

The Definitive Less Than Truckload (LTL) Shipping Guide: Graduating from eCommerce to LTL

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This is the ultimate guide to Less Than Truckload (LTL) shipping.

Do you own an eCommerce business? Are you growing and trying to learn about the world of LTL shipping ?

If you answered yes to any of those questions, let us take you on a journey where we help you graduate from an eCommerce parcel shipping entrepreneur to a pallet shipping eCommerce guru!

We will divide this guide into easily searchable and readable chapters.

What will you learn?

You'll learn how to prepare a pallet properly, what the most common accessorial charges are, how to make that dreaded freight claim and much more.

Ready? Let's dive in.



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Chapter 1: What are You Shipping?

Your product, its quantity, its estimated delivery time and its special properties all define how you go about shipping your product.

Knowing your product thoroughly will help you decide which truck to use, whether you should go for truckload or less than truckload shipping, and if you need extra protection for your shipment.

In this chapter, we'll cover the basics of what you need to know about how your specific product should be shipped.



When packing your products, follow the guidelines and everything will be kosher.

If you've ever sent an important document through a major courier service, you will remember the manilla envelope your precious cargo was sent in.

It's your product that ultimately defines the mode of shipping you use - it may be a stack of papers that fits in an envelope or a truckload worth of furniture.

Let's say you ship pickles.



Neglecting to arrange for proper shipping can really get you into a pickle.



As a pickle maker, you must understand the needs of your product. For instance, what must you do if you're sending them to a pickle-starved city out west? You must refrigerate them. That's only one of several requirements for shipped pickles.

Products can also be hazardous and may need highly specific ways of transporting. Fragile products may need to be sent in a crate with extra padding. Some products may even be too large to even fit on a pallet! Like that couch you ordered about 10 years ago.

Now that we've established that what you ship defines how you ship it, let's go to Bob.

Meet Bob

Bob used to ship pickles, but he ran out of refrigerators to store his stock. He then had to...eat all his inventory.



Bob wants to be a big dill in the t-shirt industry.

Now Bob sells clothes (in today's world that is called a "Pivot")

Today, Bob is an eCommerce business owner who's been shipping graphic t-shirts and hoodies for his brand, Lowkey Fresh (notice that Bob's products are not fragile, oversized or hazardous).

Throughout 2020, Bob has seen tremendous growth as he's gained a better understanding of his own market and as eCommerce has grown exponentially.

As a result of the **exponential growth of Lowkey Fresh**, Bob has attracted a giant retailer's attention. Let's say this is **Target** (a company known for supporting new businesses). Target has placed an order for 20,000 graphic tees and 5,000 hoodies from Bob's company.

With the previous eCommerce setup, Lowkey Fresh used courier shipping to ship products directly to customers. Now, it needs a new solution to meet the massive demand from Target.

Now Bob needs what is known as LTL Shipping.



Click here for a story about an entrepreneur couple that pivoted after a job loss and made their new venture a success!

Chapter 2: What is LTL Shipping?

When a transport of freight does not require the entire truck it is known as **"Less Than Truckload" (LTL) shipping.**

You may then ask - what is Full Truckload (FTL) and Partial Truckload (PTL) shipping?

We'll define each of these and then focus specifically on LTL shipping.

We'll also talk about when you might need truckload or partial truckload shipping.

LTL shipping is the most recommended shipping method when you have to transport 1-6 pallets, **weighing between 100 and 10,000 lbs.**

Bob & LTL

Let's get back to our friend Bob.

Bob has made some calculations and has realized that he needs only two pallets to meet Target's order.

However, Bob's concerned about the future. What if next month Target places an order for a 100,000 hoodies. What's he going to do, how will he ship it? What does he need to know?



Bob is excited about offering his customers great looking hoodies, with no strings attached.

Well, let's first answer what would Bob do if he got that mega order.

For those kinds of orders, Bob would have to either use Partial Truckload Shipping or Truckload Shipping.



Pros of LTL shipping:

1. Reduces costs: Reducing costs is one of the biggest reasons to use LTL shipping. It is more cost effective than FTL shipping because shipments from multiple companies are combined into one truck. When this happens, each shipper only pays for the space and weight of their freight and the trailer is used collectively. This makes LTL shipping particularly suited for small-tomedium sized businesses, who in most cases ship parcels or only a number of pallets at any given time, rather than a truckload.

2. Provides flexibility: If you own a small-to-medium sized business, your demand is likely to differ at various times. LTL provides your business with the flexibility to book more pallets whenever you need them.

3. Increases security: In comparison to shipping multiple loose parcels, consolidating your shipment onto a pallet provides extra security for your shipment.

4. Reduces environmental footprint: As LTL shipments consolidate freight from different shippers, this contributes to decreasing waste, unnecessary emissions and decreasing fuel usage due to fewer empty or half-filled trucks.

5. Tracking: By using 3rd-party logistics software, such as Freightcom, you can easily track your LTL shipments with a variety of carriers in one place.

Cons of LTL shipping:

1. Transit time: LTL shipments often take a bit longer to reach their destinations due to the freight being taken back to carrier terminals and consolidated with other shipments going to the same destination. As a result, transit time is always an estimate and not guaranteed.

2. Higher risk of damage: Because an LTL shipment does not stay on the same truck throughout its shipping journey, shipments can be more prone to damage as they are unloaded and loaded at each terminal along the way. This is why it is essential to follow recommended industry-standard guidelines for securely packaging your pallet.

3. Not suitable for many pallets: LTL rates may not be the best for shipments with more than 6-8 pallets or for those weighing more than 10,000 lbs. In such cases, it may be more **cost-effective to use PTL or FTL shipping**.

Let's assume, after careful consideration, you've decided that LTL shipping is the way to go!

But what about the rates?



How Are LTL Shipping Rates Determined?

The rates you pay for your LTL shipments depend on four factors.

Let's break them down.

LTL freight rates are determined by Destination, Weight/Density, Freight class and Accessorials (any additional services required to meet the shipper's and consignee's needs.)

Carriers often offer discounts if there is a guarantee of regular shipments or if you're using a shipping partner that has access to exclusive discounts.

