

APPENDIX VII

Glossary of Forest Products and Exporting Terms

- ACCEPTANCE:** (1) A time draft (or bill of exchange) which the drawee (the payer) has accepted and is unconditionally obligated to pay at maturity. The draft must be presented first for acceptance—the drawee becomes the "acceptor"—then for payment. The word "accepted" and the date and place of payment must be written on the face of the draft. (2) The drawee's act in receiving a draft and thus entering into the obligation to pay its value at maturity. (3) Broadly speaking, any agreement to purchase goods under specified terms.
- ALONGSIDE:** A phrase referring to the side of a ship. Goods to be delivered "alongside" are to be placed on the dock or lighter within reach of the transport ship's tackle so that they can be loaded aboard the ship.
- BALK:** Sawn or hewn wood ranging from 3 x 3 inches (75 mm) to 16 x 16 inches (40.5 cm) and up to 28 feet long (8.5 m).
- BATTENS:** Lumber 2-3 inches thick (50-75 mm), 4-8 inches wide (10-20 cm), 9 feet (2.75 m) and up, used to cover joints of boards or plywood in siding applications.

BILL OF LADING:	A document that establishes the terms of a contract between a shipper and a transportation company under which freight is to be moved between specified points for a specified charge. Usually prepared by the shipper on forms issued by the carrier, it serves as a document of title, a contract of carriage, and a receipt for goods.
BLOCKBOARD:	Panels consisting of a wood strip core glued together and surfaced with veneers having grain direction perpendicular to that of the core.
BOARD FOOT:	The basic unit of measurement for lumber. One board foot is equal to a 1 foot wide x 1 foot long x 1 inch thick board.
BOLT:	Short logs to be sawn for lumber or used for veneer.
BONDED WAREHOUSE:	A warehouse authorized by customs authorities for storage of goods on which payment of duties is deferred until the goods are removed.
BOOKING:	An arrangement with a steamship company for the acceptance and carriage of freight.

- BOLES:** Flitches sawn from bottom logs which are classified and measured as one unit.
- C. & F.:** A pricing term indicating that "cost and freight charges" are included in the quoted price.
- C. & I.:** A pricing term indicating that "cost and insurance" charges are included in the quoted price.
- C.I.F.:** A pricing term indicating that "cost, insurance, freight" charges are included in the quoted price.
- C.I.F. & C.:** A pricing term indicating that "cost, insurance, freight, and commission" charges are included in the quoted price.
- C.I.F. & E.:** A pricing term indicating that "cost, insurance, freight, and currency exchange" charges are included in the quoted price.
- CANT:** Large sawn timbers to be processed further.
- CHECK:** A lengthwise crack in wood across or through the annual growth rings caused by rapid drying.

CONFIRMED LETTER OF CREDIT: A letter of credit, issued by a foreign bank, with validity confirmed by a U.S. bank. An exporter whose payment terms are a confirmed letter of credit is assured of payment even if the foreign buyer or the foreign bank defaults. See LETTER OF CREDIT.

CONIFEROUS (softwoods): Wood obtained from trees classified botanically as "gymnospermae" or "softwoods" such as pines, spruces, and firs.

CONSIGNMENT: Delivery of merchandise from an exporter (the consignor) to an agent (the consignee) under agreement that the agent sells the merchandise for the account of the exporter. The consignor retains title to the goods until the consignee has sold them. The consignee sells the goods for commission and remits the net proceeds to the consignor.

CONSULAR DECLARATION: A formal statement, made to the consul of a foreign country, describing goods to be shipped.

CONSULAR INVOICE: A document, required by some foreign countries, describing a shipment of goods and showing information such as the consignor, consignee, and value of the shipment. Certified by a consular official of the foreign country, the invoice is used by the country's Customs officials to verify the value, quantity, and nature of the

shipment.

CORD: Measurement term used for pulpwood volume. One cord measures 4 x 4 x 8 feet = 128 cubic feet, stacked.

COUNTERTRADE: International trade in which the seller is required to accept goods or other instruments of trade in partial or whole payment for its products.

COUNTERVAILING DUTY: An extra duty imposed by the Secretary of Commerce to offset export grants, bounties, or subsidies paid to foreign suppliers in certain countries by the government of those countries as an incentive to export.

CREDIT RISK INSURANCE: Insurance designed to cover risks of nonpayment for delivered goods. Compare MARINE INSURANCE.

CROSSING: Switch ties, lengths from 9-24 feet and 6 x 12 inches in size.

CURLY GRAIN: Wavy grained.

CUSTOMHOUSE BROKER: An individual or firm licensed to enter and clear goods through Customs.

DEAL: A board or plank usually 2-4 inches (50-100 mm) thick, 9 inches (23 cm) and more wide, and 9 feet (2.75 m) or more long.

DEMURRAGE: Excess time taken for loading or unloading a vessel. Demurrage refers only to situations in which the charterer or shipper, rather than the vessel's operator, is at fault.

