

No Longer Baffled by BAF, CAF, and FAF: A Glossary of Transportation Surcharges

by Michelle Kelley - Tuesday, March 29, 2011

Many shippers don't know about the vast array of transportation surcharges that their goods may incur while traversing the globe. Avoid sticker shock when open your next invoice by expanding your knowledge of these surcharges.

accessorial charge

Charged by a transportation carrier for providing services other than basic transportation (forklift, heavy lift, etc.). Also known as ancillary charge.

ancillary charge

See accessorial charge.

BAF

See Bunker Adjustment Factor.

Bunker Adjustment Factor (BAF)

Charged by ocean carriers to compensate for increased fuel (bunker oil) costs. Also known as bunker surcharge.

bunker surcharge

See Bunker Adjustment Factor.

CAF

See Currency Adjustment Factor.

Chassis Usage Charge

Charged by transportation carriers for the use of a container chassis.

congestion surcharge

Charged by transportation carriers to cover the increased costs of operation to, from, or within a congested area, such as port.

container rental charge

Charged by a transportation carriers for use of the carrier's intermodal container.

Container Service Charge (CSC)

Charged by terminals for the positioning of containers in a terminal or yard.

CSC

See Container Service Charge.

CUC

See Chassis Usage Charge.

Currency Adjustment Factor (CAF)

Charged by ocean carriers to offset foreign currency fluctuations.

FAF

See Fuel Adjustment Factor.

Fuel Adjustment Factor (FAF)

Charged by a transportation carrier to recover the cost of fuel.

General Rate Increase (GRI)

An increase in transportation rates by carriers serving a particular market segment.

GRI

See General Rate Increase.

Peak Season Surcharge (PSS)

Charged by ocean carriers during periods when vessels are carrying at full capacity, this surcharge offsets losses from slower/less productive periods.

piracy surcharge

Charged by ocean carriers to cover the risk of operating in waters where attacks are commonplace.

port congestion surcharge

Charged by ocean carriers to cover the increased costs to operate at a congested port.

PSS

See Peak Season Surcharge.

Terminal Handling Charge (THC)

This charge combines wharfage charge and handling charge into a single charge, typically assessed on the same rate basis as the basic transportation rate. In general, this charge covers the carrier's terminal facility, CFS, stevedore contractor and wharfage costs.

THC

See Terminal Handling Charge.



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