

TSP/POC	COMMENT	SDDC RESPONSE
ARCBest, Eric Stoner	<p>For the most part, yes, their information lines up correctly. However, in their example, their calculation for the actual weight is incorrect. They're using 26 in their calculation when it should be 26.39. And that would give a rate of \$162.30 not \$159.90. Their deficit weight calculation is correct, and their explanation appears to be accurate. Below is an excerpt from their previous rules publication which shows the correct numbers for the same weight/miles/rate example: 1308 CWT X .47 (%) = 615 (614.76 rounded) X 26.39 (2,639 lbs./100) = \$162.30 1784 (16229.85/100 rounded).</p>	Changed in update
	<p>An FAK shipment weighing 2,639 pounds at a distance of 362 miles, would fall into weight bracket (2,000-4,999) and mileage bracket (351-374) resulting in a baseline rate of 1308 center per hundred pounds (cwt). The deficit rate calculation will use weight bracket (5000-9999) and mileage bracket (351-374) resulting in a deficit rate of 1142 cents per hundred pounds (cwt). The weight used for the deficit weight rating is 5000 pounds (the lowest weight from the next higher bracket range). The TSP rates are published in Section E, Table D, of the tender as a percentage of class. For this example we use 47 percent. This indicates that the TSP is offering to move this shipment at a rate which is 47 percent of the applicable baseline rate from the table. Using these shipment parameters, GFM automatically calculates the deficit weight charges as follows:</p>	
	Actual Weight Rate: 1308 cwt x .47(%) = 615 (614.76 rounded) cents per 100 lbs	Changed in update
	Actual Weight Rate: 615 x 26.39 (2,639 lbs/100) 16,230 cents, or \$162.30	Changed in update
	Deficit Weight Rate: 1142 cwt x .47 (%) = 537 (536.74 rounded) cents per 100 lbs.	Changed in update
	Deficit Weight Charge: 537 x 50 (5000 lbs/100) = 26,850 cents, or \$268.50	Changed in update
Landstar, Heather Pound	<p>The only rate qualifier(s) that should have deficit weight rates, if the TSP elects to offer deficit weight rating, is the Percent of Class (PQ rate qualifier) and potentially Per Hundredweight (PH rate qualifier). Deficit weight rating is specific to the LTL industry. It's our understanding this industry uses predominately or exclusively the PQ and PH rate qualifiers. The LTL industry elects to provide shippers deficit weight rating much like proportional or combination rates which are specified in Section B of the tender. The TL and Air industry also utilize the PH rate qualifier. TL also utilizes PZ, DH, DZ and potentially PQ and ST. Deficit weight rating is not something the TL and air industry utilize so deficit weight rating cannot apply across all industries. When rating for TL, rates are based on the minimum weight (rate qualifiers PH, PZ, DH, DZ, ST) or the actual weight if it exceeds the minimum weight. Depending on the rate qualifier exclusive use can also come into play. For rate qualifier PQ the shipment is based on the actual weight. When rating for air, rates utilizing the PH rate qualifier are based on the chargeable weight (meaning the greater of the actual or dimensional weight). Actual Weight Charge: 615 x 26.39 (2,639 lbs/100) = 15,990 cents, or \$159.90. 615 should be multiplied by 26.39 the factor of 2,639 lbs./100).</p>	GFM has been programed to apply deficit weight rating for specific rate qualifiers for many years. This update provides transparency on how GFM has been programed to apply this costing method. This change is not implementing anything new. In coordination with the GFM PMO, we have provided further details on which rate qualifiers are programed to apply deficit weight rating under the specific tender sections a carrier selects when building their tenders.