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PREAMBLE — PURPOSE AND SCOPE

These procedures ("Procedures") pertain to matters related to maintenance of the National Motor Freight Classification® (NMFC®). The NMFC is a voluntary standard for the classification of commodities moving in commerce, including associated rules and packaging definitions, specifications and requirements. It contains no rates or charges for transportation services nor does it suggest rates or charges. In addition, economic factors are not considered in conjunction with the classification process. These voluntary standards are exclusively for the use of carriers and transportation companies that participate in the NMFC and are listed therein.

The NMFC also contains listings of Participating Transportation Providers as well as provisions relating to Carrier Procedures and Best Practices that are published or developed by the National Motor Freight Traffic Association, Inc. That content is beyond the purview of the Freight Classification Development Council and is not governed by the procedures herein.

PART I — FREIGHT CLASSIFICATION DEVELOPMENT COUNCIL — ORGANIZATION AND RESPONSIBILITIES

Section 1. Organization

- a. The Freight Classification Development Council (FCDC or Council) operates under the auspices of the National Motor Freight Traffic Association, Inc. (NMFTA) and consists of not less than three (3) and not more than five (5) members who are full-time employees of NMFTA. The aforementioned employees have expertise in the classification of goods moving in commerce by motor carriers. FCDC members are responsible for establishing, maintaining and updating the classification-related provisions of the NMFC. One member of the FCDC is the Chairman, and another is the Vice Chairman.
- b. The Chairman of the FCDC is appointed by the Executive Director of NMFTA.
- c. The Vice Chairman is appointed by the Executive Director of NMFTA in consultation with the Chairman.
- d. Other members of the FCDC are appointed by the Executive Director of NMFTA in consultation with the Chairman and Vice Chairman.
- e. In the absence, or at the direction, of the Chairman of the FCDC, the Vice Chairman of the FCDC will assume the responsibilities of the Chairman.
- f. Additional NMFTA personnel are available to assist the FCDC. When aiding the FCDC in fulfilling its role of establishing, maintaining and updating the NMFC, these individuals do so at the direction of either the Chairman or Vice Chairman.
- g. The NMFTA Executive Director, in consultation with the Chairman and Vice Chairman, may use the services of consultants or contractors on an independent contractor basis to provide expertise that is not otherwise available. Consultants or contractors shall, at all times, have the right to provide services for other parties.
- h. Outside consultants or contractors utilized by NMFTA to assist the Council may, within the area of expertise for which they were hired by NMFTA, provide the Council with advice, make recommendations, and submit proposals, but may not participate in deliberations or make decisions relating to the Council's consideration of a proposal which such

consultant or contractor submitted or that was submitted by another party with whom the consultant or contractor has done business during the term of their current relationship with NMFTA.

Section 2. Responsibilities

The FCDC is responsible for acting on matters affecting the provisions of the NMFC, including: proposals for amending the classification of commodities; commodity descriptions; classes; rules; packaging definitions, specifications and requirements; and any other classification-related provisions contained in the NMFC subject to the jurisdiction of the FCDC.

PART II — RULES OF PROCEDURE FOR AMENDING THE PROVISIONS OF THE NATIONAL MOTOR FREIGHT CLASSIFICATION

Rule 1. Proposal Forms

Forms for submitting proposals are available on the NMFTA website at http://www.nmfta.org/pages/classificationmaking.

Rule 2. Proposals

- a. Proposals for amending the NMFC may be filed by any person, firm, corporation or group having an interest in the classification-related contents of the NMFC, including the FCDC itself.
- b. Outside consultants or contractors utilized by NMFTA to assist the FCDC may not submit proposals on behalf of parties other than the FCDC or the Classification Resource Committee (CRC), and such consultant or contractor should advise the Council when they have assisted another party in developing a proposal that is submitted to the FCDC for consideration.
- c. Proposals for amending the NMFC must be submitted in writing to the FCDC at <u>fcdc@nmfta.org</u>.
- d. Proposals must be accompanied by supporting information relating to the transportation characteristics of the involved commodity or commodities, or relevant to packaging materials or methods in connection with proposed packaging amendments.
- e. The FCDC will assist anyone wishing to file a proposal in preparing such proposal.
- f. Each proposal will be docketed, and the FCDC will place proposals on the first available docket for public discussion.

Rule 3. Public Notice

- a. The FCDC will hold public meetings wherein proposals under consideration may be discussed.
- b. Notice of the proposals to be discussed at the public meeting will be provided on the NMFTA website, <u>www.nmfta.org</u>, at least thirty (30) days in advance of the meeting. The notice will include the date, time and location of the public meeting.