DRAFT (OR BILL OF EXCHANGE): An unconditional order in writing from one person (the drawer) to another (the drawee) directing the drawee to pay a specified amount to a named payee at a fixed or determinable future date.

DRAWEE: The individual or firm on whom a draft is drawn and who owes the indicated amount. Compare DRAWER. Also see DRAFT.

DRAWER: The individual or firm that issues or signs a draft and thus stands to receive payment of the indicated amount from the drawee. Compare DRAWEE. Also see DRAFT.

DUTY: A tax imposed on imports by the Customs authority of a country. Duties are generally based on the value of the goods (ad valorem duties), but may be based on some other factor such as weight or quantity (specific duties), or a combination of value and other factors (compound duties).

EXPORT-IMPORT BANK (EX-IM BANK):	An independent U.S. Government agency created to facilitate U.S. trade relations primarily through providing financing, insurance, and feasibility studies.
F.A.S.:	"Free Alongside (vessel)" is a pricing term indicating that the quoted price includes the cost of delivering the goods alongside a designated vessel.
F.I.:	"Free In" is a pricing term indicating that the charterer of a vessel is responsible for the cost of loading goods onto the vessel.
F.I.O.:	"Free In and Out" is a pricing term indicating that the charterer of a vessel is responsible for the cost of loading and unloading goods from the vessel.
FLITCH:	A log sawn on two or more sides from which veneer is sliced.
F.O.:	"Free Out" is a pricing term indicating that the charterer of a vessel is responsible for the cost of unloading goods from the vessel.
F.O.B.:	"Free On Board" is a pricing term indicating that the quoted price includes the cost of loading the goods into transport vessels at the specified place.

FIBERBOARD: A panel of wood or other ligneous materials that may or may not be bonded with resins or other organic substances. This category includes hardboard, medium density fiberboard, and insulation board.

FOREIGN CREDIT INSURANCE ASSOCIATION (FCIA): An association of 50 insurance companies which operate in conjunction with the EX-IM BANK to provide comprehensive insurance for exporters against nonpayment. FCIA underwrites the commercial credit risks. EX-IM BANK covers the political risk and any excessive commercial risks.

FOREIGN SALES AGENT: An individual or firm that serves as the foreign representative of a domestic supplier and seeks sales abroad for the supplier.

FREE TRADE ZONE: A port designated by the government of a country for entry of any nonprohibited goods. Merchandise may be stored, displayed, used for manufacturing, etc., within the zone and re-exported without duties being paid. Duties are imposed on the merchandise (or items manufactured from the merchandise) only when the goods pass from the zone into an area of the country subject to Customs.

GENERAL EXPORT Any of various export licenses covering export commodities for which validated export licenses are not required. No formal

LICENSE: application or written authorization is needed to ship under a general export license. Compare VALIDATED EXPORT LICENSES.

HARDBOARD: A panel manufactured primarily from interfelted wood fibers consolidated under heat and pressure. The inter-fiber bond is primarily achieved through the wood's natural lignin and interfelting bonding. Other materials may be added during manufacture to improve certain properties. Hardboard density is greater than 0.5 g/cm³ (31 lbs/ft³) and typically 0.65 - 0.95 g/cm³ (40 - 60 lbs/ft³).

INDUSTRIAL WOOD: Roundwood including sawlogs, veneer logs, pulpwood, pitprops, poles, pilings, posts, and railroad ties or sleepers.

INLAND BILL OF LADING: A bill of lading used in transporting goods overland to the exporter's international carrier. Although a through bill of lading can sometimes be used, it is usually necessary to prepare both an inland bill of lading and an ocean bill of lading for export shipments.

IRREVOCABLE LETTER OF A letter of credit in which the specified payment is guaranteed by the bank if all terms and conditions are met by the drawee (buyer).

CREDIT:

**LETTER OF
CREDIT(L/C):**

A document, issued by a bank under instructions from a buyer of goods, authorizing the seller to draw a specified sum of money under specified terms, usually the receipt by the bank of certain documents within a given time.

LUMBER:

Wood sawn lengthwise from logs.

MARINE

Broadly, insurance covering loss or damage of goods at sea.

INSURANCE:

Marine insurance will typically compensate the owner of merchandise for losses sustained from fire, shipwreck, piracy, and various other causes, but it excludes losses which can be legally recovered from the carrier. Compare CREDIT RISK INSURANCE.

MEDIUM

DENSITY

FIBERBOARD

(MDF):

A panel product manufactured from wood fibers combined with a synthetic resin or other suitable binder. The panels are manufactured by the application of heat and pressure by a process in which the inter-fiber bond is created primarily by the added binder. The typical density range for MDF is 31-50 lbs/ft³ (0.5-0.8 g/cm³).

NON-CONIFEROUS (hardwoods): Wood obtained from trees classified botanically as "angiospermae" or "hardwood" such as oak, maple, ash, and poplar.

