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Report to the Chairman, Committee on Armed Services House of Representatives

September 1986

HOUSEHOLD GOODS

DOD's Foreign Currency Rate Adjustment Program

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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-224787

September 30, 1986

The Honorable Les Aspin
Chairman, Committee on Armed Services
House of Representatives

Dear Mr. Chairman:

Amendment 84 to the Department of Defense Authorization Act for Fiscal Year 1987 (H.R. 4428) requires the Secretary of the Army to reinstitute the foreign currency rate adjustment program of the Military Traffic Management Command effective with the April 1, 1987, household goods rate cycle. Reinstitution is contingent on the Comptroller General certifying to the Congress, no later than September 30, 1986, that cost savings to the government can reasonably be expected by the reinstitution of the program. Although the subject amendment is a part of a bill that is still pending before the Congress, we are—as agreed with your staff— providing at this time our observations on the issue of cost savings.

At the request of several members of the Congress, we are evaluating the Department of Defense's (DOD's) rationale for discontinuing the program in April 1985 and we are looking at the problems that the discontinuance may have caused the government and the household goods moving industry. We expect to report our findings and conclusions, as appropriate, early next year. We intend to give agency and industry officials an opportunity to comment on our findings before our report is finalized.

Our work, to date, has shown that costs to DOD have not increased significantly since the end of the program, except in the first 6-month cycle following termination of the program and for shipments to and from Japan. On the routes to and from Germany, which encompass more than half of all the tonnage in the program, costs have generally dropped since the end of the program. Japan tonnage represents only 7-1/2 percent of the foreign tonnage. There are many factors affecting forwarder rates. Most significantly are the underlying transportation contract rates which are products of fuel, labor, interest rates, and the ability of the forwarder to negotiate lower rates based on volume. Other factors include the level of exchange rate exposure, such as whether the forwarder actually needs to exchange dollars for services provided overseas, profit margins, and the costs of hedging, if any, against foreign currency fluctuations. Because of the many factors affecting forwarders' rates, we could not verify, at this time, the specific reasons for the increases or decreases in DOD's costs or conclude that the costs may have risen less or dropped further had the currency adjustment program been in effect.

After reviewing shipments to and from high volume countries in the international household goods program, we find no basis to certify that cost savings can reasonably be expected by reinstituting the program. Information on our methodology for reaching this conclusion is contained in the appendixes.

Sincerely yours,

Frank C Conahan

Frank C. Conahan
Assistant Comptroller General

Analysis of Possible Cost Savings by Reinstituting the Household Goods Foreign Currency Rate Adjustment Program

In a July 25, 1984 letter (published in the Federal Register, August 2, 1984), the Military Traffic Management Command (MTMC), manager of DOD's personal property shipping program, asked the household goods carrier industry to comment on a proposal to terminate its foreign currency rate adjustment program. The adjustment program had been in effect since 1971 and had allowed carriers, more commonly known as forwarders, to adjust their rates to compensate for changes in the value of the dollar against foreign currencies. The program was part of MTMC's International Through Government Bill of Lading (ITGBL) household goods and unaccompanied baggage shipment program.

MTMC said a review of the ITGBL program had raised questions about the benefits and the need for an adjustment program. It said the program did not foster competition, was administratively burdensome, placed small business at a disadvantage, was not reflective of actual costs, placed all risks associated with increasing foreign exchange rates directly on the government, and had the potential for fraud, waste, and abuse. On October 19, 1984, MTMC announced it was terminating the program, effective April 1, 1985. Thus, after 17 rate solicitation cycles under the ITGBL program, the adjustment program ended. A rate cycle is generally a 6-month period beginning April 1 and October 1 of each year. On October 1, 1986, MTMC will be beginning the fourth rate cycle without the program.

The ITGBL Competitive Rate Program

The Competitive Rate Program is a solicitation technique used to obtain forwarders' rates to move DOD member and employee household goods and unaccompanied baggage worldwide. The technique is intended to provide forwarders an economic incentive to submit competitive rates at the earliest date requested. The program replaced what MTMC has referred to as a noncompetitive rate equalization system that gave no advantage to the forwarders offering the lowest initial rates. Instead, all forwarders were allowed to meet the initially filed low rates and to share equally in the traffic on the route in question.

Under the Competitive Rate Program, MTMC issues a request for rates for international movement of household goods and unaccompanied baggage every 6 months. Forwarders are requested to submit single factor rates covering all packing, crating, transportation, uncrating, and unpacking for all routes they wish to serve and all types of services they wish to offer. Forwarders offering the lowest initial rates for each route and type of service are awarded a specific amount—a previously agreed to percentage for the next 6 months—of traffic on those routes. Forwarders submitting higher rates are offered a second chance to meet the low forwarders' rates and to share in the remaining traffic.

