed into three organisations. The own-account sector became the Traders' Road Transport Association.

In 1964 the Mansion House Association changed its name to the National Traders' Traffic Association and finally, in 1969, the three groups - the Traders' Road Transport Association, the Traders' Traffic Association and the Traders' Co-ordinating Committee - joined together to become the Freight Transport Association.

In 1979 the group was further strengthened when the British Shippers' Council representing exporters and importers, became a part of FTA.

5.2.2 Research

FTA conducts research and reports which are of use to its members, legislators and policy makers. Of particular note is the Quarterly Transport Activity Survey, increasingly used by government and the public policy arena as an economic performance indicator.

5.2.3 Organization

FTA National Executive Board

Stewart Oades (President) - Wesupply Ltd

Adrian Burleton (Vice President) - Argos Ltd

Rebecca Jenkins (Vice President) - Greater Than

John Coghlan (Honorary Treasurer) - Inchcape Shipping Services (UK) Ltd

Janet Entwistle - BT Fleet

Andrew J Haines - Tate & Lyle Food & Industrial Ingredients Europe

Ian Jones - Mercedes Benz UK Ltd

Alastair Parker - Shell International Petroleum Company

Graham Roberts - PD Ports and Hellenic Lines

Ian Veitch - NYK Logistics (UK) Ltd

Perry Watts - DHL

John H Williams - Maritime Transport Ltd

FTA personnel

Theo de Pencier – Chief Executive

James Hookham – Managing Director of Communications & Policy

David Wells - Managing Director Operations, Finance, IT & Office Services

Sally Thornley – Director of Compliance

Chris Welsh – Director, European and Global Policy

Karen Dee - Director, National and Regional Policy

Nigel Smart - Director of IT & Development

Philippa Attwood - Director of Marketing and Communications

5.2.4 Campaign for Safe Road Design

In July 2008 the FTA became a partner in the Campaign for Safe Road Design which is calling on the UK government to make safe road design a national transport priority.

5.3 Standard Carrier Alpha Code

The Standard Carrier Alpha Code (SCAC) is a unique code used to identify transportation companies. It is typically two to four alphabetic letters long. It was developed by the National Motor Freight Traffic Association in the 1960s to help the transportation industry computerize data and records.

5.3.1 Description

The Standard Carrier Alpha Code, a two-to-four letter identification, is used by (in the United States) transportation industry to identify freight carriers in computer systems and shipping documents such as Bill of Lading, Freight Bill, Packing List, and Purchase Order. It is also used by the American National Standards Institute,

Accredited Standards Committee X12, and United Nations EDIFACT for Electronic Data Interchange computer systems.

SCACs are commonly used (in the United States) by the automobile, petroleum, forest products, and chemical industries; as well as suppliers to retail businesses, carriers engaged in railroad piggyback trailers, and ocean container drayage.

Freight Carriers who participate in the Uniform Intermodal Interchange Agreement (UIIA) are required to maintain a SCAC. Certain groups of SCACs are reserved for specific purposes. Codes ending with the letter "U" are reserved for the identification of freight containers. Codes ending with the letter "X" are reserved for the identification of privately owned railroad cars. Codes ending with the letter "Z" are reserved for the identification of truck chassis and trailers used in intermodal service.

SCAC is also used to identify an ocean carrier or self-filing party, such as a freight forwarder, for the Automated Manifest System used by US Customs and Border Protection for electronic import customs clearance and for manifest transmission as per the USA's "24 Hours Rule" which requires the carrier to transmit a cargo manifest to US Customs at least 24 hours prior to a vessel's departure at port of loading.

5.4 Document automation

Document automation (also known as document assembly) is the design of systems and workflows that assist in the creation of electronic documents. These include logic-based systems that use segments of pre-existing text and/or data to assemble a new document. This process is increasingly used within certain industries to assemble legal documents, contracts and letters. Document automation systems can also be used to automate all conditional text, variable text, and data contained within a set of documents.

Automation systems allow companies to minimize data entry, reduce the time spent proof-reading, and reduce the risks associated with human error. Additional benefits include: time and financial savings due to decreased paper handling, document loading, storage, distribution, postage/shipping, faxes, telephone, labor and waste.