OCEAN BILL OF LADING: A bill of lading indicating that the exporter consigns a shipment to an international carrier for transportation to a specified foreign market. Unlike the inland type, the ocean bill of lading also serves as a collection document. If it is a straight bill of lading, the foreign buyer can obtain the shipment from the carrier by simply showing proof of identity. If a negotiable bill of lading is used, the buyer must first pay for the goods, post a bond, or meet other conditions agreeable to the seller. Compare INLAND BILL OF LADING, THROUGH BILL OF LADING.

OFFSET: A variation of countertrade in which the seller is required to assist in or to arrange for the marketing of locally produced goods.

OPEN ACCOUNT: A trade arrangement in which goods are shipped to a foreign buyer without guarantee of payment. The obvious risk this method poses to the supplier makes it essential that the buyer's integrity be unquestionable.

ORIENTED STRAND BOARD Panels made of narrow strands of fiber oriented lengthwise and crosswise in layers, with a resin binder. Depending on the resin

(OSB): used, OSB can be suitable for interior or exterior applications.

PARTICLEBOARD A panel manufactured from wood particles or combinations of wood particles and fibers, bonded together with synthetic resins under heat and pressure. The inter-particle bond is created almost entirely by the synthetic resin. Thickness ranges from 1/4-2" (6-50 mm) and density from 27-55 lbs/ ft³ (0.43 - 0.88 g/cm³).

PETROGRAD STANDARD: European measurement unit for softwood lumber volume equal to 165 cubic feet, 1,980 board feet, or 4.672 cubic meters.

PHYTOSANITARY CERTIFICATE: A certificate, issued by the USDA to satisfy import regulations of foreign countries, indicating that the shipment has been inspected and is free from harmful pests and plant diseases.

PILING: Long straight logs used for supporting docks, bridges, and buildings.

PITPROPS: Round wood used as supports in mining operations which are 3-6 inches in diameter and 3-1/2 feet or more in length.

PLYWOOD: Sheets of wood consisting of three or more veneer sheets of wood glued and bonded by heat and pressure, with the grain in each sheet

running perpendicular to adjacent layers.

POLES: Roundwood used to support telephone, telegraph, and electrical transmission wires or scaffolding.

PRO FORMA INVOICE: An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, etc.)

PULPWOOD: Wood used for pulping and producing wood chips or particles to manufacture wood fiber-based panels. Actual solid wood content in the stacked wood volume varies according to diameter, straightness, and method of piling. In Europe, bolts are 3.3 feet (1 meter) long and 2 - 5 inches (5 - 12.5 cm) in diameter.

REVOCABLE LETTER OF CREDIT: A letter of credit which can be canceled or altered by the drawee (buyer) after it has been issued by the drawee's bank. Compare IRREVOCABLE LETTER OF CREDIT.

RICKERS: Small coniferous logs measuring 1 1/2 - 3 inches (3 1/2 - 8 centimeters) in diameter and 16 - 50 feet (5 - 15 meters) long. Rickers are generally used for scaffolding.

SCANTLING:	Lumber 2 inches thick (50 mm), less than 8 inches wide (20 cm), and from 9 feet (2.75 m) long.
SHAKE:	A separation of the wood along an annual ring (ring shake) or cracks radiating from the heart (heart shake) caused by frost, wind, or felling of the tree.
SLEEPERS:	Railroad ties.
STAVES:	Narrow pieces of wood—1 - 2 inches (2.5 - 5 cm) thick and 3 - 5 inches (8 - 12.5 cm) wide—used to manufacture barrels and casks.
STEAMSHIP CONFERENCE:	A group of steamship operators that operate under agreed upon freight rates.
SURFACE MEASURE:	A method of determining lumber and plywood area based on surface area—thickness is not taken into account.
SWAP ARRANGEMENTS:	A form of trade in which title to similar or identical products from different locations is traded to save transportation costs.
SWITCH	A form of countertrade in which the seller sells on credit and then

ARRANGEMENTS:	transfers the credit to a third party.
TRADE SERVICING:	Maintaining and building good relationships with key people that you do business with. Requires regular contact and communication.
THROUGH BILL OF LADING:	A single bill of lading covering both the domestic and international carriage of an export shipment. An air waybill, for instance, is essentially a through bill of lading used for air shipments. Ocean shipments, on the other hand, usually require two separate documents, an inland bill of lading for domestic carriage and an ocean bill of lading for international carriage; through bills of lading, therefore, cannot be used. Compare INLAND BILL OF LADING, OCEAN BILL OF LADING.
TRAMP STEAMER:	A ship not operating on regular routes or schedules.
VALIDATED EXPORT LICENSE:	A document issued by the U.S. Government authorizing the export of commodities for which written export authorization is required by law. Compare GENERAL EXPORT LICENSE.
VENEER SHEETS:	Thin sheets of wood of a specified thickness that are peeled, sliced, or sawn from logs for use in plywood, paneling, and furniture.

W.A.:

"With Average" is a marine insurance term meaning that a shipment is protected from partial damage whenever the damage exceeds a certain percentage.

WOODPULP:

Wood that has been mechanically and/or chemically processed for use in the manufacture of paper, paperboard, or other cellulose products.