

Lack of accurate data a threat to US shippers as LTL reclassification nears



A lack of accurate data on shipment dimensions, weights and content is making it difficult to determine how rates might change post-LTL reclassification, speakers said during a webcast. Photo credit: FOTOGRIN / Shutterstock.com.

William B. Cassidy, Senior Editor | Apr 23, 2025, 4:24 PM EDT

With sweeping changes to the less-than-truckload (LTL) classification system in the US coming July 19, shippers are wrestling with how to prepare for them.

The reclassification being pursued by the National Motor Freight Traffic Association (NMFTA) is meant to shift more products to density-based LTL classes, and that could affect how much LTL shippers pay to ship goods.

Just how much rates might change was a major issue for shippers participating in a recent *Journal of Commerce* webcast.

“We’ve tried to do some analysis but so few of our shipments had good NMFC [National Motor Freight Classification] information or dimensional information on bills of lading that it was very cumbersome,” said Shawn Galloway, vice president of pricing at multi-regional LTL carrier Pitt Ohio.

“I’ve tried to help shippers out individually as they’ve come to me,” Galloway said during the webcast. “But overall, I would have no idea.”

While many shippers are proactive about the NMFC changes, others may be waiting until July “to see how things shake out,” Galloway said. “I think that’s a bit dangerous.”

Some shippers may resist accepting reclassification in a time of soft LTL freight demand, especially if it results in higher rates. But those companies can expect more shipment inspections, reweighing, and, as a result, changes to freight invoices, said Galloway, adding that “almost every LTL carrier” is working with a costing model and knows what its charges should be based on operating costs.

“You could try to switch to another carrier that quotes a cheaper rate, but in a few months, they will likely come back to you and demand a rate increase, because the pricing they offered isn’t working,” he said.

Building density

The “reimagination” of the NMFC will affect more than 2,000 NMFC items, moving them into full-scale density classes. Although the NMFC doesn’t set prices, it is used to determine rates in motor carrier pricing tariffs.

“We decided long ago to make density the primary characteristic in determining freight classification, and we’d already moved 100 items to full-scale density,” said Keith Peterson, director of operations at the NMFTA, which oversees the NMFC. “This year we put this transition on turbocharge.”

Building freight density is already the overriding goal of LTL trucking companies. Reclassification will push more freight into density-based classes, including heavier freight. That will help accelerate a shift toward density-based pricing.

The comments of panelists on the webcast, and questions from the audience, underscore the importance for shippers of collecting accurate and detailed shipment data and sharing that early with carriers to avoid a surge in freight inspections and higher invoices.

The fact that Pitt Ohio said it received so little of that information on bills of lading (BOL) is not a good sign that disruption and re invoicing will be limited when the new

NMFC is in place.

“The bill of lading is our key document, our contract of cartage, and we’ve got to make sure the NMFC item numbers and descriptions on the BOL are all valid,” said Darryl Gash, the logistics manager at department store chain Dillard’s.

As an inbound shipper, Dillard’s has seen this problem with its own vendors, Gash said. The company has had to inspect and reweigh freight arriving at its own docks.

Shippers will need to ensure that information collected on their docks as pallets are assembled and reflected in bills of lading produced by transportation and warehouse management systems (TMSs and WMSs).

“If you’re using a TMS or a WMS to prepare bills of lading you have to make sure the information they’re out-putting is up to date and correct,” Gash said.

Rethinking the process

Galloway went further, suggesting that shippers may need to build shipments and collect dimension and weight data before requesting rate quotes.

“You can use a dimensionizer or a tape measure, but that information has to be tied back into your system,” he said, meaning a TMS or other system.

The NMFTA this week introduced a tool that could help shippers begin to determine how their LTL shipments might be affected by reclassification.

Shippers can enter the item numbers for their shipments into the online NMFC “Item Lookup Tool” to see if those item numbers will be affected by reclassification.

“You can put in your item number, or even upload a list of item numbers, and it will tell you what’s happening to each of those items,” the NMFTA’s Peterson said. “If the item isn’t affected by reclassification, it will tell you that, too.”

That could be a first step in determining what a shipper should do to avoid cost increases as reclassification takes effect, he said.

In its first 24 hours online, the tool received 75,000 queries, the NMFTA said.

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