- c. Similar notice will be provided to members of the CRC, NMFC participants, and subscribers to the NMFC and NMFC data products, as well as to ClassIT® company administrators.
- d. Additionally, any individuals who submit proposals to amend the NMFC will be provided notice of the meeting at which their proposal will be open for discussion.

Rule 4. Attendance at Public Meetings and Submission of Written Statements

- a. Interested parties may appear in person at any public meeting and/or submit written statements for consideration by the FCDC no later than three (3) business days before the meeting.
- b. Written statements timely submitted will be posted for public review on the NMFTA website at http://www.nmfta.org/pages/publicdocketfiles and will be discussed by the FCDC at the public meeting.

Rule 5. Public Meetings and Conduct of Business

- a. Meetings open to the public are conducted by the FCDC on all docketed proposals. Such meetings will be held at least three (3) times per year.
- b. The FCDC may also hold special meetings to discuss docketed proposals, as deemed necessary and appropriate by the Chairman of the FCDC. Such special meetings will be open to the public and will be subject to the same notification and procedural requirements herein.
- c. At all public meetings the presence of a majority of FCDC members is necessary to transact business. Meetings are governed by Robert's Rules of Order.
- d. The FCDC will schedule a reasonable amount of time for an appearance before the FCDC.
- e. Notetaking and/or sound recordings are permitted at these public meetings provided that the meeting is not disrupted by such activities.

Rule 6. Disposition of Proposals

- a. In considering a docketed proposal, the FCDC will be guided by:
 - 1. the public docket file; and
 - 2. when evaluating commodities in connection with the assignment of classes, the FCDC must consider the four transportation characteristics of density, handling, stowability and liability, as set forth in its Policies Pertaining to the National Motor Freight Classification.
 - i. Density It has been well established that, absent any unusual or significant handling, stowability or liability characteristics, density is of prime importance in the assignment of classes. The FCDC has developed density guidelines that are used in the assignment of classes.

Commodities or commodity groups exhibiting a density distribution not accurately reflected by a single overall average density may be assigned density-based classes.

- ii. Handling In evaluating the classification of a particular commodity or commodity group, the FCDC must consider ease or difficulty of handling and the impact of such on the transportability of the involved commodities. Unusual or significant handling characteristics may be a contributing factor in the assignment of classes.
- iii. Stowability In evaluating the classification of a particular commodity or commodity group, the FCDC must examine stowability and its impact on the transportability of the involved commodities. Unusual or significant stowability considerations may be a contributing factor in the assignment of classes.
- iv. Liability The liability characteristic includes susceptibility to damage, propensity to damage other freight with which transported, perishability and hazardous nature. As with handling and stowability, unusual or significant liability characteristics may be a contributing factor in the assignment of classes.

The class(es) assigned to a particular commodity or commodity group may be adjusted from the density guidelines by one or more classes depending on the degree of handling, stowability and/or liability issues exhibited.

The FCDC cannot consider the potential economic impact of a classification change.

The FCDC's Policies are included in their entirety in the Appendix to these Procedures.

Except during the public meeting, the FCDC will not discuss the merits of any docketed proposal with NMFC stakeholders prior to the disposition of such proposal.

- b. In acting on a docketed proposal, the FCDC may:
 - 1. approve the proposal as docketed;
 - 2. disapprove the proposal as docketed;
 - 3. modify and approve the proposal; or
 - 4. defer disposition to its next meeting.
- c. The proponent(s) of a proposal may withdraw it at any time prior to the proposal's approval or disapproval by the FCDC.
- d. A majority vote of the FCDC members will govern the action taken on a proposal. The FCDC must act on each proposal, and must provide notice on the NMFTA website at http://www.nmfta.org/pages/publicdocketfiles, no later than three (3) business days after the public meeting.
- e. Notice of FCDC dispositions will be concurrently emailed to members of the CRC, NMFC participants, and subscribers to the NMFC and NMFC data products, as well as to ClassIT

company administrators. Notice will likewise be emailed to any individuals who submitted proposals to amend the NMFC.

