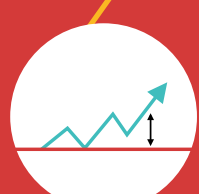


Should FUEL SURCHARGES Cost Me This Much?

What is a Fuel Surcharge?

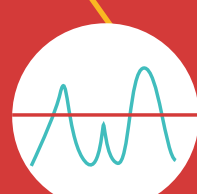
The fuel surcharge amount depends on 3 FACTORS:



Threshold



Mileage



Fluctuation

THRESHOLD FUEL PRICE: If fuel costs more than the base price, the surcharge will be applied.

BASE FUEL MILEAGE: Usually 5-7 miles per gallon. The average 18-wheeler gets about 6.00 mpg.

FUEL PRICE FLUCTUATION: The U.S. Department of Energy publishes weekly reports on the fluctuating national and regional costs of fuel.

THE MOST COMMON FORMULA

Fuel surcharges are added to the total freight bill on a per-mile or percentage basis.

$$\frac{\text{(Current fuel price - threshold price)}}{\text{mpg}} = \text{fuel surcharge rate}$$

$$\text{Fuel surcharge} = \text{fuel rate} * \text{number of miles}$$

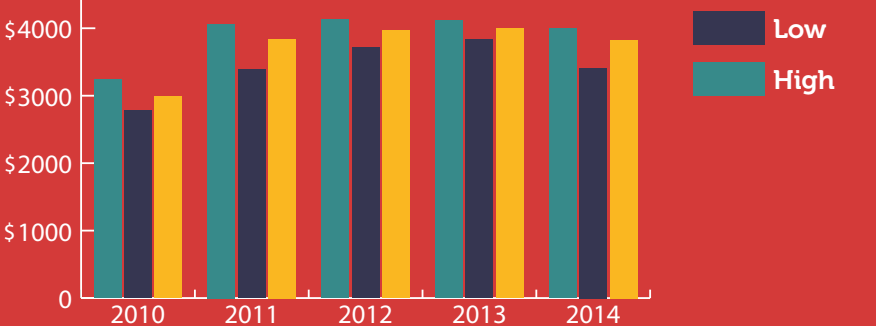
Why is there a FUEL SURCHARGE?

FUEL IS THE MOST EXPENSIVE part of long-distance freight transportation.

Trucking companies **CHARGE AN EXTRA FEE** to cover the fluctuating cost of diesel. This extra fee is the fuel surcharge.

Whether the price of diesel is high or low, fuel surcharges help eliminate some of the **FINANCIAL BURDEN PLACED ON CARRIERS.**

5 YEAR DIESEL PRICES



Fuel costs account for **39% OF TOTAL OPERATING COSTS**



A commercial truck can consume more than **\$70,000 OF DIESEL FUEL PER YEAR**



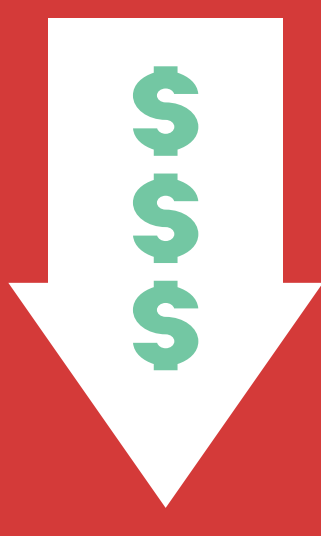
A commercial truck uses more than **20,500 GALLONS OF FUEL IN ONE YEAR**

How Can a 3PL LOWER FUEL SURCHARGES?



3PLS HAVE MUCH BETTER RELATIONSHIPS WITH CARRIERS than most shippers. When a 3PL brokers a deal, especially a long-term deal, a carrier will often lower the fuel surcharge or even forego it all together in exchange for quality, reliable shipments to haul.

Diesel prices are decreasing, fuel surcharges are not. This is because carriers need extra capital to invest in their business. **CARRIERS ARE MUCH MORE LIKELY TO LOWER FUEL SURCHARGES FOR A 3PL** who has a good working relationship with them than a shipper who is just looking for cheap transportation.



With the help of an advanced TMS, 3PLs can optimize routing to **SAVE ON FUEL COSTS.** For example, switching a shipment from over the road to a much more efficient mode like rail or barge.

3PLs typically have **THOUSANDS OF CARRIERS** in their network. This gives them the buying power to leverage lower fuel surcharge costs and lower shipping prices in general.



If you want to get expert assistance in dealing with fuel surcharge rates, contact **PLS LOGISTICS SERVICES.**

If you want to learn more about fuel surcharges, check out these blogs: [Why Fuel Surcharges Don't Match Cheap Gas Prices](#) and [What Are Fuel Surcharges Costing You?](#)

[Contact us!](#)