

What is LTL Freight?

LTL (less-than-truckload) shipping is, arguably, one of the most confusing and complex areas when it comes to shipping freight. For a beginner, it can be overwhelming trying to learn all the ins and outs of LTL shipping – and some people don't even know where to start! We recognized this common area of frustration and decided to publish a free guide for beginners.



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WHAT IS LTL FREIGHT?

Sometimes you'll have freight that is too large to send with a parcel provider, like the US Postal Service, but too small to fill a standard truck. Most often, trying to move your freight as a parcel or truckload shipment would be costly because it's not the ideal size for those providers. This is where LTL shipping comes in!

LTL is an industry acronym that stands for "less-than-truckload". LTL refers to those shipments that are, quite literally, less than a truckload. They do not need all the space provided in a standard truck trailer because of their size and/or weight. In this case, you'll find using an LTL carrier is more cost-effective than using a truckload carrier for your freight.

A good rule of thumb: Shipments that weigh less than 10,000 lbs. or consist of one to six pallets are a great fit for LTL services.

THE THREE TYPES OF LTL SHIPMENTS

Standard LTL Shipment

Standard LTL is considered a shipment of freight that is one to six pallets (or tendered in loose pieces) and weighs between 500 lbs. and 5,000 lbs.

Volume LTL Shipment

Larger shipments of more than six pallets (or weights above 5,000 lbs.) that are still too small for truckload may be referred to as a volume LTL shipment. Transit time can be longer than standard LTL, since the shipment can only move as space and capacity becomes available.

Guaranteed LTL Shipment

For an additional cost, you can pay the LTL carrier to guarantee the delivery of your shipment on the standard delivery date by a certain time. If the shipment is not delivered by that date and/or time due to a carrier service failure, most carriers will offer some kind of rate reduction program.

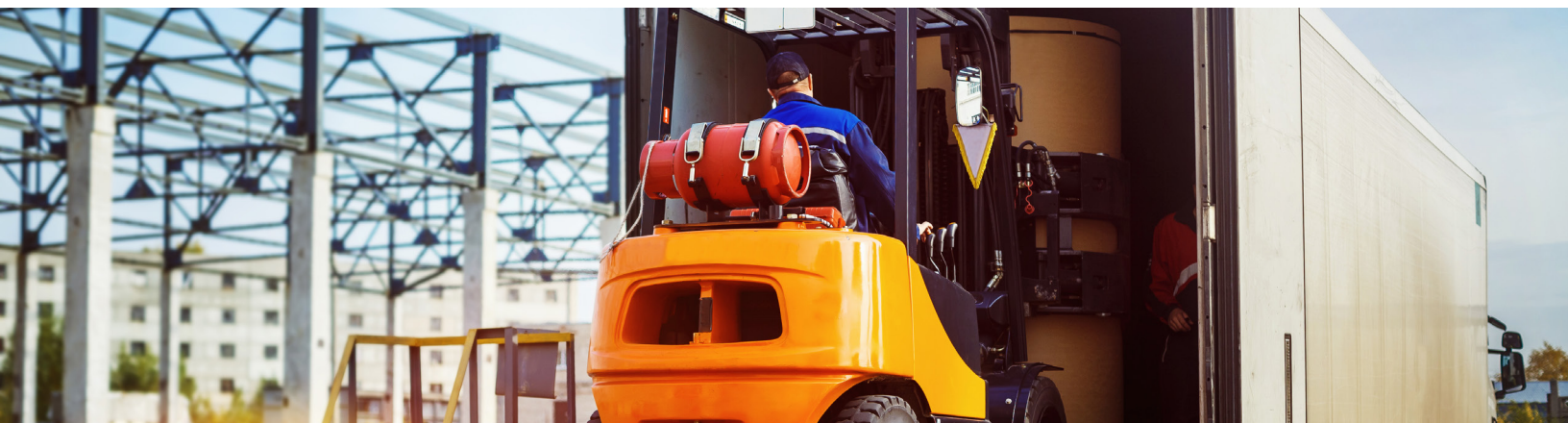
HOW DOES AN LTL SHIPMENT MOVE FROM ORIGIN TO DESTINATION?

Multiple Shipments in One Trailer

LTL shipments are handled differently in comparison to a truckload shipment. Generally, a truckload shipment gets picked up and delivered by the same driver, in the same trailer, from Point A to Point B. Whereas with LTL shipments, many drivers may handle your freight, loading it from one trailer to another as it makes its way from origin to destination. To optimize the use of their equipment and drivers, LTL carriers combine shipments from several customers that are traveling in the same direction or headed to the same geographic delivery area to optimize the usage of their equipment and drivers. Loading a trailer with as much weight as possible while using most of their available trailer space.

Terminals, Pickup and Delivery

LTL drivers generally operate within their service areas that are established by terminal locations. These drivers have daily routes where they routinely pick up and deliver to locations within their terminal's service area. Deliveries are generally made in the mornings and pickups are made in the afternoons. Once the driver has filled the trailer or completed the assigned route, they return to their local terminal. Upon arriving at the terminal, their vehicle is unloaded. Those shipments get combined with shipments from other pickups and loaded onto another trailer that transports them to an interim terminal or to the delivering terminal. Shipments traveling cross country may be routed through several interim trailers. When it reaches the delivering terminal, the freight gets unloaded and reloaded onto different trailers for their local delivery routes.



