

and charge rates in cents per hundred pounds for shipments over 500 lb. You can therefore achieve significant savings per unit when the weight of an individual shipment is as near as possible to the high end of the weight break. That is, if it costs you \$50 whether you ship 1 lb. or 100 lb., the closer you can get your shipment to the 100 lb. level, the lower your effective cost per pound will be.

As you move into the higher weight ranges (e.g. 2,000 lb. or more), there are no savings in cents per hundred pounds until the charge related to the next higher minimum weight is reached. For example, using Class 100 motor carrier rates, the rate in cents per hundred pounds from Halifax to New York for shipments weighing anywhere between 2,000 and 4,999 lb. will be \$28.35 per hundred pounds. At the 5,000 lb. level for the same origin/destination pair the rate drops to \$27.06 per hundred pounds. It therefore pays you to try and increase your shipment weight so that it is close to the next weight break where a lower rate in cents per hundred pounds applies.

The following simple formula determines the so-called weight break points (i.e. the point at which the charge becomes lower under the next higher minimum weight):

$$\frac{\text{Lower Rate X Minimum Weight}}{\text{Higher Rate}} = \text{Weight Break}$$

3. DESCRIBE GOODS FOR CLASSIFICATION PROPERLY

You should also be aware that many carriers quote rates based on commodity classifications by grouping goods that have similar transportation characteristics into the same "class". Classifications are based on value, density (weight per cubic measure), susceptibility to loss, damage and pilferage, competitive considerations and the regularity and volume of similar movements. Very often, goods may be classified in more than one, in fact, many categories. Lower class ratings and therefore rates can be obtained by:

1. reducing carrier liability for loss and damage by ensuring that the true nature and value of the product are declared;
2. shipping the product in different configurations (e.g. in bulk versus packages); and,
3. changing packaging (e.g. sending goods knocked down instead of set up).

Firms currently shipping within Atlantic Canada may be aware that although most domestic freight rates are charged in cents per hundred pounds, carriers also have the right to charge for space that shippers do not actually use under certain circumstances. Carriers operating in the Atlantic Provinces can charge 1,000 lbs. per running foot of space for the entire length of the trailer when the shape or dimensions of the freight loaded makes it impractical to load other freight, or, because of the need to segregate a shipment from other freight.