It was first used in August 1973 for shipments of unaccompanied baggage moving from the Pacific area to the continental United States (CONUS) and was expanded in January 1975 to household goods moving between CONUS and Okinawa. It is now used for baggage and household goods shipments on all of the major routes between CONUS and the overseas areas.

In the two most recently completed shipping cycles, DOD paid nearly $400 million to the forwarders to move household goods between the United States and foreign countries.

Of the household goods shipments moving between the United States and the 18 foreign countries in the program, more than half of all the tonnage during the last 5 years was forecasted to move between the United States and Germany. The next most significant foreign country in the program is the United Kingdom, with about 9 percent of the tonnage. (See table I.1 for a tonnage break down among all the countries in the program.)

Table I.1: Breakdown of Total Household Goods Tonnage by Country

Numbers in percent

Country	Tonnage
Germany	56
United Kingdom	9
Japan (including Okinawa)	7
Italy	6
Philippines	5
Korea	4
Panama	3
Spain	3
Turkey	2
Greece (including Crete)	1
Belgium	1
Netherlands	1
Iceland	Less than 1%
Portugal (including Azores)	Less than 1%
Australia	Less than 1%
Bermuda	Less than 1%
Canada	Less than 1%
Norway	Less than 1%

The Foreign Currency Rate Adjustment Program

Even before the Competitive Rate Program was instituted, MTMC allowed forwarders to adjust their single factor rates after they had been accepted and put into effect. MTMC allowed rate changes for significant increases in the cost of the ocean transportation forwarders had to purchase and for fluctuations in the value of the U.S. dollar against foreign currencies.

Currency adjustments were first authorized in 1971 when the United States suspended convertibility of the dollar to gold and its value in terms of other currencies started to float. In 1978, the dollar fell sharply against other currencies and the forwarders cancelled many rates they found no longer economical.

According to MTMC officials, the adjustment program was a means by which forwarders could avoid unforeseen cost increases due to the loss of the dollar's buying power in foreign countries. Thus, under MTMC guidelines, forwarders could raise their rates to compensate for the loss of the dollar's value. MTMC, on the other hand, theoretically could avoid the unforeseen loss of the lower cost forwarders' services.

When they were in effect, currency adjustments applied to most international shipments. MTMC reviewed each foreign currency weekly and, provided there was at least a 2-1/2 percent change (positive or negative) in the value of the dollar against the foreign currency, computed the appropriate adjustment to the forwarders' average costs overseas. Average costs were determined using cost data submitted by the forwarders at the start of each rate cycle. Typically these costs included the expense of purchasing a box or boxes to stow the household goods, packing or uncrating the goods, drayage or line-haul transportation to or from the appropriate water or aerial port, port costs, and other administrative expenses incurred overseas.

MTMC computed the adjustments by (1) overseas rate area, (2) direction of movement, and (3) method of movement and recomputed them each week. One forwarder moving a shipment on the same route, in the same direction, and for the same service as any other forwarder, would receive or be required to pay the same adjustment as the other forwarder, regardless of the difference in the single factor rates charged. There was no requirement that any forwarder had to certify it incurred expenses in a foreign currency before it could benefit from the adjustment.

Analysis Methodology

To evaluate the impact of the discontinuance of the adjustment program on government costs, we examined

- the level of rates offered to DOD both before and after terminating the rate adjustment program and
- the average or effective rates paid by DOD during and after the program.

Level of Rates Offered DOD and the Effective Rates DOD Has Paid Since Termination of the Program

We believe the crucial test as to whether reinstituting the rate adjustment program might result in savings to the government is whether the cost to DOD increased since discontinuing the program. In general, the costs DOD paid immediately after cancellation of the program rose significantly. Since then, the costs have returned to levels similar to or less than those paid when the program was in effect. An exception are the costs paid for shipments to and from Japan where costs have steadily risen but are still below those paid during several rate cycles before the program was cancelled.

DOD semiannually asks the forwarder industry for household goods rates from 52 rate areas in CONUS to 32 foreign rate areas. This comes to 1,664 routes to foreign areas and 1,664 from the same areas. Based on the traffic patterns of Rate Cycle 48 (April 1984 to September 1984), which included the most complete historical files available at DOD, we selected 15 of the higher volume routes in each direction for analysis.

We then determined the lowest 20 rates offered, where available, on each route for the last four rate cycles that the adjustment program was in effect and for the four cycles since then. We also determined the effective rate, or average rate paid, where available, on each route using cost and tonnage data furnished by DOD. Since only two full cycles without the adjustment program had been completed by late August 1986, tonnage and cost data on the third cycle was incomplete and the effective rates, where shown, do not represent the entire cycle's shipments.

