

February 14, 2007

TO ALL TRANSPORTATION SERVICE PROVIDERS IN GSA'S CENTRALIZED  
HOUSEHOLD GOODS TRAFFIC MANAGEMENT PROGRAM

CHANGE IN THE FUEL SURCHARGE CALCULATION

Effective with shipments booked May 1, 2007, the calculation of the Fuel Surcharge on domestic and international household good shipments will be calculated based on the shipment's origin and destination, and if applicable, the distance for delivery in or delivery out of storage in transit (SIT), using the billable mileage as currently identified by ALK Technologies.

For international relocations, the fuel surcharge can only be calculated on the portion of the shipment which was handled under traffic in the conterminous United State to the port of debarkation and from the port of embarkation to a location in the conterminous United States.

For origins and/or destinations in Canada, Rand-McNally mileage will be used in lieu of ALK Technologies.

When the cost of diesel fuel exceeds \$1.399 as identified by the Department of Energy (DOE) on the first Monday of the month, with an effective date of the 15<sup>th</sup> of the same month, the Transportation Service Provider (TSP) may calculate a fuel surcharge based on the difference between the DOE price and the trigger price of \$1.40.

To determine the fuel surcharge, the TSP must divide the billable miles by 4.5 to determine the number of gallons of fuel used. The total will then be multiplied by the cost difference between the DOE price and \$1.399.

Example

DOE fuel \$2.629 miles 750

$750/4.5 = 166.66$                        $\$2.629 - \$1.399 = \$1.23$      $\$1.23 \times 166.66 = \$204.99$