

What is “True LTL Pricing”?

Customers should be aware that Con-way Freight has come out with a new pricing mechanism called “True LTL Pricing” which became effective the end of last month. Con-way calls this a “capped pricing model designed to offer customers uncomplicated truckload-style pricing for large less-than-truckload shipments. The company says True LTL Pricing is predictable, eliminating the uncertainty, complexity and waste of previous LTL pricing models.”

Con-way Freight says True LTL Pricing applies the formula commonly used in truckload shipping and removes many of the current unexpected charges, such as the lineal foot rule, that shippers face when moving large LTL freight. According to the company, customers benefit from:

- Capped pricing, never pay more than truckload
- Guaranteed on-time delivery, it's on time, or it's free
- Reliable same-day pickup; available trucks when customers need them
- Less waste; fewer trucks on the road and reduced fuel consumption, carbon emissions and traffic congestion

Customers should read the fine print (as published in their tariff).

http://www.con-way.com/resources/tariffs/CNWX_129_A.pdf. They do show a fuel surcharge on a per mile basis which is calculated from a DOE price for fuel. However it is important to note:

- Item 150, note 3: *Application of True LTL Pricing will not modify any contractual terms in effect governing the shipment.* We read this as meaning any rules and governing tariffs/publications stated in your contract will still apply (including a contractually agreed upon fuel surcharge schedule).
- Item 2009: *Except as otherwise provided in the individual tariffs...* We read this as: If you have an established pricing agreement/contract and you have a contractually agreed upon fuel surcharge schedule then it will still apply.

In the case of most clients, their contract reference CNWX 190 http://www.con-way.com/resources/190_F.pdf - effective January, 28, 2008 – Fuel Surcharge, current on date of shipment is the “Governing Publication”. This makes reference to fuel being charged as a percentage of the actual freight expense.