It is vital to analyze historical freight shipping data and conduct a freight analysis in order to get the best rates that meet your specific needs. This process will yield a more productive negotiation and will ultimately allow you to save the most amount of money on LTL shipping. Freightcom helps you do just this by providing you access to some of the lowest shipping rates in the industry from trusted carriers like UPS, DHL, FedEX, Canpar, and others!

Let's look at the four factors in detail:

Destination

Mileage is a factor in pricing with longer distances resulting in higher shipping rates.

A general rule of thumb is that the longer the distance the package has to travel, the more expensive it will be.

Density/Weight

Freight density is the ratio of weight to volume; it is usually measured as per cubic foot (pcf). Shipments requiring a lot of space for their weight are placed in a higher freight class and cost more to ship.

Heavy shipments that are compact would be placed in a lower freight class and generally cost less. Rates would of course vary for different carriers.



Freight Class

Freight class is used to help carriers determine pricing for different products and materials for shipments that travel within the US. In general, the higher the class, the higher the rate.

Freight classes help you get common standardized freight pricing for your shipment when working with different carriers, warehouses and brokers. They are defined by the **National Motor Freight Traffic Association** (NMFTA) and are available through the NMFC or **National Motor Freight Classification**.

We will cover Freight Class in greater detail in Chapter 7.

Types of Accessorials Charges

Accessorial charges are **fees added to a shipping invoice for additional services** the carrier provided to complete the shipment. While these are non-standard charges and can accrue on any kind of shipment, LTL shipments are most susceptible, especially express deliveries.

Residential Delivery – Delivery to residential neighborhoods is more complex than to a business address, and an extra residential fee may be applied.

How to Avoid – Verify with the recipient if they operate from a residential or a business property. Communicate this information to your carrier.

Additional stops – This charge occurs on your bill when a driver is required to stop at several locations to deliver your shipment.

How to Avoid – Make sure the order of loading pallets is in line with the order of delivery. For instance, first deliveries should be in the tail and last deliveries in the front.

Special Handling — Shipments may require special handling services, such as documentation for international shipping, certifications for medical or hazardous equipment, etc.

How to Avoid – Be aware of your shipment type and the associated costs. If you're regularly shipping such products, **negotiate** a discount with your carrier.

After/Before-Hours Delivery – Delivering outside normal operating hours (8 am–5 pm) may cost extra depending on how late or how early the pickup/delivery is occurring.

How to Avoid – Different carriers will have different costs of such non-standard deliveries and while you may not be able to avoid them, it helps to go with a cost effective carrier.



Liftgate Delivery – When an address has no loading dock, your carrier needs to use a lift gate, which is a hydraulic platform used to raise or lower a shipment. While not all trucks are equipped with liftgates, it is much easier for LTL trucks to carry them.

How to Avoid – To avoid hidden costs associated with this service, make sure you communicate your needs much in advance to the shipping date. You can also try, as much as possible, to ship freight to facilities with dock height doors.

Oversized Package – Shipments with products that require more than a space of a pallet (more than or equal to 12 feet in length), incur extra fees as they take up more floor space.

How to Avoid – If possible, break your freight up into several small shipments.

Re-weight and Re-Measure – If the carrier has to re-measure and re-weigh your freight, you will have to incur an extra fee. **Dimensions, weight, and class** are important details impacting LTL base rates. This means additional fees get added to your final freight bill.

How to Avoid – Providing accurate shipping details will ensure that you do not have to incur this accessorial charge. Always follow best practices for measuring and weighing, including measuring to the extreme of your freight's length, width and height.

Partial Truckload Vs Full Truckload Shipping

A truck half full = Partial Truckload A truck full = Full Truckload

As we talked about before these, terms really explain themselves. But let's talk about trucking in terms of how it affects you, the shipper.

Are you shipping more than 6 pallets?

If yes, you've officially entered the partial truckload category.

Partial truckloads have their own benefits and drawbacks. We recommend using partial truckloads if you have 6-10 pallets, have low-density freight, fragile freight or need to lower costs by not using a full truckload.

Now let's get into truckload shipping. This is the option you use when you've really expanded your shipping requirements. It's when the economies of scale just make sense as the sentence suggests, to fill a full truck with 10 or more pallets.

You may also use a full truck with a partial load if you prefer to use a dedicated truck and get the shipment there within a certain timeline.

FTL shipments are also used when the goods are at high risk of damage or when time is an issue.

But what it the difference between these types of shipping?

LTL



Less than Truckload shipping refers to freight mode for shipments that do not require a full 48 or 53 foot trailer, and weigh between a 100 to 10,000 lbs.

FTL



Full Truckload shipping refers to a freight mode for shipments that do not require an entire truck by themselves.

PTL



Partial Truckload refers to a freight mode for large shipments that may not require the use of a full truckload trailer. Partial truckload falls between LTL and full truckload, typically involving shipments over 5,000 lbs or 6 or more pallets. FTL shipments take less time to ship as the shipment stays on the same truck the entire time and is not transferred during transport, this also decreases risk of damage as the freight is not loaded and unloaded.

Advantages of FTL:

- Best for large shipments of ten pallets
 or more
- Ideal for high risk or delicate packages
- Shipment remains in the same truck from pick up to destination, decreasing the odds of damage
- Faster delivery times than LTL

Which shipping method should you choose?

This very much depends on the type of shipment you're looking to move. When deciding on the most appropriate type of shipment for your freight, always keep in mind the size of your shipment, your budget, how fragile the freight is and how quickly you need your shipment to reach its destination.

What is the size of your shipment?

- If your shipment is between 100 lbs to 5,000 lbs you should probably go with LTL.
- If it weighs between 5,000 lbs to 10,000 lbs you should go with Partial Truckload.
- If it weighs more than 10,000 lbs you should go with FTL.

What is your shipping budget? LTL provides you budgetary flexibility but FTL gives you more bang for your buck. How fast do you need your shipment delivered? If you're in a time crunch, FTL delivers your shipment faster and more reliably. Is your shipment delicate or temperature sensitive?

FTL is the way to go.

Let's take Bob for example. Bob does not have a fragile product, which suggests he doesn't need partial shipping. Bob does however have low-density freight, which suggests that he should opt for partial truckload shipping.

