

Military Surface Deployment and Distribution Command

Customer and Carrier Advisory

February 12, 2024

CA-24-02-12/0018

Subject: A Reminder to DoD Shippers to Remove Fuel Rate Adjustment (FRA) from Negotiated Route Order (NRO) Commercial Bills of Lading (CBLs)

Purpose: To provide guidance to DoD shippers to remove FRA from NRO CBLs in accordance with Policy No. TR-12 Fuel Related Rate Adjustment Policy.

Be Advised: Policy No. TR-12 Fuel Related Rate Adjustment Policy paragraph A. 4. states: SDDC will not pay FRA on Negotiated shipments. Bids submitted on or after 1 June 2013 must be submitted as an all-inclusive rate.

Transportation Service Providers (TSPs) have been directed to consider anticipated variation in fuel prices when submitting bids.

Note: The Figures and described process provided in this advisory apply to the Global Freight Management (GFM) override screen only. Cargo Movement Operations System (CMOS) and Distribution Standard System (DSS) Materiel Tracker processes may differ.

The Baseline Diesel Fuel Price is automatically populated with the default \$2.50. (Figure 1)

The National Average Diesel Fuel Price is also automatically populated with the price from the Fuel Rate Adjustment application. (Figure 1)

FRA applies when the National Average Diesel Fuel Price exceeds the Baseline Diesel Fuel Price. GFM automatically calculates the Fuel Adjustment Cost and adds it to the total cost once the shipper enters the Line Haul Cost. (Figure 1)

The screenshot displays a software interface with a light blue background. At the top, it shows 'Rated Commodity: U043UUU1' and 'Status:'. Below this, there are two input fields for fuel prices: '* Baseline Diesel Fuel Price (US\$): 2.50' and '* National Average Diesel Fuel Price (US\$): 3.867'. To the right, there is a field for '* Current Miles-t'. Below these are several cost fields: '* Line Haul Cost: 3506', 'Service Cost: 0.00', 'Misc. Cost: 0.00', and 'Permit Cost: 0.00'. At the bottom, there are two more fields: 'Fuel Adjustment Cost: 609.23' and 'Total Cost: 4115.23'. Red boxes highlight the fuel price fields and the fuel adjustment and total cost fields.

* Baseline Diesel Fuel Price (US\$):	2.50	* Current Miles-t
* National Average Diesel Fuel Price (US\$):	3.867	
* Line Haul Cost:	3506	
Service Cost:	0.00	
Misc. Cost:	0.00	
Permit Cost:	0.00	
Fuel Adjustment Cost:	609.23	
Total Cost:	4115.23	

Figure 1

To prevent the FRA from being added to the total cost, the shipper must adjust the numbers to reflect a \$0 value in the Fuel Adjustment Cost cell. The shipper must

change the National Average Diesel Fuel Price to \$2.50 (Figure 2) to get the \$0 value without errors.

The screenshot shows a software interface with a light blue background. At the top, there is a search bar with the text "Rated Commodity: | 06430001 | Search". Below this, there are two input fields for fuel prices, both containing the value "2.50". These fields are enclosed in a red rectangular box. To the right of these fields, there is a label "* Current Miles-F". Below the fuel price fields, there are several other input fields for costs: "Line Haul Cost: 3506", "Service Cost: 0.00", "Misc. Cost: 0.00", and "Permit Cost: 0.00". At the bottom right, there are two more input fields: "Fuel Adjustment Cost: 0" and "Total Cost: 3506". These two fields are also enclosed in a red rectangular box.

Figure 2

POC: SDDC Special Requirements Branch: (618) 220- 4513, DSN 770-4513;
usarmy.scott.sddc.mbx.negotiations-team@army.mil

Expiration: N/A

Category: General Information