

INTERNATIONAL PERSONAL PROPERTY RATE SOLICITATION I-14

CHAPTER XVII - TONNAGE ESTIMATES & TRAFFIC DISTRIBUTION

Item 1700

General

This chapter provides information regarding traffic distribution and tonnage estimates for HHG and UB.

Item 1701

Tonnage Estimates

a. Tonnage data represents traffic estimates based on historical records. Each rate area shown gives an estimate of tonnage to and from the rate area. Estimates shown are in hundredweight. These estimates include all codes of service.

b. Tonnage is shown only where HQMTMC historical data records movement of traffic. However, tonnage may be generated between all areas during this period. Carriers are encouraged to file rates for all channels they desire to serve.

Item 1702

Traffic Percentages

The designated percentage for each traffic channel is shown on the attached sheets. No entry in this column indicates a 100 percent channel or traffic moving under OTO procedures. Tonnage may not be shown for all Class 2 channels to/from CONUS. Areas for which there is no tonnage shown will be 50 percent channels. Hawaii is a Class 3 channel.

Item 1703

Traffic Distribution

a. Class 1. The carrier establishing the lowest rate for each Class 1 traffic channel will be offered and is responsible for accepting 100 percent of the traffic. If the primary carrier cancels its rates or is placed in punitive status (i.e., suspension, disqualification, or nonuse), all traffic will be offered to the carrier at the next rate level. That carrier should be willing and is expected to handle all traffic.

b. Class 2. The carriers establishing the low rate are offered a prescribed percentage of tonnage from the origin rate area in each individual traffic channel and is responsible for accepting actual tonnage at the primary percentage indicated. Each traffic channel consists of all tonnage moving between PPSOs located within the applicable rate areas. Each PPSO is responsible for distributing tonnage in accordance with percentages provided to ensure that total traffic between rate areas is properly awarded. Example: Traffic for US14 is handled by three PPSOs: JPPSO-MASS, MA NAU Scotia, NY, and NETC Newport, RI. Each of the three installations must award traffic originating from its installation to any specific rate area so the prime carrier receives its designated share from that rate area to the destination rate area.

(1) The primary carrier will be offered and is responsible for accepting actual tonnage equal to the primary percentage indicated. For example, if the primary percentage of the traffic channel is 20 percent, the primary carrier will be awarded 20 percent of the tonnage. The other 80 percent of the tonnage will be considered residual and will be shared equally between the primary and equalization carriers. Tonnage refused by the primary and equalization carrier(s) will then be offered to participating carriers.

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(2) If two carriers establish an identical low rate, each carrier will be offered the prescribed tonnage for that traffic channel. Example: If two carriers establish the low rate on a 50 percent channel, each carrier will be offered 50 percent.

(3) Once the low rate for each Class 2 traffic channel is determined, all participating carriers will be afforded the opportunity to meet or equalize the low rate. Carriers meeting the low rate, or equalization carriers, will in no case, be offered a larger share of the volume on a particular traffic channel than that offered to the carrier(s) establishing the low rate, unless the low rate carrier(s) is (are) suspended or cancels its (their) rates.

Example: If two carriers establish the low rate on a 30 percent channel, each carrier will be offered 30 percent of the traffic. The remaining 40 percent will be offered equally to the equalization and primary carriers. Any remaining traffic refused by the equalization and primary carriers will then be offered to participating carriers.

(4) If no carriers equalize the low rate, then the low rate carrier will be given the option of accepting additional traffic greater than the primary share established for the traffic channel, provided it can be handled in a responsive, efficient, and satisfactory manner. If the low rate carrier refuses the additional traffic, it will be offered to the carriers at higher rate levels.

c. Class 3. All carriers equalizing the low rate will share equally in traffic distribution.

Item 1704

Traffic Acceptance

Prime carriers are required to accept the designated percentage of traffic. Equalization carriers are required to accept an amount equal to the prime's percentage or a designated amount depending on the number of equalization carriers, whichever is less. Participating carriers (other than prime or equalization) which file Class 2 rates agree to accept tonnage, when offered, as indicated below:

50 percent channel - 12 percent
30 percent channel - 7 percent

20 percent channel - 5 percent
10 percent channel - 2 percent

Carriers may be offered and may accept traffic beyond the designated amounts. However, no penalties will be placed on carriers which refuse to accept amounts above the stated percentages.

Item 1705

Traffic Awards

Traffic offerings and allocation will be accomplished by the PPSOs. HQMTMC and the military services will maintain surveillance to ensure the traffic allocation principles applicable to incentive rate filings are followed.

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Item 1706

Random Number Table

The random number table is reduced as the TDR will be established using scores in TQAP. Only when two carriers have the same rate and score equally will this be used.

Random Number Table - IW03

20	1	25	36	11
24	38	28	42	2
15	18	32	19	8
44	34	46	43	31
17	47	5	50	30
35	40	45	6	39
27	23	3	4	48
22	12	14	9	41
13	33	21	26	49
10	7	29	37	16

ORIGINAL APPENDIX 17A-1

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TONNAGE ESTIMATES

APPENDIX A