

## VA STOS- Part 2, Section B- General Rules

**SECTION B - GENERAL RULES/SPECIFIC PICKUP/DELIVERY CHARGES****Item 1300: Fuel Related General Rate Adjustment (FRGRA)**

The provisions of subsections A through E of this section govern a Fuel Related General Rate Adjustment (FRGRA) that a participating Transportation Service Provider (TSP) in this VA-TOS (including revisions or reissues) makes to its line-haul charge as a separate billing line item.

**A. General.** The FRGRA provides a TSP flexibility to obtain reasonable relief from sudden and unforeseen increases in diesel fuel prices. Additionally, the FRGRA requires a TSP to correspondingly discount its line-haul charge when there are sudden and unforeseen decreases in diesel fuel prices. Since fuel related rate adjustments for gradual changes in a TSP's fuel related costs over a longer period of time are beyond the purpose of this provision, a TSP should consider gradual fuel price changes when it submits or supplements its VA-TOS rates if such changes significantly affect the TSP's operating costs.

**B. Application.** The FRGRA is applicable to all VA negotiated/accepted rate offers as well as rate offers negotiated/accepted by a Federal agency that participates in the VA-TOS. The FRGRA may be waived or altered only by the VA Transportation and Logistics Center (VATLC).

**C. Setting Baseline.** Diesel fuel price ranges and corresponding applicable percent rate adjustment levels were collaboratively established between GSA and the motor TSP industry as of November 2000. The levels specified in this section reflect current standard industry practice and will be reviewed and revised on an as-needed basis. This FRGRA reflects the GSA STOS Item 1300 in the application of diesel fuel price ranges and percentage adjustment levels.

**D. Computation.**

**D1. Determination of Adjustment.** Each Monday, or first working day thereafter if the Monday falls on a Federal Holiday (hereinafter referred to as "Monday"), the Department of Energy, Energy Information Administration (EIA), posts the National U.S. Average diesel fuel price. If a FRGRA is justified under subsection D of this section based on each Monday's posting, the FRGRA applies to shipments picked up the ensuing Wednesday through the following Tuesday (Note: shipment pickup date is controlling for FRGRA purposes). A TSP is responsible for monitoring diesel fuel prices each Monday using one of the sources identified below to determine whether a FRGRA will apply for the one-week period beginning the upcoming Wednesday through Tuesday of the following week.

- EIA Website: <http://www.eia.doe.gov/>
- EIA Weekly Petroleum Status Report
- EIA Hotline: (202) 586-6966

**D2. Amount of Adjustment.** If on any given Monday the National U.S. Average diesel fuel price, as published in one of the sources identified in subsection D1, exceeds or falls below the neutral range specified in the table under subsection D2c, a TSP will compute its FRGRA under subsection D2a or D2b, as appropriate.

**D2a.** If the National U.S. Average diesel fuel price exceeds the neutral range, the TSP may increase its line-haul charge by the appropriate percentage specified in the table under subsection D2c; or

**D2b.** If the National U.S. Average diesel fuel price falls below the neutral range, the TSP must decrease its line-haul charge by the percentage specified in the table under subsection D2c.

VA STOS- Part 2, Section B- General Rules  
**SECTION B - GENERAL RULES/SPECIFIC PICKUP/DELIVERY CHARGES**

**D2c. Increase/Decrease Schedule.** The following table specifies the percentage FRGRA to be applied based on diesel fuel cost per gallon:

For each 5 cents per gallon below \$1.00, subtract 0.5%		For each 5 cents per gallon above \$1.10, add 0.5%	
For each 5 cents per gallon below \$0.60, subtract 0.5%		For each 5 cents per gallon above \$1.85, add 0.5%	
Percent Decrease	Cost Per Gallon	Cost Per Gallon	Percent Increase
0	NEUTRAL RANGE \$1.00 – \$1.100	NEUTRAL RANGE \$1.00 – \$1.100	0
-0.5	\$0.951 – \$1.00	\$1.101 – \$1.15	0.5
-1.0	\$0.901 – \$0.95	\$1.151 – \$1.20	1.0
-1.5	\$0.851 – \$0.90	\$1.201 – \$1.25	1.5
-2.0	\$0.801 – \$0.85	\$1.251 – \$1.30	2.0
-2.5	\$0.751 – \$0.80	\$1.301 - \$1.35	2.5
-3.0	\$0.701 – \$0.75	\$1.351 – \$1.40	3.0
-3.5	\$0.651 – \$0.70	\$1.401 - \$1.45	3.5
-4.0	\$0.601 – \$0.65	\$1.451 - \$1.50	4.0
		\$1.501 - \$1.55	4.5
		\$1.551 - \$1.60	5.0
		\$1.601 - \$1.65	5.5
		\$1.651 - \$1.70	6.0
		\$1.701 - \$1.75	6.5
		\$1.751 - \$1.80	7.0
		\$1.801 - \$1.85	7.5

78

**E. Billing Procedures.** A TSP must clearly show the amount of any diesel fuel rate adjustment, either an increase or a decrease (discount), as a separate line item on all affected freight bills, Transportation Service Orders (TSO's), or bills of lading.