LTL TRANSIT TIMES

Compared to a truckload shipment, transit times for LTL freight shipments are generally longer because of the unique handling aspects of the LTL mode. LTL transit times are set by the carrier based on their freight transportation network configuration, meaning the locations of their terminals, as well as their agents and interline partners. An interline partner (or agent carrier) is an LTL carrier that has engaged in a contractual agreement with another LTL carrier that allows the interline partner to service pickup and delivery areas that the existing LTL carrier does not have coverage for. Shipments that are picked up and delivered through the same terminal, or freight that gets sorted only once while in transit, often gets delivered in fewer transit days due to less handling. Whereas the further a shipment must travel, usually means more terminal transfers and handling, which results in a longer transit time. Delivery to interline points or remote areas may add days to transit times due to extra transfers or non-daily service points.

WHAT DETERMINES THE COST OF SHIPPING MY LTL FREIGHT?

LTL shipping costs are based on four variable factors:

1. The weight of the shipment,
2. How much space the shipment occupies in a trailer,
3. The distance the shipment is moving and what lane it's traveling.
 - a. A "lane" is the commercial route from origin to destination. Like truckload, pricing varies depending on the lane – Things like distance, location, capacity, and fuel are all deciding factors.
4. The NMFC freight classification of the product being shipped.
 - a. All commodities have a classification assigned by the National Motor Freight Classification (NMFC) with a designated NMFC class number. There are 18 classes, ranging from class 50 through class 500. The higher the class, the higher the cost. If you aren't sure of your freight class, your LTL provider can help you determine it before providing a shipping rate

HOW CAN I GET A DISCOUNT OR DEAL WHEN SHIPPING MY LTL FREIGHT?

Customer Specific Pricing (CSP)

If you ship higher volumes of LTL freight, you may qualify for Customer Specific Pricing (CSP). CSP is negotiated LTL pricing that uses your actual shipping data to create rate contracts with great cost-savings potential. Because this pricing is negotiated specifically for you, only your shipments would be able to use it. Trinity Logistics can help you get started on CSP with our LTL Pricing Analyst Team.

Working with a Freight Broker or 3PL

A freight broker or third-party logistics company (3PL), like Trinity Logistics, will provide cost savings compared to working directly with LTL carriers. Due to the high volume that our customers ship combined, we have contracted rates, also referred to “blanket pricing”, with dozens of LTL carriers. These rates are lower than what you would pay when booking a shipment with the LTL carrier yourself. You can save a lot of money this way, especially when you are first starting out with LTL shipping.

WHAT IS AN ACCESSORIAL FEE?

Just like truckload shipping, LTL carriers have accessorial or extra services they can provide. Charges for these services are added to the bill in addition to their standard rate. Some examples of accessorial services are:

- Liftgate pickup or delivery. When there is no dock, a lift-gate is required.
- Over-length handling
- Inside pickup and delivery
- Residential delivery
- Delivery appointment
- Truck ordered but not used
- Reweigh or inspection. This can happen if your freight is determine to be a different weight or class.

LTL carriers also assess a fuel surcharge that fluctuates based on the Department of Energy diesel fuel index.

HOW CAN I GET A QUOTE FOR THE COST OF SHIPPING MY LTL FREIGHT?

To receive an accurate quote, refer to this handy checklist and be sure to send your LTL shipping provider all of the following information:

- The number of pallets
- The total weight of the shipment
- The pallet dimensions (L x W x H)
- Whether the pallets are stackable
- The origin and delivery zip codes
- The type of goods you are shipping and how they are packaged
- The freight class if you know it – if not, the LTL provider can determine this.
- Any known accessorials. For example, if you need a liftgate at the pickup or delivery, if it 's delivering to a residence, etc.

If you have an LTL shipment you need to get a quote for, we can provide you with one! As a 3PL, we have contracts with many LTL carriers. You'll gain the advantage of leveraging our volume through our extensive carrier network and we'll be able to provider you with a better deal on your LTL shipments.

Get started today by filling out our easy online quote form!

GLOSSARY

Accessorial: An extra fee charged by the LTL carrier for additional services rendered. See page 11.

Blanket rates: Contracted rates from LTL carriers that can be used for any LTL shipment.

Commodity: The type of goods you are shipping.

FAK: Stands for “freight all kinds” and refers to a negotiated LTL rate based on the combined freight class of multiple commodities.

Freight class: The NMFC classification of your LTL shipment; this has an impact on the shipping cost.

Interline: When multiple LTL carriers are used to bring your shipment from origin to destination.

Lane: The commercial route between the origin and the destination of your shipment.

National Motor Freight Transportation Association: The organization who puts together the NMFC (National Motor Freight Classification) guidelines

National Motor Freight Classification: The guidelines that determine the freight class of your shipment.

NMFC number: Different from freight class, this is a very specific identifier number that corresponds to your commodity based on its characteristics (density, packaging, value, handling). This number is used to determine your freight class.

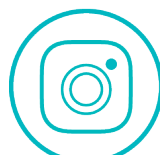
Pallet: A flat platform, typically made out of wood or plastic, that your shipment is placed upon and usually shrink-wrapped to. This makes your shipment easier to lift, transport, and stack.

Volume LTL: A larger LTL shipment that is more than six pallets or 5,000 lbs. but less than 25,000 lbs.

Terminal: Where LTL carriers load and unload shipments for pickup or delivery.



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Check out our LTL Accessorial Charges whitepaper.