On the 12 routes involving shipments to and from Germany, the low rates offered for the four rate cycles since termination of the program have generally been lower than rates offered earlier, except for the last rate cycle preceding termination of the program when the rates were the lowest of any cycle. The effective rates all increased in the first cycle after termination of the program, but nearly all fell back to or below the rate levels paid earlier, except in the last cycle under the program. Appendix II shows the rates between the District of Columbia, Georgia, and northern Texas and northern and southern Germany, the six highest volume routes in the entire program, as examples on which our analysis was based.

The low and effective rates for shipments to and from Japan have increased, but are still below the levels of several rate cycles before termination of the program. Rates for shipments to and from Korea and the United Kingdom show a mixed pattern; i.e., some have gone up and others have gone down.

We cannot tell from these rates why they increased or decreased or whether they would have been different had the foreign currency rate adjustment program been in effect. The number of rates offered has decreased and the number cancelled has increased in recent cycles; however, we cannot attribute this to discontinuance of the program.

Factors besides the fluctuations in foreign exchange rates have an impact on forwarder rates and whether forwarders offer or cancel their rates. Most significantly, as related to costs, are the underlying transportation contract rates which are products of fuel, labor, interest rates, and the ability of the forwarder to negotiate lower rates based on volume. Other factors include the level of exchange rate exposure, such as whether the forwarder actually needs to exchange dollars for services provided overseas, profit margins, and the costs of hedging, if any, against foreign currency fluctuations. Therefore, because of the many factors affecting forwarders' rates, we could not verify the specific reasons for the increases or decreases in the forwarder's rates and the resulting costs to DOD nor conclude that the forwarder rates or DOD costs may have risen less or dropped further had the currency adjustment program been in effect.

Analysis of Forwarders' Rate Changes During and After Currency Adjustment Program

The following tables show rates for Code 4 household goods shipments between Germany and the District of Columbia, Georgia, and North Texas for the four rate cycles before and after termination of the foreign currency rate adjustment program. Rates are shown in dollars and cents per hundredweight. The lowest 20 rates in each rate cycle are listed in ascending order.

"Low 5," "Low 10," and "Low 20" are the averages of the lowest 5, 10, and 20 rates, respectively. The "Paid" rate is the effective, or average, rate paid during that rate cycle. The average rate paid is generally higher than the lowest 20 rates primarily because the forwarders with the lowest 20 rates were not always available to accept the shipments when needed.

Table II.1: From: District of Columbia (US 24) **To: Germany-South** (GE01)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	46 Summer	47 Winter	48 Summer	49 Winter	50 Summer	51 Winter	52 Summer	53 Winter
1	**64.34**	**59.15**	**53.70**	**44.19**	**48.96**	**47.89**	**50.64**	**48.55**
2	64.34	59.15	53.70	44.19	48.96	47.89	50.64	
3	64.34	59.15	53.70	44.19	50.48	47.89	50.64	
4	64.34	59.15	53.70	44.19	53.12	47.89	50.64	
5	64.34	59.15	53.70	44.19	54.57	47.89	50.64	
6	64.34	59.15	53.70	44.19	54.60	47.89	50.64	
7	64.34	59.15	53.70	44.19	54.67	47.89	50.64	
8	64.34	59.15	53.70	44.19	54.83	47.89	50.64	
9	64.34	59.15	53.70	44.19	54.96	47.89	50.64	
10	64.34	59.15	53.70	44.19	55.05	47.89	50.64	
11	64.34	59.15	53.70	44.19	55.09	47.89	50.64	
12	64.34	59.15	53.70	44.19	55.17	47.89	50.64	
13	64.34	59.15	53.70	44.19	55.52	48.16	50.64	
14	64.34	59.15	53.70	44.19	55.64	50.89	50.64	
15	64.34	59.15	53.70	44.19	55.64	51.45	50.64	
16	64.34	59.15	53.70	44.19	55.79	52.89	50.64	
17	64.34	59.15	53.70	44.19	55.89	52.89	50.64	
18	64.34	59.15	53.70	44.19	55.96	53.89	50.64	
19	64.34	59.15	53.70	44.19	56.05	54.89	50.64	
20	64.34	59.15	53.70	44.19	56.10	55.28	52.52	
Low 5	64.34	59.15	53.70	44.19	51.22	47.89	50.64	
Low 10	64.34	59.15	53.70	44.19	53.02	47.89	50.64	
Low 20	64.34	59.15	53.70	44.19	54.35	49.75	50.73	
Paid		**60.29**	**56.73**	**47.10**	**60.30**	**50.07**		

