

Fuel Surcharge - Industrial Funding Fee

Recent correspondence with several household goods Transportation Service Providers (TSPs) has disclosed uncertainty regarding whether TSPs are to remit an Industrial Funding Fee (IFF) on the fuel surcharge expenses charged to a customer's personal property shipment. To clarify GSA policy, TSPs are to remit an IFF on all charges except Storage-in-Transit (SIT) related charges. An IFF must be remitted by the TSP against the total transportation charges billable to the government which includes the fuel surcharge expense. The August 2004 release of the GSA Centralized Household Goods Traffic Management Program, Rate Filing Instructions, Section 2, Request For Offers, will more clearly define when a TSP must remit an IFF to GSA.

Freight customers are required to sign a Transportation Services Agreement (TSA) prior to using GSA negotiated freight rates. Per Section IV, Paragraph B. 2. of the TSA, customers are required to pay an IFF against the "total transportation charges paid to a TSP". The fuel surcharge as described in the Standard Tender of Service, Item 1300, Fuel Related General Rate Adjustment, is a part of the total transportation charges. To clarify GSA policy, freight customers are required to remit an IFF against the total freight transportation charges paid to the Transportation Service Provider which includes the fuel surcharge expense.

For Household Goods related questions, please contact Brian Kellhofer at (816) 823-3647 or Mary Anne Sykes at (703) 305-7061. For freight related questions, please contact Carey DeForest at (816) 823-3648 or Blaine Jacobs at (703) 305-7317.