# *TSA* Inland Fuel Surcharge Calculator

Nearly all of TSA lines' inland, asset-based transportation partners have implemented, announced or are expected to introduce fuel surcharges in 2005. These surcharges seek to recover sharply rising diesel fuel costs that are a major component of their business operations. Ocean carriers, as the lead logistics providers for many international shipments, must pay surcharges out-of-pocket and subsequently recover a portion from freight shippers.

In the interest of fairness and simplicity, TSA has developed a single inland fuel surcharge that uses the standard diesel fuel price index (U.S. Department of Energy National Highway Diesel Price Index), and the same baseline historic diesel fuel price ($1.239 per gallon) and increments of adjustment (4-cent rise in fuel price = 0.5% surcharge increase) adopted by most vendors. The formula is applied to average fuel costs per container developed internally among TSA member lines, with proportionate surcharge pass-through levels set for local and regional store-door trucking, and for long-haul intermodal minilandbridge, inland point (IPI) and reverse inland point (RIPI) moves.

The surcharge, effective August 15, 2005, is initially set at $137 per container for intermodal MLB, IPI and RIPI cargo, and $40 per container for local and regional store-door trucking. It will be adjusted quarterly based on 13-week diesel fuel price trends, according to the matrix below:

| Average DOE Diesel Fuel Price (US$/Gallon) | Inland Fuel Surcharge (WC Group4/EC Local SDD) | Inland Fuel Surcharge (Other Intermodal, incl. RIPI) |
|---|---|---|
| $0 – 1.239 | $0 | $0 |
| $1.24 – 1.279 | $3 | $11 |
| $1.28 – 1.319 | $5 | $16 |
| $1.32 – 1.359 | $6 | $21 |
| $1.36 – 1.399 | $8 | $26 |
| $1.40 – 1.439 | $9 | $32 |
| $1.44 – 1.479 | $11 | $37 |
| $1.48 – 1.519 | $12 | $42 |
| $1.52 – 1.559 | $14 | $47 |
| $1.56 – 1.599 | $15 | $53 |
| $1.60 – 1.639 | $17 | $58 |
| $1.64 – 1.679 | $18 | $63 |
| $1.68 – 1.719 | $20 | $69 |
| $1.72 – 1.759 | $21 | $74 |
| $1.76 – 1.799 | $23 | $79 |
| $1.80 – 1.839 | $24 | $84 |
| $1.84 – 1.879 | $26 | $90 |
| $1.88 – 1.919 | $27 | $95 |
| $1.92 – 1.959 | $29 | $100 |
| $1.96 – 1.999 | $31 | $106 |
| $2.00 – 2.039 | $32 | $111 |
| $2.04 – 2.079 | $34 | $116 |
| $2.08 – 2.119 | $35 | $121 |
| $2.12 – 2.159 | $37 | $127 |
| $2.16 – 2.199 | $38 | $132 |
| $2.20 – 2.239 | $40 | $137 |
| $2.24 – 2.279 | $41 | $142 |
| $2.28 – 2.319 | $43 | $148 |
| $2.32 – 2.359 | $44 | $153 |
| $2.36 – 2.399 | $46 | $158 |

| | | |
|---|---|---|
| $2.40 – 2.439 | $47 | $164 |
| $2.44 – 2.479 | $49 | $169 |
| $2.48 – 2.519 | $50 | $174 |
| $2.52 – 2.559 | $52 | $179 |
| $2.56 – 2.599 | $53 | $185 |
| $2.60 – 2.639 | $55 | $190 |
| $2.64 – 2.679 | $56 | $195 |
| $2.68 – 2.719 | $58 | $200 |

**To calculate in advance the likely Inland Fuel Surcharge for the coming quarter:**

**1.** Obtain the weekly DOE Weekly Retail On-Highway Diesel Price Index by accessing the Department's web site, www.doe.gov. Click "Energy Prices and Trends," then "Gasoline and Diesel Prices," then "On-Highway Diesel Prices," then "Weekly Retail Prices" and use the U.S. price figure. The current index may be accessed directly at http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp.

Historic information is also available on that page by clicking the menu item at right, "Prices for the last 53 weeks," or by typing at http://tonto.eia.doe.gov/oog/info/wohdp/diesel_detail_report.asp.

**2.** Average the U.S. prices for the 13-week period ending four weeks before the effective date of the next quarterly adjustment.

*Examples:* First Monday in September – last Monday in November for January 1.
First Monday in December – last Monday in February for April 1.
First Monday in March – last Monday in May for July 1.
First Monday in June – Last Monday in August for October 1.

Please note that calculations made earlier in the 13-week period will be less reliable.