

How to Calculate Freight Charges with CWT Rates

Required information

To calculate freight charges using provided CWT rates you will need the following

- a) Origin & Destination
- b) Shipping Weight
- c) Skid Sizes
- d) Rate Sheet
- e) Cavalier Accessorial Charges Chart

1. Determine Billable Weight

To determine your billable weight you must have the current weight of the freight you are trying to move. To do this, divide your total weight by 100 to get your figure for “per hundred pounds”.

Cubing Freight

If your freight is on skids that are larger than standard 48X48X48 then you will have to calculate the cube of the freight and divide that by 100 to get your billable weight.

EX.4 skids 48”X48”X72” weighing 2200 lbs – to calculate cube you multiply all inches LXWXH and divide by 1728.

$(48 \times 48 \times 72 / 1728) * 4$ (4 skids) = 384 – Must multiply by 10 to get weight (Based on 10/per cubic foot) so 3840 lbs is your cube weight. **Freight charges will apply to the highest weight (actual weight vs. cubed weight).** In this example, the billable weight will be 3840 lbs.

2. Determine which CWT rate is applicable

To do this you need to have your CWT rate sheet in front of you. Here is an example. It will give the pick-up location and destination information along with rates for a number of categories. MIN is the minimum rate for freight in that lane. These are usually standard or smaller skids that have small weights. The LTL break is the next rate up and is used on all freight that is under 500 lbs and more than the minimum amount. The 500 lbs CWT rate is next and used for freight between 500 and 1000 lbs. the 1M CWT rate is for freight between 1000 and 2000 lbs. 2M for 2000 and 5000lbs and the 5m rate for freight over 5000 lbs.

Pick-up location: Toronto, ON - Destination: Montreal, PQ

MIN	LTL	500lbs	1M	2M	5M
\$40.00	\$16.00	\$14.00	\$12.00	\$10.00	\$9.00

EX. Standard 48"X48"X48" @ 240 lbs. $240/100 = 2.4 \times \text{LTL rate } (\$16) = \$38.40$ – since this is less than the minimum rate (\$40) the minimum rate will be used. If the skid were 325 lbs = $3.25 \times \text{LTL rate } (\$16) = \$52.00$ and this rate would apply. **Always make sure that the minimum rate at the next tier up is higher than the rate you find. If not the smaller rate at the higher rate tier will apply.**

An example of this can be shown with a standard skid @ 445 lbs. it is less than 500lbs so you use the LTL rate and get $(445/100 \times \$16.00) \71.20 . Checking against the min for 500lbs $(500/100 \times \$14.00) = \70.00 . The 500lbs rate gives a smaller figure so that is the rate that will be used.

You can also calculate the weight breaks that would cause freight to use the higher rate level but cheaper rate. Using the example above to find the break to where the 500lbs rate would be applicable use the formula = $\{(\text{Next Column Weight} \times \text{Rate}) / \text{1}^{\text{st}} \text{ column's rate} \} \times 100$.

$= \{ (500\text{lbs}/100 \times 14.00) / \$16 \} \times 100 = 437.50 \text{ lbs}$ – therefore anything over 437 lbs you would use the 500lbs rate as it is cheaper.

3. Additional Charges

Once you have found the rate that will be applied you will need to add the accessorial charges that apply to your freight. These will most likely always be fuel and border. Cavalier has a document that explains and shows all of the assessorial charges that may apply to your freight.

Fuel is added as a % of the total freight rate. There are different fuel surcharges for LTL and TL moves.

For border charges these are only applicable when your freight is crossing the US/CAN border. For LTL the charge is \$15 flat and for a TL it is \$25 flat.

Truckload fuel + Truckload border fee will be applied to the shipment if the freight is 8 skids , 10,000 lbs or 16 feet of trailer and over.