Well now it's just confusing... Let's just simplify.

If Bob gets that mega order, he calculated that he still needs only four pallets. With that information, Bob can easily decide that he should go for LTL shipping. Simple.

Let the pallet count decide. **Extenuating factors?**

Now that Bob knows which form of shipping to use to ship his pallet to Target, he needs to go about preparing his shipment.

Now we talk about pallet preparation.



FTL? LTL? The Freightcom Representative was ready to help Bob with his dill-emma.



Chapter 3: How Do You Prepare a Pallet?

Before we get into BOLs, or Bills of Lading, fulfillment and tracking, we must understand how to safely and effectively ship our product.

Pallet preparation is one of the key aspects of pre-shipment that can go unnoticed by shippers who have just moved from shipping packages to pallets and skids, or to someone who is new to shipping altogether.

In this chapter, we'll list what you need to properly palletize a shipment and how you can go about doing it.

Our old friend Bob is now getting a little anxious. He's ready to actually ship his products but he wants to make sure that he doesn't make a mistake while shipping.

This is a good mindset to have because if he makes any mistakes during shipping he'll have to incur accessorial charges. He definitely wants to avoid those.

Pallets: What You Need to Know

The pallet is the most common and most utilized way of shipping and storing freight.

Typically, the dimensions of a pallet are **48**" **X 40**" **and it can carry up to 2200 lbs** of any given product.

The major difference between a pallet and a skid is that a pallet has a second flat bottom deck which makes it easier to move by forklift; however, it makes it harder to drag in comparison to skids.

Skid: The skid is the original pallet. The terms skid and pallet are often used interchangeably though they are not the same. A skid, unlike a pallet, has no bottom deck.

The absence of the bottom deck makes the skid not only more cost effective but makes it easier to drag due to less friction.

Crate: The crate is a box that has four walls. It is used especially for holding supplies, products, or anything else that needs to be more extensively secured and protected.

These crates hold a large volume and are very stable; however, they are also **bulky and harder to transport**.

If you are shipping less than a full or partial truckload, LTL shipping provides flexibility, is environmentally friendly and is unambiguously the most cost-effective option for small-to medium sized businesses.



With all of this in mind, Bob has searched the internet and made a list of what he needs to **properly palletize his shipment**:

- One brand new pallet
- Shrink wrap
- Boxes large enough to hold t-shirts and hoodies
- Cardboard to put between boxes
- Nylon or metal straps (optional)
- Cardboard corners (optional)

Select a 4-way entry pallet for your

 Select a 4-way entry pallet for you freight shipment.



2. Stack boxes in columns. Avoid placing freight pallet edges.



3. Use strapping with stretchwrap to secure boxes to the pallet.

Okay, now that we have the list, **let's go into what you'd do next.** The actual process of palletization sounds complicated, but it's not.

Here are some essential steps to consider when preparing a pallet:

- 1. Your first steps should be to ensure that the pallet is not damaged. Don't select pallets with broken boards or protruding nail heads. These can result in your goods being damaged in transit.
- 2. Ensure that your products are **properly packaged inside their boxes** and that they have minimal empty space in them. If your products are small, we recommend including packing fillers for protection. Use as much tape as you need to properly package each respective box.
- 3. Evenly stack your boxes on top of the pallet, in either a staggered or aligned box fashion.
- 4. Try to distribute the weight evenly in each box and on the pallet itself. Use flat empty cardboard every couple of rows to strengthen the palletization.
- 5. Don't skimp on the wrap. If you think you need to wrap it three times, go with five. Use tape or anything that strengthens your pallet. Don't forget the top of the pallet and twist the wrap for more strength.
- 6. Make sure to correctly label your shipment with the bill of lading, customs invoice (if applicable) and fragile or "do not stack" labels if needed.



Bonus tips:

- 1. **Strap the pallet** with a nylon or metal strap for increased security.
- 2. Use cardboard corner beads around the pallet to strengthen the whole pallet.

If Bob follows all the instructions that we have just mentioned, he will now have a properly palletized shipment ready to go.

This shipment will be less prone to damage and it will help Bob **avoid any accessorial charges.** After preparing his pallet, Bob must now turn to fulfillment. To further reduce risk of damage, stack the heavier boxes on the bottom and lighter boxes on the top.

An essential aspect of stacking is that you must not overhang or misalign the pallet. This will create problems for the carrier which may result in damage.





An incorrectly loaded pallet



Overhanging goods will get damaged in transit



Chapter 4: Shipment Fulfillment

Bob's pallet now sits in his garage. He now has to figure out how to fulfill the order that he got from Target.

In this chapter we'll talk about everything you need to know about shipping your product in the most budget-friendly way possible.



If you're a shipper who ships multiple pallets and ships regularly, **it's possible you have an existing relationship with a carrier.** In that case, you probably know everything you need to know and you're all set.

Bob, however, has no such relationship and he's wondering what's the **most cost effective way** to fulfill an order.

One way is to go the **carrier route**. You can go to any of the main LTL carriers and ask them to ship your product. However, if you're a small volume pallet shipper like Bob, the economies of scale are not in your favour.

For you, and for Bob, there are what the industry calls **authorized shipping resellers**.

Authorized shipping resellers are companies that help you figure out your logistics and provide you with **discounted shipping rates**. Resellers have relationships with all the major carriers and will not only get you a discounted rate for your product but will also provide you with claims support and tracking.

In Bob's case, he has decided to go choose <u>Freightcom</u>. Bob's familiar with the company because he fulfills his eCommerce orders with them through their eCommerce solution, <u>ClickShip</u>.

Now Bob has gone to <u>Freightcom</u> and has found the cheaper and fastest rate to ship his pallet from his house in Etobicoke, Toronto, to Target's warehouse in Vancouver.

Bob remembers that the last time he shipped a pallet he was charged extra and it was a huge headache. He doesn't want to make that mistake again.

How does Bob properly fill out a bill of lading and avoid accessorial charges? To do that, we must **understand what a Bill of Lading is.**



Think you've had it tough as an entrepreneur? Click here to read about one of our customers who started her business from a confining place!