Table II.2: From: Germany-South (GE01) **To: District of Columbia** (US 24)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**69.91**	**59.86**	**55.57**	**51.08**	**49.37**	**50.26**	**55.29**	**56.72**
2	69.91	59.86	55.57	51.08	49.37	50.26	55.29	
3	69.91	59.86	55.57	51.08	53.92	50.26	55.29	
4	69.91	59.86	55.57	51.08	55.49	50.26	55.81	
5	69.91	59.86	55.57	51.08	55.99	50.26	57.90	
6	69.91	59.86	55.57	51.08	56.37	50.26	57.97	
7	69.91	59.86	55.57	51.08	56.39	54.23	58.85	
8	69.91	59.86	55.57	51.08	57.08	54.23	59.11	
9	69.91	59.86	55.57	51.08	58.08	54.70	59.24	
10	69.91	59.86	55.57	51.08	58.37	55.26	59.26	
11	69.91	59.86	55.57	51.08	58.66	55.26	59.38	
12	69.91	59.86	55.57	51.08	58.99	55.46	59.61	
13	69.91	59.86	55.57	51.08	59.00	55.89	59.65	
14	69.91	59.86	55.57	51.08	59.05	56.23	60.01	
15	69.91	59.86	55.57	51.08	59.37	57.00	60.05	
16	69.91	59.86	55.57	51.08	59.37	57.70	60.20	
17	69.91	59.86	55.57	51.08	59.37	58.24	60.29	
18	69.91	59.86	55.57	51.08	59.61	58.29	60.53	
19	69.91	59.86	55.57	51.08	59.66	58.50	60.83	
20	69.91	59.86	55.57	51.08	59.85	58.76	60.84	
Low 5	69.91	59.86	55.57	51.08	52.83	50.26	55.92	
Low 10	69.91	59.86	55.57	51.08	55.04	52.00	57.40	
Low 20	69.91	59.86	55.57	51.08	57.17	54.57	58.77	
Paid		**64.13**	**57.63**	**62.41**	**79.92**	**57.73**	**55.49**	

Table II.3: From: District of Columbia (US 24) **To: Germany-North** (GE37)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**63.56**	**57.30**	**51.68**	**43.79**	**48.47**	**47.40**	**50.15**	**47.63**
2	63.56	57.30	51.68	43.79	48.47	47.40	50.15	
3	63.56	57.30	51.68	43.79	50.48	47.40	50.15	
4	63.56	57.30	51.68	43.79	53.77	47.40	50.15	
5	63.56	57.30	51.68	43.79	54.23	47.40	50.15	
6	63.56	57.30	51.68	43.79	54.24	47.40	50.15	
7	63.56	57.30	51.68	43.79	54.24	47.40	50.15	
8	63.56	57.30	51.68	43.79	54.37	47.40	50.15	
9	63.56	57.30	51.68	43.79	54.40	47.40	50.15	
10	63.56	57.30	51.68	43.79	54.47	47.40	50.15	
11	63.56	57.30	51.68	43.79	54.68	47.40	50.15	
12	63.56	57.30	51.68	43.79	54.84	47.40	50.15	
13	63.56	57.30	51.68	43.79	54.87	48.04	50.15	
14	63.56	57.30	51.68	43.79	54.89	50.40	50.15	
15	63.56	57.30	51.68	43.79	55.11	51.69	52.11	
16	63.56	57.30	51.68	43.79	55.21	52.40	52.54	
17	63.56	57.30	51.68	43.79	55.40	52.40	54.00	
18	63.56	57.30	51.68	43.79	55.41	53.40	54.54	
19	63.56	57.30	51.68	43.79	55.47	54.40	54.96	
20	63.56	57.30	51.68	43.79	55.76	55.21	55.15	
Low 5	63.56	57.30	51.68	43.79	51.08	47.40	50.15	
Low 10	63.56	57.30	51.68	43.79	52.71	47.40	50.15	
Low 20	63.56	57.30	51.68	43.79	53.94	49.34	51.27	
Paid		**59.20**	**53.61**	**46.32**	**60.18**	**50.74**		