Rule 7. Publication

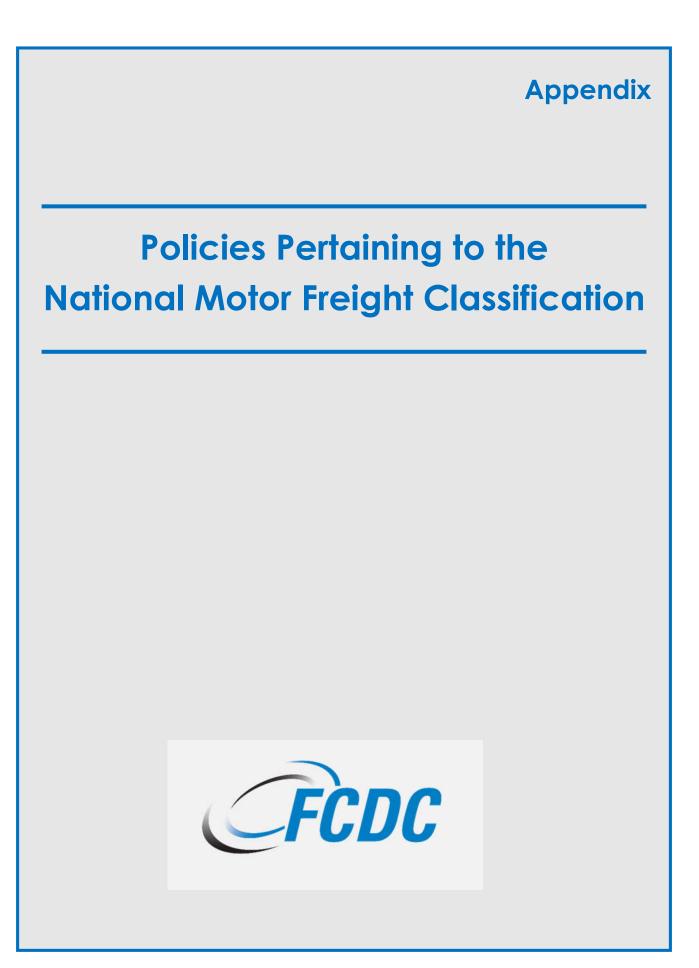
- a. Amendments to the NMFC resulting from actions taken by the FCDC under these Procedures will be published in a supplement to be issued not less than thirty (30) days after the FCDC's public meeting.
- b. Changes to the NMFC will become effective not less than seven (7) business days after the issue date of the supplement.

Rule 8. Changes Without Docketing

Changes in the NMFC made necessary by law, by order of a regulatory body, or for clarification, simplification or uniformity may be made without docketing or observance of the Procedures herein. Advanced notice of such changes will be provided in the docket.

Rule 9. Independent Action

The FCDC does not interfere with a carrier's free and unrestrained right of independent action.



FREIGHT CLASSIFICATION DEVELOPMENT COUNCIL POLICIES PERTAINING TO THE NATIONAL MOTOR FREIGHT CLASSIFICATION

Following are the policies of the Freight Classification Development Council (FCDC) for maintaining the commodity descriptions; classes; rules; packaging definitions, specifications and requirements; and other classification-related provisions contained in the National Motor Freight Classification[®] (NMFC[®]).

- A. Transportation Characteristics When evaluating commodities in connection with the assignment of classes, the FCDC must consider the four transportation characteristics of density, handling, stowability and liability.
 - 1. **Density** Absent any unusual or significant handling, stowability or liability characteristics, density is of prime importance in the assignment of classes. The FCDC has developed density guidelines for the assignment of classes. The present guidelines are attached hereto.

The density guidelines are used in the assignment of classes where the average density of a particular commodity or group of commodities is representative or reflective of the distribution of densities exhibited by that commodity or commodity group. Furthermore, the density/class relationships set forth in the guidelines presume that there are no unusual or significant handling, stowability or liability characteristics, which would call for giving those characteristics additional or different "weight" in determining the appropriate class.

Commodities or commodity groups exhibiting a density distribution not accurately reflected by a single overall average density may be assigned multiple densitybased classes. Where densities are broadly distributed, commodities or commodity groups may be assigned the following full-density scale:

Less than 1	
1 but less than 2	300
2 but less than 4	250
4 but less than 6	175
6 but less than 8	125
8 but less than 10	100
10 but less than 12	92.5
12 but less than 15	85
15 but less than 22.5	70
22.5 but less than 30	65
30 or greater	60

Density-based classifications should include a reference to Item (Rule) 170, the inadvertence clause, or instead to some other inadvertence provision.

2. Handling – The majority of shipments tendered to general commodities carriers are comprised of packaged freight that is readily handled by dock personnel, often with the aid of mechanical handling equipment. Some articles, however, due to their size, weight, configuration, hazardous nature, fragility, etc., pose additional handling difficulties, whether or not mechanical equipment is used, and may necessitate special care or attention.