5.4.1 Document assembly

Document assembly was pioneered in the late 1970s in Utah by the company that would later become known as HotDocs. The basic functions are to replace the cumbersome manual filling in of repetitive documents with template-based systems where the user answers software-driven interview questions or data entry screen. The information collected then populates the document to form a good first draft'. Today's more advanced document automation systems allow users to create their own data and rules (logic) without the need for programming.

While document automation software is used primarily in the legal, financial services, and risk management industries, it can be used in any industry that creates transaction-based documents. A good example of how document automation software can be used is with commercial mortgage documents. A typical commercial mortgage transaction can include several documents including:

promissory note

environmental indemnity

trust deed

mortgage

guaranty

Some of these documents can contain as many as 80 to 100 pages, with hundreds of optional paragraphs and data elements. Document automation software has the ability to automatically fill in the correct document variables based on the transaction data. In addition, some document automation software has the ability to create a document suite where all related documents are encapsulated into one file, making updates and collaboration easy and fast.

Simpler software applications that are easier to learn can also be used to automate the preparation of documents, without undue complexity. Clipboard managers allow the user to save frequently-used text fragments, organize them into logical groups, and then quickly access them to paste into final documents.

5.4.2 In Supply Chain Management

There are many documents used in logistics. They are called: invoices, packing lists/slips/sheets (manifests), content lists, pick tickets, arrival acknowledgement forms/reports of many types (e.g. MSDS, damaged goods, returned goods, detailed/summary, etc.), import/export, delivery, bill of lading (BOL), etc. These documents are usually the contracts between the consignee and the consignor, so they are very important for both parties and any intermediary, like a third party logistics company (3PL) and governments. Document handling within logistics, supply chain management and distribution centers is usually performed manual labor or semi-automatically using bar code scanners, software and tabletop laser printers. There are some manufacturers of high speed document automation systems that will automatically compare the laser printed document to the order and either insert or automatically apply an enclosed wallet/pouch to the shipping container (usually a flexible polybag or corrugated fiberboard/rigid container). See below for external website video links showing these document automation systems. Protection of Privacy and Identity Theft are major concerns, especially with the increase of e-Commerce, Internet/Online shopping and Shopping channel (other, past references are catalogue and mail order shopping) making it more important than ever to guarantee the correct document is married or associated to the correct order or shipment every time. Software that produce documents are; ERP, WMS[disambiguation needed], TMS, legacy middleware and most accounting packages. A number of research projects have looked into wider standardization and automation of documents in the freight industry.

5.4.3 In Legal Services

The role of automation technology in the production of legal documents has been widely recognized. For example, Richard Susskind's book 'The End of Lawyers' looks at the use of document automation software that enables clients to generate employment contracts and Wills with the use of an online interview or decision tree. Susskind regards Document Assembly as one of 10 'disruptive technologies' that are altering the face of the legal profession. In large law firms document assembly systems are increasingly being used to systemize work, such as complex term sheets and the first drafts of credit agreements.

With the liberalisation of the UK legal services market spearheaded by the Legal Services Act 2007 large institutions have broadened their services to include legal assistance for their customers. Most of these companies use some element of document automation technology to provide legal document services over the Web. This has been seen as heralding a trend towards commoditisation whereby technologies like document automation result in high volume, low margin legal services being 'packaged' and provided to a mass-market audience.

5.4.4 In Insurance

Insurance policies and certificates, depending on the type, policy can also be hundreds of pages long and include specific information on the insured. Typically, in the past, these insurance document packets were created by a) typing out free-form letters, b) adding pre-printed brochures c) editing templates and d) customizing graphics with the required information, then manually sorting and inserting all the documents into one packet and mailing them to the insured. The various documents included in one packet could include the following kinds of documents:

Welcome letter

Contract

Certificate

State specific policy documents

Listing of items insured and insurance amounts

Amendments

Riders

ID card

Company information

Marketing material (other products)

A lot of work can go into putting one packet together. In most policy admin systems, the system will generate some kind of policy statement as a starting point, but might need to be customized and enhanced with other required materials.