Table II.4: From: Germany-North (GE37) **To: District of Columbia** (US 24)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**69.61**	**59.28**	**54.59**	**50.13**	**48.43**	**49.59**	**54.86**	**55.81**
2	69.61	59.28	54.59	50.13	48.43	49.59	54.86	
3	69.61	59.28	54.59	50.13	54.18	49.59	55.20	
4	69.61	59.28	54.59	50.13	54.71	49.59	57.86	
5	69.61	59.28	54.59	50.13	55.43	49.59	57.97	
6	69.61	59.28	54.59	50.13	55.48	49.59	58.32	
7	69.61	59.28	54.59	50.13	56.26	49.59	58.85	
8	69.61	59.28	54.59	50.13	57.60	51.59	58.86	
9	69.61	59.28	54.59	50.13	57.61	52.21	58.88	
10	69.61	59.28	54.59	50.13	57.65	52.21	59.02	
11	69.61	59.28	54.59	50.13	58.43	54.59	59.11	
12	69.61	59.28	54.59	50.13	58.43	54.80	59.11	
13	69.61	59.28	54.59	50.13	58.43	55.24	59.20	
14	69.61	59.28	54.59	50.13	58.46	55.53	59.38	
15	69.61	59.28	54.59	50.13	58.65	55.59	59.40	
16	69.61	59.28	54.59	50.13	58.66	55.95	59.49	
17	69.61	59.28	54.59	50.13	59.38	56.00	60.05	
18	69.61	59.28	54.59	50.13	59.61	57.09	60.10	
19	69.61	59.28	54.59	50.13	59.61	57.90	60.13	
20	69.61	59.28	54.59	50.13	59.65	58.06	60.25	
Low 5	69.61	59.28	54.59	50.13	52.24	49.59	56.15	
Low 10	69.61	59.28	54.59	50.13	54.58	50.31	57.47	
Low 20	69.61	59.28	54.59	50.13	56.75	53.19	58.55	
Paid		**65.91**	**59.70**	**62.25**	**68.34**	**56.83**	**55.90**	

Table II.5: From: Georgia (US 45) **To: Germany-South** (GE01)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**70.70**	**63.60**	**57.98**	**52.65**	**54.59**	**53.52**	**53.50**	**51.53**
2	70.70	63.60	57.98	52.65	54.59	53.52	53.50	
3	70.70	63.60	57.98	52.65	54.62	53.52	53.50	
4	70.70	63.60	57.98	52.65	58.49	53.52	53.50	
5	70.70	63.60	57.98	52.65	58.84	53.52	53.50	
6	70.70	63.60	57.98	52.65	60.10	53.52	53.50	
7	70.70	63.60	57.98	52.65	60.77	53.52	53.50	
8	70.70	63.60	57.98	52.65	60.79	53.52	53.50	
9	70.70	63.60	57.98	52.65	60.92	53.52	53.50	
10	70.70	63.60	57.98	52.65	60.95	53.52	53.50	
11	70.70	63.60	57.98	52.65	61.17	53.52	53.50	
12	70.70	63.60	57.98	52.65	61.26	53.52	53.50	
13	70.70	63.60	57.98	52.65	61.28	53.52	53.50	
14	70.70	63.60	57.98	52.65	61.28	53.52	53.50	
15	70.70	63.60	57.98	52.65	61.39	53.52	53.50	
16	70.70	63.60	57.98	52.65	61.39	53.52	53.50	
17	70.70	63.60	57.98	52.65	61.40	53.52	53.50	
18	70.70	63.60	57.98	52.65	61.40	53.52	53.50	
19	70.70	63.60	57.98	52.65	61.42	55.00	53.50	
20	70.70	63.60	57.98	52.65	61.47	56.52	55.90	
Low 5	70.70	63.60	57.98	52.65	56.23	53.52	53.50	
Low 10	70.70	63.60	57.98	52.65	58.47	53.52	53.50	
Low 20	70.70	63.60	57.98	52.65	59.91	53.74	53.62	
Paid		**64.79**	**58.24**	**52.77**	**57.70**	**53.45**	**53.50**	