Required Documents

International shipping requires you to include considerable documentation. The table below lists the documents that you may need. They are ranked on the likelihood of being needed.

| Document Type | When? | Details |
|------------------------------------|---|--|
| Shipping Label / Bill of Lading | Always Required | This is a label provided by the carrier and is always required because the carrier needs to know the shipment's destination. |
| Commercial Invoice | Required for all non-document shipments | For all non-document shipments, you will need 3 copies of the commercial invoice (to be included with your shipping labels). These need to be included inside a document pouch outside of the box. |
| B13a | Required if value exceeds CAD\$2,000 per shipment or is a controlled good | <u>Learn more here</u> |

| Certificate of Origin (COO) | Occasionally required Allows a reduced or zero-rated import duty. | A COO is required to prove that an item was produced, manufactured or processed in Canada. When an item with a COO is imported into the United States, it will incur a reduced or zero-rated import duty. |
|--|--|--|
| Certificate of Insurance (COI) | Occasionally required Shows that the shipment has been insured | Banks may require a COI when providing letters of credit for goods. |
| ATA Carnet | Occasionally required | If you ship goods of temporary nature to and from a country, you can obtain an ATA Carnet to expedite the customs clearance process and ensure that anything of temporary nature is not charged duties and taxes. |
| Packaging List | Occasionally required | Required if value exceeds CAD\$2,000 per shipment or is a controlled good |
| FDA Prior Notice | Occasionally required Used when shipping food | An FDA prior notice must be electronically submitted before a food shipment arrives at the first port in the United States. FDA Website |
| TSCA - Toxic Substances Control Act | Occasionally required | This form is required when you ship chemicals, especially ink. |

Chapter 5: What is a Bill of Lading?

What types of goods are being transported? How many of them are there? Where is the shipment coming from? Where is it going?

These are the questions that a Bill of Lading or "BOL" must answer.

In this chapter we'll answer all questions relating to what a bill of lading is and how to make sure you've filled yours out correctly!

What is a Bill of Lading (BOL) ?

The BOL is a required legal document that must accompany any LTL shipment. It details the type of goods being shipped, piece count (total number of pallets or boxes), weight, destination of the goods being transported and date of pick up/delivery of the shipment.

The main purpose of the standard BOL is that it is a contract of carriage. The BOL also acts as a "Receipt of Goods".

A contract of carriage refers to a contract between a carrier of goods or passengers and the consignor, consignee or passenger.

Contracts of carriage typically define the rights, duties and liabilities of parties to the contract, addressing topics such as acts of God and including clauses such as force majeure.

The BOL acts as proof that the carrier has received the goods from the shipper in apparent good order and condition.

When the products are delivered, the receiver also (by signing the BOL) verifies and agrees that the goods have been received from the carrier in good condition.

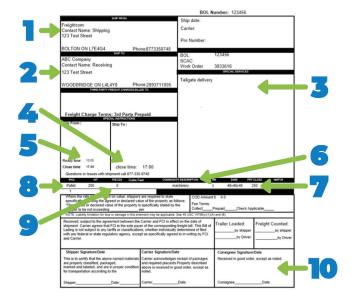
At the end of an average shipping cycle the BOL must be signed by representatives from the carrier, shipper and receiver.

Example of Bill of Lading

| Straight E | | LO | unig | | BILL | ATE: | | |
|---|--|---------------------------------------|---|--|--|--|---|--|
| SHIP TO | | | | FROM | | | | |
| Consignee Name | | | | Shipping Name | | | | |
| Company | | | | Company | | | | |
| Street | | | | Origin | | | | |
| City, ST, Zip | | | | City, ST, Zip | | | | |
| Phone | | | | Phone | | | | |
| BILLING INFORMATION | | | | SHIPPING | OR SPECIA | L INSTRU | CTIONS | |
| Name | | | | | | | | |
| Company | | | | | | | | |
| Street | | | | | | | | |
| City, ST, Zip | | | | | | | | |
| NO. SHIPPING UNITS | PKG TYPE | HM | DESCRIPTION OF | ARTYLES | WEIGHT | RATE | CHARGES | |
| | | | | | 1 | T | 1 | |
| | + | + + | | | + | + | | |
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| recourse on the consignor, the statement. The carrier shall in without payment of freight and notice. Where the rate is dependent state specifically in writing the agr | ot make delivery- all other lawful d | t this sharges. | nsignor) | | | CHARGE Freight C | harges are collect | |
| state specifically in verting the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding. | | | stated | uniess Box is Man | | | ox is Marked Prepaid | |
| 3 per | | | | | | CHECK IF PREPAID | | |
| 51 - 55 A | | | | | | | | |
| Received subject to individually di issue. If applicable, otherwise to rai The property described above is in agreed as to each carrier of all or property. That every service to be p Shipper hereby certifies that he is t | es, classifications : apparent good ord any of said prope enformed hereunde | er, excep ty, over i r shall be | at have been establish s noted. If on its route or any portion of said ubject to all the Bill of | ed by the carrier a otherwise to deli- route to destination ading terms and | nd are available er to another ca on and as to ea conditions in the | to the shipper mier on the ro oh party at an opverning of | on request. use to said destination. It is mutually ty time interested in all or any sail solidation on the date of shomen | |
| Shipper Company | | | | Carrier | | | | |
| Per | | | | Trailer # | | | | |
| c. ap. | | | | | | 1 | | |
| Shipper Signature | | | | | | | | |
| | | | | | | | | |







- **1. Shipper's contact information**
- 2. Receivers contact information
- **3. Special Instructions**
- 4. Close Time
- 5. Ready Time
- 6. Description of the Goods
- 7. Freight Class
- 8. Pallet
- 9. Piece Count
- 10. Consignee Signature and Date



What information is required for the Bill of Lading?

Now that we have the basics covered, let's get into how to fill out your Bill of Lading.

Shipper's and receiver's full address and contact information.

The most straightforward and important section of the BOL is the address and contact information.

Though this may seem like a no brainer, in our experience of working with customers and carriers, even a small mistake in the address can be very costly for your business. We can't stress enough that it is crucial to double check your information. Otherwise the cost and transit time of your shipment can be impacted negatively.

Carriers and couriers alike bill an address correction or re-consignment fee for any changes to the BOL once a shipment has been picked up.

