



SHIP SMARTER AND SAVE

## THE NEW MINIMUM

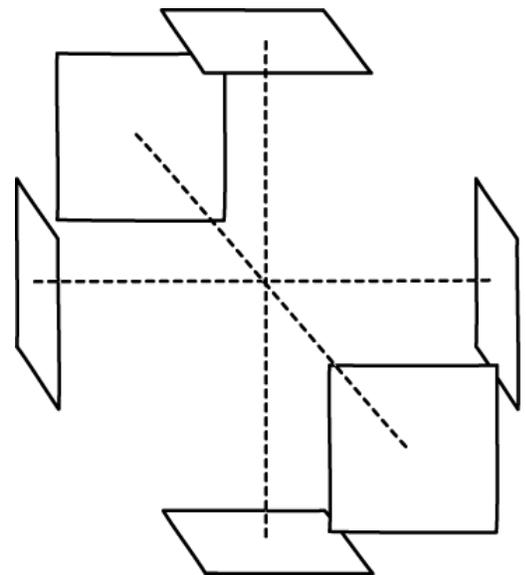
It was not long ago that UPS and FedEx announced they would be changing the rules as to how and when they apply dimensional freight charges.

Dimensional weight, also known as volumetric weight, is a pricing technique by carriers that applies estimated alternate higher weight that is calculated from the length, width and height of a package. This is a calculation of a theoretical weight of the package.

This month shippers were introduced to a new challenge when it comes to light weight shipments that take up a disproportional amount of space on LTL carriers' trucks.

ArcBest announced it will apply space-based cubic **minimum** charges for less-than-truckload shipments, effective August 1. This includes ABF Freight and Panther Premium Logistics which are owned by ArcBest. It is fairly apparent that this action will result in higher costs for shippers, many of whom do not even have the equipment, (dimensioners) needed to calculate these new charges.

The rise of internet-based commerce, light weight but bulky shipments, is becoming more common for carriers. These shipments take up a lot of space but don't necessarily weigh much. In addition to absorbing a disproportional amount of space these packages often result in extra handling.



This move will likely be followed by other LTL carriers. There is a limited amount of space that a carrier has to sell on the truck. The carrier has a commodity (space) that is not necessarily taken into consideration in current pricing methodology which is weight based.

“The logistics industry continues to change rapidly,” said Judy McReynolds, ArcBest chairman, president, and CEO. “We believe this initiative is the natural step for us to take now to ensure that the value we provide is appropriately reflected in the compensation we receive for our shipping and logistics services. We view this as a logical complement to the current weight-based pricing common in the LTL industry.”

*If you want to learn more about the impact of dimensional shipping charges or the recently announced minimum dimensional based charges contact: Harold B. Friedman at [harold.friedman@data2Logistics.com](mailto:harold.friedman@data2Logistics.com) or +1 609 577 3756.*