Table II.6: From: Germany-South (GE01) **To: Georgia** (US 45)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**71.95**	**65.50**	**58.96**	**53.92**	**52.17**	**54.10**	**56.95**	**56.05**
2	71.95	65.50	58.96	53.92	54.56	54.10	56.95	
3	71.95	65.50	58.96	53.92	55.68	54.10	56.95	
4	71.95	65.50	58.96	53.92	56.00	54.10	56.95	
5	71.95	65.50	58.96	53.92	56.72	54.10	56.95	
6	71.95	65.50	58.96	53.92	56.80	54.10	56.95	
7	71.95	65.50	58.96	53.92	57.64	54.10	58.58	
8	71.95	65.50	58.96	53.92	57.97	54.10	59.69	
9	71.95	65.50	58.96	53.92	59.17	54.10	59.99	
10	71.95	65.50	58.96	53.92	60.02	56.00	60.03	
11	71.95	65.50	58.96	53.92	61.04	57.10	60.11	
12	71.95	65.50	58.96	53.92	61.17	57.30	60.15	
13	71.95	65.50	58.96	53.92	61.17	58.90	60.25	
14	71.95	65.50	58.96	53.92	61.20	59.12	60.30	
15	71.95	65.50	58.96	53.92	61.29	59.49	61.23	
16	71.95	65.50	58.96	53.92	61.44	59.95	61.47	
17	71.95	65.50	58.96	53.92	61.50	60.67	61.60	
18	71.95	65.50	58.96	53.92	61.89	61.00	61.95	
19	71.95	65.50	58.96	53.92	62.10	61.11	61.99	
20	71.95	65.50	58.96	53.92	62.17	61.54	62.22	
Low 5	71.95	65.50	58.96	53.92	55.03	54.10	56.95	
Low 10	71.95	65.50	58.96	53.92	56.67	54.29	58.00	
Low 20	71.95	65.50	58.96	53.92	59.09	56.95	59.56	
Paid		**66.60**	**59.16**	**54.61**	**58.72**	**56.29**	**57.89**	

Table II.7: From: Georgia (Us 45) **To: Germany-North** (GE37)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	46 Summer	47 Winter	48 Summer	49 Winter	50 Summer	51 Winter	52 Summer	53 Winter
1	**69.66**	**61.60**	**59.95**	**52.65**	**54.13**	**52.96**	**52.95**	**51.07**
2	69.66	61.60	59.95	52.65	54.13	52.96	52.95	
3	69.66	61.60	59.95	52.65	54.13	52.96	52.95	
4	69.66	61.60	59.95	52.65	54.13	52.96	52.95	
5	69.66	61.60	59.95	52.65	58.66	52.96	52.95	
6	69.66	61.60	59.95	52.65	59.10	52.96	52.95	
7	69.66	61.60	59.95	52.65	59.74	52.96	52.95	
8	69.66	61.60	59.95	52.65	60.61	52.96	52.95	
9	69.66	61.60	59.95	52.65	60.81	52.96	52.95	
10	69.66	61.60	59.95	52.65	60.82	52.96	52.95	
11	69.66	61.60	59.95	52.65	60.84	52.96	52.95	
12	69.66	61.60	59.95	52.65	60.86	52.96	52.95	
13	69.66	61.60	59.95	52.65	60.96	52.96	52.95	
14	69.66	61.60	59.95	52.65	60.97	52.96	52.95	
15	69.66	61.60	59.95	52.65	60.97	52.96	52.95	
16	69.66	61.60	59.95	52.65	61.13	52.96	52.95	
17	69.66	61.60	59.95	52.65	61.21	52.96	56.02	
18	69.66	61.60	59.95	52.65	61.39	52.96	56.16	
19	69.66	61.60	59.95	52.65	61.39	52.96	56.66	
20	69.66	61.60	59.95	52.65	61.40	55.96	56.72	
Low 5	69.66	61.60	59.95	52.65	55.04	52.96	52.95	
Low 10	69.66	61.60	59.95	52.65	57.63	52.96	52.95	
Low 20	69.66	61.60	59.95	52.65	59.37	53.11	53.64	
Paid		**62.73**	**60.01**	**52.81**	**56.12**	**53.14**	**52.99**	

Table II.8: From: Germany-North (GE37) **To: Georgia** (US 45)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**71.51**	**63.06**	**57.13**	**53.45**	**52.43**	**54.68**	**56.52**	**55.50**
2	71.51	63.06	57.13	53.45	52.43	54.68	56.52	
3	71.51	63.06	57.13	53.45	54.10	54.68	56.52	
4	71.51	63.06	57.13	53.45	55.65	54.68	56.52	
5	71.51	63.06	57.13	53.45	56.47	54.68	58.99	
6	71.51	63.06	57.13	53.45	56.88	54.68	59.40	
7	71.51	63.06	57.13	53.45	57.65	54.68	59.42	
8	71.51	63.06	57.13	53.45	58.90	54.68	59.52	
9	71.51	63.06	57.13	53.45	59.16	54.68	59.70	
10	71.51	63.06	57.13	53.45	59.43	54.68	59.85	
11	71.51	63.06	57.13	53.45	60.48	54.68	60.25	
12	71.51	63.06	57.13	53.45	60.60	54.68	60.45	
13	71.51	63.06	57.13	53.45	60.77	54.68	60.93	
14	71.51	63.06	57.13	53.45	60.95	56.68	61.00	
15	71.51	63.06	57.13	53.45	60.97	57.68	61.08	
16	71.51	63.06	57.13	53.45	61.44	57.86	61.13	
17	71.51	63.06	57.13	53.45	62.00	59.12	61.20	
18	71.51	63.06	57.13	53.45	62.28	59.28	61.24	
19	71.51	63.06	57.13	53.45	62.43	59.48	61.27	
20	71.51	63.06	57.13	53.45	62.43	60.00	61.40	
Low 5	71.51	63.06	57.13	53.45	54.22	54.68	57.01	
Low 10	71.51	63.06	57.13	53.45	56.31	54.68	58.30	
Low 20	71.51	63.06	57.13	53.45	58.87	56.05	59.65	
Paid		**64.96**	**58.86**	**56.43**	**56.64**	**55.14**	**57.16**	