Piece count - total skids, cartons, etc.

Regardless of what you are shipping, whether it be skids, cartons or packages, there needs to be a brief description on the BOL of the package itself and the piece count.

Description of the goods

An accurate description of the goods is an important factor that can ensure that the product being shipped has the correct specifications.

Entering a proper description helps to prevent any potential customs delays for cross border or international shipments.

It is also a safeguard for situations where the BOL may be detached from the shipment while in transit or if the shipment mistakenly gets misrouted, etc, to help identify the correct shipment and ensure accuracy across the board.

Any special instructions for the carrier to ensure prompt delivery

If you are shipping hazardous materials or anything requiring special equipment, you must include specific directions on how to handle these goods during transit.

If a shipment that needs specialized services is not properly labeled as such, you could end up with extra fees tacked onto your bill.

That includes but not limited to fines for improper Hazmat declaration and re-delivery charges if the requirement for an appointment or tailgate to load/offload is not noted, etc.

Freight class

If you are shipping LTL to, from or within the United States, freight class may impact the cost of your shipment.

Freight classifications under the National Motor Freight Classification are based on:

- Weight
- Dimensions
- Density
- Storage capability
- Ease of handling
- Value
- Liability

Make sure you understand each one of them so you're able to include the most appropriate information.

If shippers fail to determine a freight class or classify a shipment incorrectly, this can result in the carrier conducting an inspection and re-classifying the shipment, which will lead to a change in your shipping rate and can often be costly.

Documenting the condition of the goods by the shipper and receiver

It is essential to ensure you prepare your shipment correctly to avoid freight damage, as mentioned in our "How do you prepare a pallet?" section.

One of the key aspects with BOLs is that they also ensure that you have shipped or received the package in good condition.

When signing for the delivery of a shipment, we strongly encourage to inspect it thoroughly and note any damage (to the goods or even packaging) and/or missing items on the BOL/proof of delivery (POD).

Failing to do so may result in your freight claim being denied as the shipment would be noted as being received in good order.

Other key aspects to include on your BOL:

- PO and/or special account numbers used between the shipper and consignee for order tracking
- Shipping and receiving hours at the pick up and delivery locations
- All dangerous goods classifications and requirements
- Any special requirements for transportation and delivery i.e. delivery
- Appointments, tailgate if the location does not have a loading dock, etc.

And those are the essentials you have to remember when filling out a bill of lading.

Bob has now also kept a copy of his correctly filled BOL for his personal record (we advise our fellow shippers do the same).

Bob's pallet is now prepared and his bill of lading is attached to his shipment. Now you may want to speed ahead and start shipping.

But let's take a few moments to understand the top mistakes you can make shipping your pallet, through talking about accessorial charges. Then we'll cover what you need to consider if you're shipping outside Canada.

Let's get to it!



Chapter 6: Top 5 Accessorial Charges and How to Avoid Them

Accessorial fees are charged for additional services performed by carriers for shippers.

Some common accessorial charges are liftgate charges, residential delivery and reclassification.

In this chapter, we will discuss some of the major accessorial charges that Bob would have had to pay if he made a mistake while filling out the BOL.

1. Say Yes to The Address

Always double check that you've entered correct & accurate address information on the Bill of Lading (BOL).

Entering an incorrect address for pick up or delivery locations can result in attempt fees, address correction and re-consignment fees. Failure to look out for these mistakes can not only lead to incurring varying fees but can create shipping delays that tend to hurt customer retention, and ultimately your bottom line.

2. Weight & Measurement

It's important to measure and weigh your shipment correctly. The original quoted rate you receive is based on the dimensions, weight and pallet count you have entered.

If you enter an incorrect weight on your BOL, your product will be reweighed and reclassified, resulting in charges of CAD\$25-500. Accurate weights and measurements are absolutely essential to the safety of workers.

If, for example, the weight was written incorrectly, the wrong type of machinery may be used and could result in injuries or even death.

3. Location, Location, Location

When booking a shipment, you must always remember to identify whether or not a location is residential and requires a liftgate to load/offload freight.

Failure to indicate may result in the carrier sending out the wrong truck. If the driver cannot access the location or offload the freight, your shipment will then need to go back to the terminal to be loaded on the correct truck which results in delays to your delivery and redelivery fees.

In this case you will not only be charged the liftgate fee of CAD\$200-250, you will also be charged the redelivery fee which averages around CAD\$100-500.

4. Confirm Your Freight Class

Make sure you have entered the right freight class on your BOL because wrongly classifying your shipment may cause reclassification fees of CAD\$25-500.

We cannot stress how important it is to use your own freight class calculator and double checking the information on your BOL before submission.

5. Are You Shipping Dangerous Goods?

Firstly, as a shipper, you should know what products are considered hazmat products as you are responsible for providing all that necessary information to the carrier.

It's also important to note that when dealing with specialized products, it's crucial to give your transportation partner more than 72 hours lead time to pick up.

The added health risk, extra paperwork, and special handling is compensated for through a hazardous materials accessorial fee, which ranges from CAD\$250-500.

All hazmat freight must be correctly identified and noted on the BOL based on the current industry requirements and should be packaged accordingly. Supplementary documents such as the **Material Safety Data Sheet** (MSDS) should also be included.

Hazmat products are some of the most sensitive products to ship. It is essential that you research all the proper steps to not only avoid extra costs but ensure the safety of everyone involved in the shipping of these products.

Failure to comply with these standards can result in hefty fines and penalization for your company.

Those were just the top 5 categories of accessorial charges that we thought were important to highlight. For a more complete list of accessorial charges read our blog.

If Bob was following this guide he should've been able to avoid these extra charges.

That's great news!

However, Bob has been in talks with an American retailer as well. He thinks he's going to land that deal soon after he ships his Target order.

If he has to ship his pallet across to the Border to the United States, what would he do differently?



Chapter 7: How Do You Ship Across the Border?

Shipping to the USA requires you to prepare a few things differently - primarily, how you fill out your BOL and the addition of a customs invoice.

Before filing out the BOL, Bob must understand the idea behind freight class and learn how to properly classify his shipment.

In this chapter, we'll cover the items you need to successfully ship down south.

