

US shippers urged to prepare now for upcoming LTL class changes, rate 'resetting'



Getting the exact dimensions and weight of shipments will be even more important as freight classification focuses more on shipment density. Photo credit: FOTOGRIN / Shutterstock.com.

William B. Cassidy, Senior Editor | Jan 30, 2025, 3:18 PM EST

The biggest revision of the less-than-truckload (LTL) freight classification system in the US in decades is under way, and shippers are increasingly concerned about the potential impact on their LTL pricing.

“Customers are asking if this is a veiled attempt to raise rates,” Clete Cordero, vice president of pricing and traffic at Southeastern Freight Lines, said at the SMC3 Jump Start 25 conference in Atlanta this week. Cordero says no to that question, but shippers are right to be worried.

“I think what’s really going to happen is a resetting of rates,” he said during a breakout session on the proposed changes to the National Motor Freight Classification (NMFC).

“For at least the first year, there’s going to be a resetting.”

Rates may go up or down depending on various factors for each individual shipper as classes change, Cordero said, and there’s no way now to fix a percentage to the changes. Shippers are pretty sure in most cases rates will rise — if they do nothing.

“We have to really work with our distribution centers on dimensions [of palletized freight],” Mike Williams, director of global logistics at Copeland, a manufacturer of products that improve energy efficiency, said at the conference.

“We’re not as prepared as we’d like to be, but we’ll get there,” Williams said.

The National Motor Freight Traffic Association (NMFTA) which oversees the NMFC, on Thursday released a docket that contains more than 90 proposed changes to the classification system, calling it nothing less than a “reimagining of classification.”

“A normal docket contains about 15 proposals,” Keith Peterson, director of operations at NMFTA, said at the SMC3 conference. The new docket, known as 2025-1, is [available to download](#) and will be discussed by NMFTA staff in webinars and public meetings.

“We’re making a conscious effort to get out there and talk with shippers,” Peterson said. “The question I hear most often is, ‘Do I need to buy a dimensioner?’”

The answer is “maybe.” Shippers will need to more accurately measure the dimensions and weight of every pallet, which for some will mean big changes to the procedures they use to build pallets and move freight.

NMFTA will start reviewing feedback on the changes Feb. 25 and hold a public meeting on March 3 to discuss any changes made following feedback. The final changes will become effective July 19, according to NMFTA.

When they do, they will affect practically everyone shipping LTL freight in the US.

Simplify, simplify

Almost everyone in trucking believes the NMFC is long overdue for an overhaul — if they believe it should be retained at all. The motor freight classification dates to 1936, and its roots go back to the days when railroads hauled less-than-carload freight.

Trucking companies took most of that freight from railroads in the 1920s, and the classification system followed the freight.

The NMFC is a distinctly American standard — outside the US, LTL freight is typically moved under dimension-weight pricing systems. The classification system doesn’t set

rates, but it helps determine pricing. Classes are referenced in carrier tariffs and shipper contracts.

The NMFC sorts products into 18 different classes and sub-classes ranging from 50 to 500. Lower freight classes tend to be tied to lower rates. The determining factors are density, handling, stowability and liability characteristics.

After 89 years of expansion and revision, “it’s too complicated,” Joe Ohr, COO at NMFTA, said at the conference. “The NMFC needs to be simpler and easier to understand whether you’re a shipper, logistics provider or carrier.”

The proposed changes will standardize the density scale for LTL freight. They will also create unique identifiers for freight with special handling, stowability or liability needs, and condense and modernize commodity listings.

“You’re going to see us start bringing down the number of terms we use and making it simpler [to use the NMFC],” Peterson told SMC3. Two new density classes will be added — 50 and 55.

“We will move items with no handling, stowability or liability issues to full density,” he said. More generic items will be combined in one listing, simplifying searches.

One result should be less reclassification and repricing of freight as it moves from shippers through LTL networks.

With most LTL carriers using dimensioning equipment to check the size and weight of shipments and their classification, shippers are finding that freight charges are being revised frequently, most often adding to their costs.

Get started

Speakers at the SMC3 conference said shippers need to start acting now to prepare for the classification changes.

“We’ve opened our doors to our carriers and said come to our docks, look at our freight,” said Nick Waters, director of logistics at Masco, a home products manufacturer. LTL carriers often don’t know enough about the freight they’re handling, he said.

“We’re sharing information on freight moving through our lanes with our carriers,” Waters said. “This isn’t brand new, but the carrier pricing models have become more complex, and they know what they’re handling.”

Waters said Masco hasn't seen big increases in LTL pricing, "but with the NMFC changes coming, it's a thing we'll have to keep an eye on."

Those changes won't stop once the current proposals are either modified or approved.

"This is an ongoing process," Peterson said. "There's going to be more to do here."

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