Table II.9: From: Texas-North (US 66) **To: Germany-South** (GE01)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**68.69**	**63.09**	**56.77**	**52.10**	**54.32**	**53.65**	**53.55**	**51.35**
2	68.69	63.09	56.77	52.10	54.32	53.65	53.55	
3	68.69	63.09	56.77	52.10	54.32	53.65	53.55	
4	68.69	63.09	56.77	52.10	55.71	53.65	53.55	
5	68.69	63.09	56.77	52.10	57.49	53.65	53.55	
6	68.69	63.09	56.77	52.10	57.64	53.65	53.55	
7	68.69	63.09	56.77	52.10	57.79	53.65	53.55	
8	68.69	63.09	56.77	52.10	57.90	53.65	53.55	
9	68.69	63.09	56.77	52.10	57.91	57.70	53.55	
10	68.69	63.09	56.77	52.10	57.92	58.32	53.55	
11	68.69	63.09	56.77	52.10	57.93	58.65	53.55	
12	68.69	63.09	56.77	52.10	57.95	59.00	53.63	
13	68.69	63.09	56.77	52.10	57.96	59.56	55.00	
14	68.69	63.09	56.77	52.10	57.97	59.65	56.28	
15	68.69	63.09	56.77	52.10	58.11	60.65	56.83	
16	68.69	63.09	56.77	52.10	58.28	60.81	57.30	
17	68.69	63.09	56.77	52.10	58.33	61.35	58.00	
18	68.69	63.09	56.77	52.10	58.35	61.52	58.20	
19	68.69	63.09	56.77	52.10	58.51	61.58	59.07	
20	68.69	63.09	56.77	52.10	58.67	61.93	59.25	
Low 5	68.69	63.09	56.77	52.10	55.23	53.65	53.55	
Low 10	68.69	63.09	56.77	52.10	56.53	54.52	53.55	
Low 20	68.69	63.09	56.77	52.10	57.37	57.50	55.13	
Paid		**64.00**	**56.99**	**52.69**	**57.59**	**57.35**	**53.73**	

Table II.10: From: Germany-South (GE01) **To: Texas-North** (US 66)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**72.55**	**66.91**	**59.76**	**55.30**	**55.15**	**54.59**	**58.37**	**59.31**
2	72.55	66.91	59.76	55.30	55.15	54.59	61.45	
3	72.55	66.91	59.76	55.30	55.15	54.59	61.56	
4	72.55	66.91	59.76	55.30	57.15	54.59	62.11	
5	72.55	66.91	59.76	55.30	57.80	54.59	62.29	
6	72.55	66.91	59.76	55.30	58.38	54.59	62.57	
7	72.55	66.91	59.76	55.30	59.08	56.34	62.99	
8	72.55	66.91	59.76	55.30	59.79	56.34	63.15	
9	72.55	66.91	59.76	55.30	61.26	57.80	63.30	
10	72.55	66.91	59.76	55.30	61.30	59.59	63.62	
11	72.55	66.91	59.76	55.30	61.70	59.59	63.75	
12	72.55	66.91	59.76	55.30	61.84	59.90	63.84	
13	72.55	66.91	59.76	55.30	62.15	59.99	63.90	
14	72.55	66.91	59.76	55.30	62.35	60.00	64.01	
15	72.55	66.91	59.76	55.30	62.64	60.40	64.04	
16	72.55	66.91	59.76	55.30	62.99	60.90	64.20	
17	72.55	66.91	59.76	55.30	63.15	61.54	64.37	
18	72.55	66.91	59.76	55.30	63.15	62.04	64.72	
19	72.55	66.91	59.76	55.30	63.15	62.52	64.98	
20	72.55	66.91	59.76	55.30	63.76	63.00	65.00	
Low 5	72.55	66.91	59.76	55.30	56.08	54.59	61.16	
Low 10	72.55	66.91	59.76	55.30	58.02	55.76	62.14	
Low 20	72.55	66.91	59.76	55.30	60.35	58.37	63.21	
Paid		**68.36**	**60.06**	**54.89**	**59.26**	**55.85**	**60.52**	