There are some necessary items that you require to be able to ship internationally including but not limited to:

- A Bill of Lading (BOL)
- Customs/Commercial Invoice (for any shipments crossing the border)
- Certificate of Origin (NAFTA if applicable)
- A Customs Broker

To make sure that your cross border shipping goes smoothly we recommend you find a broker that can help you navigate the security-focused regulations that now exist in international shipping.

According to your needs, your broker may need to have these certifications:

- U.S. Customs-Trade Partnership Against Terrorism (C-TPAT)
- Partners in Protection (PIP)
- Free and Secure Trade (FAST)
- Certified Drivers
- Automated Commercial Environment (ACE)
- Advanced Commercial Information (ACI)
- Customs Self Assessment (CSA)

Another important aspect of knowing how to properly ship across the border, specifically to, from or within the United States, is that you need to understand freight class.

What is Freight Class?

Freight class is a standardized measurement system used by carriers to determine the cost to ship freight. It is used for commodities transported via LTL shipping and ensures that customers receive a fair price when shipping freight.

What Are NMFC Codes?

An NMFC code is assigned to each type of good that is shipped. For example, hardwood flooring may be assigned NMFC #37860, whereas corrugated boxes may be assigned NMFC #29250.

NMFC codes were created to have a standardized starting point to determine rates in each class. These classes range from 50 to 500. So let's say you have "Baskets, wire, unnested" and "Barrels, wooden". Both of these products have the same freight class of 200 but have different NMFC codes. The NMFC numbers and Freight Class are both determined by a combination of four factors: density, stowability, ease of handling and liability.

The Four Freight Class Factors

- 1. **Density:** This pertains to the space and weight of the items and pallet use in the trailer. The general rule of thumb is the lower the density, the higher the freight class. Items that are smaller/heavier and have a higher density fall into a lower class and are generally cheaper to ship than bulkier lighter items.
- Stowability: This changes according to the difficulty of storage, as hazardous or very heavy shipments would be hard to stow. Freight class can also vary depending on whether the item is assembled or knocked down (flat).
- 3. Handling: When classifying freight, the care needed during shipping is taken into consideration. If the item is fragile, requires special attention, or has hazardous properties, it will fit into a higher class and increase the shipping cost. Package dimensions also contribute to freight class.
- 4. Liability: When your freight items are more susceptible to being damaged or are perishable, i.e food items or fragile cargo, in this case, your shipment will be designated a higher freight class.

Freight Class is used to help carriers determine prices for all kinds of products and materials based on their common traits. A higher class means greater shipping expense. That covers our explanation for understanding freight class so that Bob can avoid reclassification fees from his carrier.

Still wondering how to fill out a customer's invoice? Our resource section has links to help you!



Chapter 8: Shipment Tracking

Bob has now shipped his pallet! He got a quote from Freightcom, chose a carrier and got his pallet picked up.

In this chapter we'll discuss what Bob needs to know about the importance of tracking his shipment and the final delivery! In the case of Lowkey Fresh, the company needs to provide the best shipping experience for Target.

Similar to shipping packages, Bob must make sure that Target can easily track their shipment. Providing customers with accurate shipping information and tracking updates instills a sense of dependability and trustworthiness.

Armed with the technology offered by a company like Freightcom, Bob can easily quote, ship and track his shipment!

Let's fast forward five days!

Bob's product has successfully reached his destination in Vancouver. Lowkey Fresh along with Target followed the product to its destination.

Target is happy with the product, which is now available on the Target website for purchase!

Conclusion

Bob has now successfully graduated from being an eCommerce shipper to successfully shipping an LTL pallet to a large corporation.

LTL may sound complicated and a bit hard to get your head around, but we hope our guide has shed some light on the world of LTL freight shipping.

At Freightcom, our goal is to help small to medium sized businesses like Bob's grow and prosper. We work on providing the best LTL and courier shipping rates to eCommerce and LTL shippers alike.

If you still have questions about anything LTL or shipping related feel free to send us an email at: **salesatfreightcom.com** or call our sales department at **1-877-335-8740**.

We'll be happy to help!



Bonus: Freight Claims

Before we sign off, let's take a hypothetical situation.

What if Bob's shipment got lost or damaged in transit? What process would Bob need to follow to file a claim for the shipment?

Here's an overview of what Bob would have to do to claim his freight if it had been accidently lost or damaged while shipping.

This is where it is important to know your next steps to recover your losses through a freight claim.

What is a Freight Claim?

A demand by a shipper or consignee upon a carrier (as for reimbursement of an overcharge or for loss or damage to goods accepted for transportation)

- Merriam-Webster

Now that we've covered what freight claims are, let's discuss how you submit a claim.

In this case, we'll be assuming that you're using a shipping solution such as **Freightcom**. Even though you'd require the same documents, **Freightcom would submit the claim on your behalf** and handle communications with the carrier.

An additional note to consider is insurance. Though you may file a claim for any damaged or lost product, what you are paid out may greatly differ from the full value of your goods as carriers will only payout based on their maximum liability terms.

This can range from CAD\$100 per shipment for most couriers whereby LTL carrier terms can range from 10 cents up to a maximum of CAD\$2 per pound.

Purchasing Freightcom insurance at the time of booking your shipment will ensure your shipment is covered for the full value (minus the deductible).



However, we cannot stress enough to confirm that first, the goods you are shipping are insurable and second to be aware of what documents and measures are required should a claim need to be filed.

Researching ahead of time will ensure you are not faced with any unpleasant surprises and are prepared with what needs to be provided to ensure a quicker freight claim resolution.

It is also important to note that claims go through a processing period that can range from 30-90 days on average but this can be longer if all the information is not submitted from the get-go.

What Do You Need to Submit a Claim?

- 1. Cost/purchase invoice
- 2. Photos of the damaged package (before unpacking)
- 3. Photos of the damaged product itself
- 4. Photos of how the shipment was packaged before shipping (if available)
- 5. A detailed description of loss or damage including the value of the claim must be provided
- 6. If the shipment contained multiple items with loss or damage, a detailed breakdown with the value associated with each item will be required. This can also be noted or highlighted on the cost invoice that is uploaded.

