

Preparing for Freight Classification Changes: Initial Steps and Long-Term Strategies



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Q What exactly is changing in the NMFC system—and when do these changes take effect?

A The National Motor Freight Classification (NMFC) underwent a radical update effective July 19, shifting to a more granular 13-sub provision density-based classification. This changes thousands of commodity codes, reclassifying them based on density, handling, stowability, and liability. We saw many studies where CL55 items became CL70, a 28.7% increase in freight cost, and other extreme examples where CL65 items became CL175 which would result in a 151% increase.

Q Why does this matter for shippers—and what risks does it pose if you're unprepared?

A These changes directly influence LTL rating, quoting, billing, and pricing. If you haven't adapted to the transition, you're likely to see rates rising due to misclassified freight, leading to surprise chargebacks. Carriers have invested in scanning and dimensional equipment and many are already enforcing changes. KDL is helping clients avoid bottom-line impacts of up to 25% by staying ahead of the changes.

Q How was KDL able to help clients prepare for these NMFC changes?

A KDL conducted a comprehensive analysis well before these changes took effect. We identified the customers who would be impacted and accurately forecasted the class changes they would experience under the new structure. Proactively, we collaborated with carriers to update pricing, helping protect customers from potential cost increases. In addition, we ensured that all client-facing

systems were updated in advance, so the new NMFC codes and classes were visible and ready when the changes went live. The KDL approach empowers clients to turn a potentially disruptive change into a competitive advantage, safeguarding their margins and ensuring continued efficiency.

Q In what ways can KDL's technology help shippers better adapt to and prepare for these changes?

A KDL's applications are designed to help shippers seamlessly adapt to ongoing NMFTA changes by implementing new controls to aid assignment of NMFCs in real-time. Our technologies eliminate human error and automatically calculate shipment density via dimensions and weight, ensuring accurate ratings and routing compliance standards.

Q What other immediate steps should shippers take now?

A Late adapters will feel pain through higher costs via delayed incorporation. Audit your recent invoices for signs of reclassification or cost spikes and review the products shipped. For these shippers KDL can help mitigate the damage. This is not a one-time adjustment. More changes are coming later this year (NMFTA Docket 2025-2). We anticipate an eventual move from the class-based rating system to a complete digital supply chain, a rating system based on product dimensions and weight and incorporation of dynamic pricing.