

PROPOSED DEFICIT WEIGHT RATING ADDITION

Excerpt taken from current MFTURP-1, Effective Date 23 March 22

Proposed language will be added to MFTURP-1 Section A, Part IV.C., *Tender Rate Sections D,E, G Through I, Paragraph 1*. For reference, the proposed paragraph e. will be located on page 37 of the current MFTURP-1 (effective date 23 March 22).

Paragraph 1e.

1 e. Deficit Weight Rating.

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3 Deficit weight rating is a method of realizing cost savings by adding weight to a shipment in
4 order to achieve the lower rate from the next higher weight (or unit of measure) bracket. The
5 deficit weight rated cost is compared to the actual weight rated cost and the lower of the two
6 is used to determine freight charges. The DoD will calculate freight charges by comparing
7 the actual weight (or unit of measure) rate calculation to the deficit weight (or unit of
8 measure) rate calculation and will apply the lower of the two. This freight charge calculation
9 method will be applied to shipments using tenders containing the following rate qualifiers:

10 DH, DZ, PH, PQ, PZ, ST

11 i. Deficit weight rating is calculated by replacing the rate within the actual weight (or unit of
12 measure) bracket and the actual weight (or unit of measure), with the rate from the next
13 higher bracket and the lowest weight (or unit of measure) within the range of that next
14 higher bracket. Using a freight charge calculation example applying the Baseline Class-
15 100 rate table (PQ rate qualifier), the deficit weight rate would be calculated as follows:
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17 1) An FAK shipment weighing 2,639 pounds at a distance of 362 miles, would fall into
18 weight bracket (2,000-4,999) and mileage bracket (351-374) resulting in a baseline
19 rate of 1308 cents per hundred pounds (cwt). The deficit rate calculation will use
20 weight bracket (5000-9999) and mileage bracket (351-374) resulting in a deficit rate of
21 1142 cents per hundred pounds (cwt). The weight used for the deficit weight rating is
22 5000 pounds (the lowest weight from the next higher weight bracket range). The TSP
23 rates are published in Section E, Table D, of the tender as a percentage of class. For
24 this example we use 47 percent. This indicates that the TSP is offering to move this
25 shipment at a rate which is 47 percent of the applicable baseline rate from the table.
26 Using these shipment parameters, GFM automatically calculates the deficit weight
27 charges as follows:

28 Actual Weight Rate: $1308 \text{ cwt} \times .47(\%) = 615$ (614.76 rounded) cents per 100 lbs.

29 Actual Weight Charge: 615×26 (2,639 lbs/100) = 15,990 cents, or \$159.90

30 Deficit Weight Rate: $1142 \text{ cwt} \times .47(\%) = 537$ (536.74 rounded) cents per 100 lbs.

31 Deficit Weight Charge: 537×50 (5000 lbs/100) = 26,850 cents, or \$268.50

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- 2) GFM will compare the deficit weight charge to the actual weight charge and will apply the lower of the two charges.