How to Submit a Freight Claim?

Check out our 7-step guide on how to submit a freight claim

Let's now expand on the different situations you may find yourself in as a shipper.

We all know that your product may be lost or damaged, however, this can happen in a variety of ways.

What Are the Different Types of Freight Claims?

Damage - Your pallet may be transported from multiple trucks by multiple forklifts through multiple terminals. Due to this, your palletized inventory could be prone to damage in the transit process.

Though this is something that can happen, Freightcom advises you to ensure that you have taken all the necessary steps to properly package your pallet.

After you have palletized your shipment, ensure you take a picture of it before you send it out (with the shipping label).

This will help you if and when you have to make a claim as proof of the condition the shipment was in before it was picked up. **Loss** - If you have not made any address errors on your Bill of Lading (BOL), you have passed your delivery date and your shipment has still not been and some time has passed without tracking updates from the carrier. In this case, your shipment may be lost.

The best steps are to contact Freightcom's customer service team to begin an investigation with the carrier.

Once the investigation period has concluded and the carrier advises to proceed with a claim, our team would then be able to update you to get the process started as soon as possible.

Shortage - Suppose you ordered 40 boxes of vases from Montreal to Toronto that were shipped on a pallet.

As the delivery truck arrives at your warehouse, you notice you only have 35 boxes and not 40. In this case, you can file a shortage claim. Shortage claims can be filed when some of your products are lost in the shipping process.

However, what is vital in the shortage claim (as it is in the damage claim), is that you must note the discrepancies on the carrier's delivery receipt.

It is one of the necessary documents you will need to make your claim. If you are the shipper of the product, it is best practice to let your receivers know to always inspect the shipment for damage or shortage before signing off on the POD. **Concealed damage or shortage** - This is the trickiest claim that you will have to make and is ultimately subject to the carrier's discretion to accept a claim or not.

The issue with this sort of claim is that you may sign off on the POD without knowing that some of your products were damaged or missing from the shipment. Due to this, you may not be entitled to the claim amount you would get if this was noted on the POD.

We advise that you make sure that all your products are in good order before you sign a POD. Though this may be time-consuming, our years of industry experience have proven this is a worthwhile practice, especially for higher-value shipments.

Freightcom's Recommendations for Your Claims Process:

- 1. Report any damages or loss as soon as possible following delivery to ensure the carrier will accept the claim.
- Ensure your shipment meets the packaging guidelines of the carrier otherwise your claim may be denied due to insufficient packaging.
- 3. Do not use old or previously used boxes to ship your goods as this would be grounds for a claim to be denied due to improper packaging.
- 4. Freightcom recommends taking a picture of your package or pallet with the shipping label attached before it ships out. This will help in case your shipment gets lost/misrouted to help locate it faster but is also very beneficial to include in a claim as it shows how the package looked when it shipped out and can be compared with the pictures on delivery.

Glossary

The following list of frequently used words will help you understanding bills, articles and verbiage commonly used by transportation professionals. Accessorial Charge: Amount billed for additional, supplemental or special services provided, usually a flat fee. Examples include: Tarps, dunnage, layovers, detention, etc.

Backhaul (Head haul): The return movement of a transportation vehicle from its delivery point back to its point of origin.

Bill of Lading (BOL): Paper document between a shipper and carrier acknowledging the receipt of goods for transport. Describes the nature of the cargo, amount of cargo by weight, size and/or number of pieces, and the origin and destination of cargo.

Broker (freight): Individual or company that serves as a liaison between another individual/company that needs shipping services and an authorized motor carrier. Determines the needs of a shipper and connects that shipper with a carrier capable of transporting the items at an acceptable price.

Carrier: Utilizes trucks and/or trailers to move goods from point A to point B.

Coil Racks: Prefabricated cradles made of wood or steel made to hold rolled coils to keep them from rolling on a trailer.

Compliance, Safety, and Accountability (CSA): An FMCSA program designed to provide motor carriers and drivers with attention from FMCSA and State Partners about their potential safety problems with the ultimate goal of achieving a greater reduction in large truck and bus crashes, injuries, and fatalities. **Commodity:** Any article of commerce, including raw material, manufactured or grown products.

Consignee: The person or location to whom the shipment is to be delivered whether by land, sea or air.

Container (Shipping Container):

Standard-sized rectangular box used to transport freight by ship, rail or highway. International shipping containers are 20' or 40', conform to International Standards Organization (ISO) standards and are designed to fit in ships' holds. Domestic containers are up to 53' long, of lighter construction and are designed for rail and highway use only.

Distribution Center (DC): A location where goods and materials are stored until they are ready to be moved to their end destination.

Dead-Heading: Operating a truck without cargo.

Declared Value: The value of a shipment imported for resale, as declared by the shipper or owner.

Dedicated Team: A team of drivers who take turns driving a dedicated truck.

Dedicated Truck: Refers to a driver pulling freight for one specific customer only, where only that load is on the truck. No partial loads can be added. **Detention/Demurrage:** Charge by the carrier for excess retention of their equipment. Typically caused by untimely loading or unloading.

Door-to-Door: Synonymous with Thru Trailer Service (TTS) but can also mean simply handling the shipment from the shipper to the consignee.

Double Drop: A flatbed with the lowest deck. Normally used for oversized or over-height loads.

Department of Transportation (DOT):

Oversees U.S. federal highway, air, railroad, maritime and other transportation administration functions.

Dunnage: Filler material placed in empty spaces to keep cargo from moving or falling. Typically lumber, foam padding or inflatable bags.

Escorts: Vehicles assisting in the movement of large, over-dimensional shipments. Escorts make sure the truck has plenty of space to move and alerts drivers of a shipment coming towards them. Help stop traffic with beacon lights and/or flags.

Excess Value: Amount of declared value of a shipment that is above the carrier's limit of liability.

Expedited: The process of shipping at a faster rate than normal. Usually includes team drivers, overnight and/or air services.

Freight Class: In LTL shipping, the category of freight as defined by the National Motor Freight Traffic Association. Identifies the size, value, and difficulty of transporting your freight. This determines the carrier's shipping charges.