In evaluating the classification of a particular commodity or commodity group, the FCDC must consider ease or difficulty of handling and the impact of such on the transportability of the involved commodities. Unusual or significant handling characteristics may be a contributing factor in the assignment of classes.

3. Stowability – As with handling, most freight tendered to general commodities carriers does not present substantial stowability problems. Some articles, however, present additional stowability considerations, including, but not limited to: 1) loading restrictions necessary to comply with government regulations or carrier policies, such as coloading prohibitions in connection with the transportation of hazardous materials; 2) loading restrictions arising from practical considerations, such as excessive weight or excessive length; 3) difficulty in loading other freight adjacent to the commodity due to protrusions or the lack of lateral support; 4) the inability to tier the commodity in carriers' equipment; and 5) the inability to load other freight on top of the commodity due to the absence of regular load-bearing surfaces.

In evaluating the classification of a particular commodity or commodity group, the FCDC must examine stowability and its impact on the transportability of the involved commodities. Unusual or significant stowability considerations may be a contributing factor in the assignment of classes.

4. Liability – The liability characteristic includes susceptibility to damage, propensity to damage other freight with which transported, perishability and hazardous nature.

As with handling and stowability, unusual or significant liability characteristics may be a contributing factor in the assignment of classes.

The class(es) assigned to a particular commodity or commodity group may be adjusted from the density guidelines by one or more classes depending on the degree of handling, stowability and/or liability issues exhibited.

The FCDC cannot consider the potential economic impact of a classification change.

B. Classification Updating – The provisions of the NMFC are to be kept up-to-date with respect to the commodities moving in commerce. Included in this policy is the: 1) establishment of classifications for new commodities; 2) amendment of existing classifications to reflect changes in transportation characteristics; 3) establishment of classifications for commodities classed by analogy, in keeping with the requirements of Item (Rule) 421 of the NMFC; and 4) establishment or amendment of classifications for commodities that are a source, or potential source, of interpretation disputes so as to eliminate or avoid those disputes.

- C. Clarification, Simplification and Uniformity Generally speaking, the policies grouped under this heading pertain to "housekeeping" matters necessary to improve the usability of the NMFC and to ensure compliance with regulations. The following activities are to be conducted to implement these policies: 1) adding commonly used terminology to descriptions to identify commodities (including trade names, properly noticed, where a commodity is essentially known by a trade name); 2) replacing outdated terminology in commodity descriptions with current terminology; 3) combining descriptions embracing related commodities, including the combining of subclassifications having the same class; 4) eliminating excess or unclear wording, and employing language that is concise and clear as to intent; 5) structuring commodity descriptions so as to foster clarification and simplification; 6) listing commodity descriptions alphabetically by noun or compound noun, as the case may be; 7) replacing broad, indistinct nouns (e.g., assemblies, devices, units) with more specific, definitive nouns wherever appropriate and practicable; 8) listing items under appropriate generic headings; 9) providing uniformity in provisions addressing the same or similar circumstances published in conjunction with different items; and 10) removing obsolete provisions.
- D. Packaging The FCDC is to establish and maintain packaging rules and specifications as necessary to ensure that freight is adequately protected and can be handled and stowed in a manner that is reasonably safe and practicable so as to withstand the normal rigors of the less-than-truckload environment.

The FCDC is to evaluate prospective packages or packaging methods against established performance criteria, as reflected by the packaging provisions published in the NMFC. Generally speaking, prospective packages or packaging methods are considered consistent with FCDC packaging policy when their performance is demonstrated to be as good as, or better than, currently authorized packages or packaging methods.

E. Rules – The rules published in the NMFC are to be: 1) consistent with current law; 2) consistent with classification precedent and current motor carrier practice; 3) clear as to intent; and 4) otherwise up-to-date.

FREIGHT CLASSIFICATION DEVELOPMENT COUNCIL DENSITY GUIDELINES	
Minimum Average Density (in pounds per cubic foot)	Class
50	50
35	55
30	60
22.5	65
15	70
13.5	77.5
12	85
10.5	92.5
9	100
8	110
7	125
6	150
5	175
4	200
3	250
2	300
1	400
Less than 1	500

The density guidelines are used in the assignment of classes where average density is representative or reflective of the distribution of densities. Furthermore, the density/class relationships set forth in the guidelines presume that there are no unusual or significant handling, stowability or liability characteristics.