

Freight Classification and Routing Management

Trying to decipher an invoice for a palletized shipment – also known as a less-than-truckload (LTL) freight shipment – can be confusing and a bit mysterious. Why would 100 lbs. of feathers cost more to ship than 100 lbs. of bricks? Why does it cost more to ship into a location than it does to ship out? Why does one carrier charge so much more than another to ship from Point A to Point B? By knowing more about how classification rates and routing management affect your invoice, you'll have a better understanding and will most likely save money on your shipping charges.

The rate that you pay for an LTL shipment is based on the weight of the shipment, the product classification, and the route/lane used to get it from its origin to its destination. When calling the freight carrier to schedule a pickup, you'll need to tell the carrier what's being shipped, an estimated total weight, and the ship-to location.

Once the carrier has your shipment information, your load is grouped into one of 18 classes based on the product that you are shipping – from a low of class 50 to a high of class 500. The class is based on an evaluation of four transportation characteristics: density, stowability, handling, and liability. Together these characteristics establish your product's transportability; the lower the product class, the lower the rate per pound.

The designated classes, determined by the evaluation, are provided by the National Motor Freight Traffic Association, and are considered standard in the ground transportation industry. Once your freight class has been determined, it will be used as part of the equation to calculate your freight charges. Here's a quick definition for each of the four criteria used to determine your product's class:

Density – The more compact the product is based on weight, the less space it will take up in the truck. Bricks are much more dense than feathers, so they take up significantly less room per pound and result in a lower freight classification.

Stowability – Is your product capable of being stored for a considerable amount of time in a trailer or warehouse without loss of usability?

Handling – The more special handling your shipment requires, the higher the class will be. Is your product fragile, or is it palletized and easy to transfer to trailers and warehouses?

Liability – If your product will cause additional liability to the carrier, such as a hazardous material or a product with a high dollar value, this will cause the class to be higher, even if the other three evaluation factors would designate a lower class.

Next, you'll want to make sure that you are using the least expensive carrier for your particular route. Much like the airline industry, carriers usually "price" their routes depending on two things; where their hubs are located in the country and how much freight traffic they typically ship to and from a particular destination.

If you're scheduling a shipment to a destination for the first time, get estimates from at least two national carriers in order to do an apples-to-apples comparison for that particular route. Remember, the lowest cost carrier may not always provide the best level of service, so you'll need to keep your specific delivery needs in mind as you are comparison shopping.

If you have additional questions regarding how your product would be classified by freight carriers, or if you'd like to have a route comparison done for your shipment, call PartnerShip at 800-599-2902 or email select@PartnerShip.com.