Table II.11: From: Us 66 Texas-North (US 66) **To: Germany-North** (GE37)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	46 Summer	47 Winter	48 Summer	49 Winter	50 Summer	51 Winter	52 Summer	53 Winter
1	**67.65**	**62.28**	**55.75**	**52.10**	**53.57**	**53.53**	**52.81**	**51.65**
2	67.65	62.28	55.75	52.10	53.57	53.53	52.81	
3	67.65	62.28	55.75	52.10	57.13	53.53	52.81	
4	67.65	62.28	55.75	52.10	57.25	53.53	52.81	
5	67.65	62.28	55.75	52.10	57.27	53.53	52.81	
6	67.65	62.28	55.75	52.10	57.28	53.53	52.81	
7	67.65	62.28	55.75	52.10	57.38	53.53	52.81	
8	67.65	62.28	55.75	52.10	57.43	53.53	52.81	
9	67.65	62.28	55.75	52.10	57.55	58.53	52.81	
10	67.65	62.28	55.75	52.10	57.56	58.56	52.81	
11	67.65	62.28	55.75	52.10	57.58	58.57	55.81	
12	67.65	62.28	55.75	52.10	57.76	59.00	56.28	
13	67.65	62.28	55.75	52.10	58.01	59.53	56.83	
14	67.65	62.28	55.75	52.10	58.04	60.34	57.00	
15	67.65	62.28	55.75	52.10	58.15	60.53	57.00	
16	67.65	62.28	55.75	52.10	58.28	60.81	58.31	
17	67.65	62.28	55.75	52.10	58.47	61.52	58.33	
18	67.65	62.28	55.75	52.10	58.60	61.72	59.25	
19	67.65	62.28	55.75	52.10	58.78	62.02	59.40	
20	67.65	62.28	55.75	52.10	58.83	62.30	59.84	
Low 5	67.65	62.28	55.75	52.10	55.76	53.53	52.81	
Low 10	67.65	62.28	55.75	52.10	56.60	54.53	52.81	
Low 20	67.65	62.28	55.75	52.10	57.42	57.58	55.31	
Paid		**62.88**	**56.22**	**52.55**	**56.86**	**56.83**	**53.00**	

Table II.12: From: Germany-North (GE37) **To: Texas-North** (US 66)

	Rate cycle (Volume)							
	Adjustment program in effect				Adjustment program cancelled			
Rank	**46 Summer**	**47 Winter**	**48 Summer**	**49 Winter**	**50 Summer**	**51 Winter**	**52 Summer**	**53 Winter**
1	**72.27**	**66.33**	**56.87**	**55.43**	**54.83**	**54.32**	**57.92**	**58.91**
2	72.27	66.33	56.87	55.43	54.83	54.32	61.50	
3	72.27	66.33	56.87	55.43	56.82	54.32	61.68	
4	72.27	66.33	56.87	55.43	56.96	54.32	62.20	
5	72.27	66.33	56.87	55.43	57.60	54.32	62.22	
6	72.27	66.33	56.87	55.43	58.59	54.32	62.49	
7	72.27	66.33	56.87	55.43	59.45	54.32	62.77	
8	72.27	66.33	56.87	55.43	59.51	54.32	62.94	
9	72.27	66.33	56.87	55.43	61.20	54.32	63.30	
10	72.27	66.33	56.87	55.43	61.30	57.80	63.43	
11	72.27	66.33	56.87	55.43	61.52	58.32	63.49	
12	72.27	66.33	56.87	55.43	61.83	59.00	63.50	
13	72.27	66.33	56.87	55.43	61.94	59.32	63.55	
14	72.27	66.33	56.87	55.43	62.04	59.32	64.06	
15	72.27	66.33	56.87	55.43	62.35	59.90	64.15	
16	72.27	66.33	56.87	55.43	62.41	60.26	64.40	
17	72.27	66.33	56.87	55.43	62.88	60.80	64.60	
18	72.27	66.33	56.87	55.43	63.11	61.76	64.62	
19	72.27	66.33	56.87	55.43	63.16	61.82	64.84	
20	72.27	66.33	56.87	55.43	63.76	62.00	64.94	
Low 5	72.27	66.33	56.87	55.43	56.21	54.32	61.10	
Low 10	72.27	66.33	56.87	55.43	58.11	54.67	62.05	
Low 20	72.27	66.33	56.87	55.43	60.30	57.46	63.13	
Paid		**66.69**	**57.02**	**55.45**	**57.50**	**55.07**	**59.52**	

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