Freight Forwarder: Facilitates shipping of goods for a third party. Similar to a 'Freight Broker' but typically handles international goods, is defined as a carrier and can be held responsible for claims and loss of cargo.

Hazmat: Hazardous materials



Hot Shot: Smaller trailers that are pulled by larger pickup trucks. Typically 24-40' in length and cannot handle as much weight as a regular tractor trailer. Common for moving smaller loads or LTL shipments.

Hours of Service (HOS): Regulations that put limits for when and how long drivers may drive.

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Interchange Agreement: Agreement and/or contract between two companies to switch or take control of a trailer in order to pick up and deliver shipments. Common along border towns between Mexican and U.S. companies in order to cross the border.

Intermodal: A single trailer or container that encounters multiple forms of transportation along its route, such as truck/ship or truck/rail.

Lane: A move from point A to point B. Many companies will have a lane that they run on a regular basis called a "dedicated lane".

Layover: When a driver is detained overnight or for a 24-hour period while waiting to pick up or deliver a shipment.

Fees are usually involved.

Line Haul: The rate per mile in dollars and cents for transporting items.

Logbooks: Books carried by truck drivers in which they record their hours of service and duty status for each 24-hour period.

Less-Than-Truckload (LTL): Quantity of freight less than that required for the application of a full truckload (FTL) rate. Often a carrier will place several LTL shipments on the same truck to reduce the cost to the shipper.

National Motor Freight Classification

(NMFC): A standard comparison of commodities moving in interstate, intrastate and foreign commerce. There are 18 commodity classes based on an evaluation of four transportation characteristics: density, stowability, handling and liability. These characteristics establish a commodity's transportability.

Owner-Operator: Truck driver who owns and operate their truck(s).

Over-Dimensional (Wide Load): Cargo that is larger than the legally defined limits for width, length, height, and/or weight and cannot be broken down into smaller units.

Pallet Jack: A tool used to lift and move pallets and other heavy packages and products.

Partial: Truck used to compile multiple shipments from several customers in order to utilize the entire truck. Due to this, transit times can be longer than dedicated truckloads due to multiple stops.

Permits: Permission obtained from states allowing carriers to transport freight that exceeds the legal weight and size limits.

Placard: Warning signs placed on all four sides of a trailer denoting that they are carrying hazardous materials.

Proof of Delivery (POD): Signed documents (usually a Bill of Lading) that show a shipment was received at the delivery location.

PRO number: A number assigned by the carrier to reference the shipment. This is also used for tracking.

Pup Trailer: Short semi trailer, usually between 26' and 32' long, with a single axle

Ramps: Carried by some open deck truckers to help facilitate the loading and offloading of shipments. Mostly found on step decks that are trying to haul cars and other drivable equipment.

Rate Confirmation: A document that confirms the agreed upon amount for the cost of service between the shipper and carrier.

Reefer: A trailer with insulated walls and a self-powered refrigeration unit. Most commonly used for transporting food.

Removable Goose Neck (RGN): A specialized type of heavy-haul flatbed trailer that can provide drive-on drive-off accessibility. The trailer deck is attached to a "gooseneck" which can be raised and lowered then removed from the trailer for transportation.

Shipper: Consignor, exporter or seller named in the bill of lading, who may or may not be the same as the party responsible for initiating a shipment. **Sliding Tandem:** Mechanism that allows a tandem axle suspension to be moved back and forth at the rear of a semitrailer, for the purpose of adjusting the distribution of weight between the axles and fifth wheel.

Spread Axle (Spread Tandem): Tandem axle assembly that is spaced further apart than the standard spacing of 54".

Straps: Strong vinyl straps used to secure and tie down freight to a trailer.

Tanker: Cylinder designed to haul liquids like fuel or oil.

Tandem Axle: Pair of axles and associated suspension usually located close together.

Team (Driver Team): Team of two drivers who alternate driving and resting. This practice is typically used for expedited shipments but will have a greater cost.

Third Party Logistics/Freight Broker:

Individual or company that serves as a liaison between another individual or company that needs shipping services and an authorized motor carrier. Provides the necessary transportation but does not function as a shipper or carrier. Thru Trailer Service (TTS): When cargo remains on the same trailer during an international shipment. This is the opposite of a trans-load and is generally considered safer by most companies.

Trans-Load: The movement of a product from one trailer to another trailer in order to keep a shipment going.

Truck-Mounted Crane: A self-propelled loading and unloading machine mounted on a truck body.

Truck Order Not Used (TORD): When a shipper orders a truck to pick up but cancels after a truck has been dispatched. There is typically a fee associated with this.

Van: An enclosed box-like motor vehicle having rear or side doors and side panels used for transporting goods.



Resource Links

Types of products and how you should send them:

https://medium.com/janio-asia/packaging-101-how-to-package-products-for-deliveryec78a4e632ba

Freight Packaging Guidelines

https://www.fedex.com/content/ dam/fedex/us-united-states/services/ FreightPackagingGuidelines.pdf

B13a Form

https://www.fedex.com/en-ca/shippingservices/international/regulatory/exportdeclaration.htm

FDA Web Portal

https://www.access.fda.gov/

TSCA Form (Toxic Substance Control Act Certification)

http://ftn.fedex.com/forms/TSCA_ Certification.pdf CBP Form 3299

https://www.cbp.gov/document/forms/ form-3299-declaration-free-entryunaccompanied-articles

How to fill out a customs invoice

https://www.ups.com/assets/resources/media/ en_US/Commercial_Invoice_Guide.pdf

How do you rate the relevance of sensor systems for shipment tracking and tracing for your business?

https://www.statista.com/forecasts/1013751/ relevance-of-shipment-tracking-and-tracingfor-logistics-companies-in-the-uk

7-step guide on how to submit a freight claim

https://cdn2.hubspot.net/hubfs/5324278/ PDFs/Submit%20a%20Claim.pdf

Lala Hijabs - Tie-Dyeing their Way to eCommerce Success!

https://www.freightcom.com/blog/lala-hijab

An Ex-con Shows You How to Come Back with a Bang - or a Snack!

https://www.freightcom.com/blog/an-ex-conshows-you-how-to-come-back The Definitive Less Than Truckload (LTL) Shipping Guide: Graduating from eCommerce to LTL