

# 3<sup>rd</sup> Party Transportation Process Description

The intent of this document, and its accompanying detail process flow slide, is to provide high-level documentation of electronic communication with a 3<sup>rd</sup> party transportation provider using the XML Chem eStandards messaging transaction set. This transaction set allows shippers or other interested parties to offer (tender) a shipment to a full load carrier including detailed scheduling, equipment requirements, commodities, and shipping instructions pertinent to a load tender. A business example of this type of activity would be a seller arranging with a motor carrier for the pick-up and delivery of product to a customer.

Of necessity, the flow described is simply a sample and not meant to be the only possible process the industry standard messages can support. The activities in the 'Carrier' and 'Shipper' lanes on the detail flow are meant to represent generic activity that will likely take place within those respective parties and their internal systems.

- 1) Load Tender (Mode) – (LTM) – (**NOTE:** Mode is the designator for the type of transportation required. This can be Motor, Rail, Barge, etc. For simplicity, this description will assume Motor, or Truck.) After the Shipper receives a sales order, they will determine that a particular requires transportation.
  - a) Create Delivery – The Shipper creates a delivery in their system that has the required attributes of transportation mode, rates, product, source, destination and scheduling parameters.
  - b) Send Load Tender – The Shipper will send LTMs to either all the possible carriers, or the single carrier selected for this movement.
  - c) Receive Load Tender – The Carrier(s) will receive the LTM.
  - d) Acknowledge Receipt – The Carrier's messaging system will acknowledge receipt of the LTM.
  - e) Accept/Reject Load – The Carrier will decide if they can comply with the Shipper's parameters and decide to accept or reject the load. (This process description assumes that the load has been accepted.)
- 2) Load Tender Response – (LTR) – The Carrier will create an LTR to communicate with the Shipper their response to the LTM.
  - a) Send Load Response – The Carrier will send the LTR.
  - b) Receive Load Response – The Shipper will receive the LTR.
  - c) Acknowledge Receipt – The Shipper's messaging system will acknowledge receipt of the LTR.
  - d) Update Delivery Data – The Shipper's system will be updated to reflect the data contained in the LTR.
- 3) Shipment Notice – (SN) – Upon initiation of the shipment by the Carrier, an SN will be sent to the Shipper.
  - a) Send Shipment Notice – The Carrier will send the SN.
  - b) Receive Shipment Notice – The Shipper will receive the SN.
  - c) Acknowledge Receipt – The Shipper's messaging system will acknowledge receipt of the SN.
  - d) Update Delivery Data – The Shipper's system will be updated to reflect the data contained in the SN.

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- 4) Shipment Status – (SS) – Upon any agreed change in the status of the shipment, for example changes to current location/sighting, net scale weight, scheduled delivery dates/times or on actual delivery, the Carrier will send a SS to the Shipper.
  - a) Send Shipment Status – The Carrier will send the SS.
  - b) Receive Shipment Status – The Shipper will receive the SS.
  - c) Acknowledge Receipt – The Shipper’s messaging system will acknowledge receipt of the SS.
  - d) Update Delivery Data – The Shipper’s system will be updated to reflect the data contained in the SS.
- 5) Freight Bill – (FB) – After the completion of the shipment, the Carrier will create a Freight Bill to the Shipper.
  - a) Send Freight Bill – The Carrier will send the FB.
  - b) Receive Freight Bill – The Shipper will receive the FB.
  - c) Acknowledge Receipt – The Shipper’s messaging system will acknowledge receipt of the FB.
- 6) Payment Notification – (PN) – Following the agreed upon payment terms, the Shipper will begin the Payment Process.
  - a) Payment Process – The Shipper will take the required steps within their system to begin the Payment Process. This process will result in a PN.
  - b) Send Payment Notification – The Shipper will send the PN.
  - c) Receive Payment Notification – The Carrier will receive the PN.
  - d) Acknowledge Receipt – The Carrier’s messaging system will acknowledge receipt of the PN.

The potential benefits of implementing the described transaction flow using industry standard messages are as follows.

- As logistical arrangements in the Agricultural industry are often effected in a ‘Just-In-Time’ mode, the timeliness and precision of standards based electronic messaging will enhance the efficiency and accuracy of the entire process.
- Using existing Industry Standard messaging formats and tools already in wide use lowers the barrier to entry for smaller entities, both Shippers and Carriers, thereby considerably broadening the benefit of the efficiencies gained to a larger segment of the industry.
- By using industry standard messaging formats and protocols, both Shippers and Carriers will be able to reduce customization efforts.

For this to be a large-scale project, it would of necessity involve the participation of transportation carriers. Arguably, rail carriers would represent the largest “bang for the buck” as project participants. Alternatively, there may be freight aggregators of sufficient size to make for a critical mass.