

400-N Tariff Rate Adjustments

Table 1: Represents the increases since the Surface Transportation Board required AMSA dissolve the Household Goods Carriers Bureau.

Effective Date	End Date	Remark	Percent Adjustment	Multiplier	Cumulative Adjustment Example
1/1/2008		HHGCB Dissolved ¹			\$ 100.00
1/1/2008	12/31/2008	Increase 3.4%, as per Item 40 ²	3.4%	1.034	\$ 103.40
1/31/2008		Rand-McNally Mileage Guide #19 ³			
1/1/2009	12/31/2009	Increase 3.2%, as per Item 40	3.2%	1.032	\$ 106.71
1/1/2010	12/31/2010	Increase 0.8%, as per Item 40	0.8%	1.008	\$ 107.56
1/1/2011	12/31/2011	Increase 2.2%, as per Item 40	2.2%	1.022	\$ 109.93
1/1/2012	12/31/2012	Increase 2.0%, as per Item 40	2.0%	1.02	\$ 112.13
1/1/2013	12/31/2013	Increase 1.6%, as per Item 40	1.6%	1.016	\$ 113.92
1/1/2014	12/31/2014	Increase 0.6%, as per Item 40	0.6%	1.006	\$ 114.60
1/1/2015	12/31/2015	Increase 2.8%, as per Item 40	2.8%	1.028	\$ 117.81
1/1/2016	12/31/2016	Increase 1.4%, as per Item 40	1.4%	1.014	\$ 119.46
1/1/2017	12/31/2017	Increase 1.6%, as per Item 40	1.6%	1.016	\$ 121.37

Notes:

¹ In May 2007, the Surface Transportation Board (“STB”) made a decision to disallow collective rate-making by the American Movers and Storage Association (“AMSA”) and required that AMSA dissolve the rate-making entity, the Household Goods Carrier’s Bureau (“HHGCB”). Household Goods movers were subsequently required to create their own tariffs in lieu of collectively utilizing the 400N tariff. On December 31, 2007, AMSA ended collective rate making and sunset the HHGCB.

² Although STB’s decision froze AMSA’s involvement in the tariff, Item 40 of the 400 series tariff references a methodology to calculate continued General Price Increases for the rates contained within (See Item 40 document). Consequently, an annual increase is calculated and used by many contracts in the industry today.

³ Rand-McNally makes modifications to the Highway Mileage Guide, which is referenced in the tariff. As new roads are built, updates are periodically made to incorporate these into the guide. Rand-McNally Highway Mileage Guide #19 was presented as a modification to replace RM #18 in January 2008, and was intended to be inserted prior to AMSA’s release of the 400N tariff but the changes were not made prior to the dissolution of the HGCB.

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Table 2: Represents the increases in the 400-N Tariff prior to STB's decision and while AMSA had control over the tariff software.

Effective Date	End Date	Remark	Percent Adjustment	Multiplier	Cumulative Adjustment Example
1/1/2002	12/31/2002	400N Tariff established, software-based ¹			\$100.00
1/15/2002		IRR established at 2% ²		Indeterminate	
5/15/2002		IRR increased to 4% ²		Indeterminate	
1/1/2003	12/31/2003	Increase 3.3%, as per Item 40	3.3%	1.033	\$103.30
1/1/2004	12/31/2004	Increase 2.2%, as per Item 40	2.2%	1.022	\$105.57
1/1/2005	12/31/2005	Increase 1.3%, as per Item 40	1.3%	1.013	\$106.95
1/1/2005		20% linehaul increase on shipments 24,000+ pounds ³		Indeterminate	
1/1/2006	5/14/2006	Increase 2%, as per Item 40	2.0%	1.02	\$109.08
5/15/2006	12/31/2006	Increase 3.5%, as per Item 40	3.5%	1.035	\$112.90
		FSC trigger price (minimum) increased to \$1.40 ⁴		AMSA advised that this coupled with the 3.5% increase was cost-neutral.	
1/1/2007	5/14/2007	Increase 3.9%, as per Item 40	3.9%	1.039	\$117.31
5/15/2007	12/31/2007	Increase 2.6%, as per Item 40	2.6%	1.026	\$120.35
		Also, FSC trigger price (minimum) increased to \$1.95 ⁴		AMSA advised that this coupled with the 2.6% increase was cost-neutral.	

Notes:

¹The 400 series tariffs have been in place for decades, and the 400N tariff naturally succeeded the 400M which was in effect from January 1, 1998 to December 31, 2001. However, instead of a hard-copy tariff, AMSA chose to establish a software-based tariff with no hard-copy support for the rate structure. AMSA took an average of each carrier's exceptions tariffs (104G) and folded the costs into the new 400N tariff.

²The Insurance Related Revenue ("IRR") is set up in the tariff as a percentage of a shipment's linehaul charge and represents AMSA's answer to the sudden increase in catastrophic insurance caused by the implications of 9/11. It was established and increased as a relief to the explosive costs borne by the movers. For those clients that were made aware of the added costs, negotiations often ensued to either apply, waive or share the cost of the IRR

³AMSA made many changes to the tariff over the years. The one listed above had a greater cost impact than most, AMSA generated a 20% increase to the rate per hundred pounds for any shipment 24,000 pounds and higher. Although information on changes like this one were readily available on AMSA's website and associated tariff updates, many customers were unaware of the changes made by AMSA. Since AMSA's ability to collectively change rates has now been permanently halted, changes to the 400N tariff can no longer be made.

⁴Fuel Surcharge ("FSC") is typically a percentage of a shipment's linehaul charge and was modified in the 400N on January 1, 2002 to reflect monthly fluctuations in fuel prices. In 2004 and 2005, several hurricanes (and in particular Hurricane Katrina) made landfall in the Gulf of Mexico, which caused fuel prices to soar. That, in turn, caused the Fuel Surcharge to increase to over 30%, and this became a significant line item on moving invoices. Twice, AMSA decided to fold in a portion of the FSC into the linehaul by raising the trigger fuel price (the price which causes the FSC to begin to apply), while at the same time raising the linehaul charge. Per AMSA's studies of thousands of moves, the change was to be cost-neutral.

General Notes:

It is important to note two significant issues regarding using the 400N tariff:

- Last date – Dec 2007: Many things have changed since 2007, and as each year passes, the tariff does not accurately reflect today's relocation environment and is based on antiquated technology.
- Rounding issues: AMSA's group of movers are no longer allowed to collectively negotiate pricing or create common tariffs (now considered collusion). As each mover established their own 400N tariff lookalike in 2007, any price increases were made individually. Furthermore, the instruction on rounding by AMSA in the tariff was not clear, and AMSA did not set a consistent precedence while the tariff was active. As a result, the rates are becoming more and more disparate amongst the mover's 400N tariff lookalikes each January 1 when Item 40 generates a new adjustment layer each year.

There are many alternates to the 400N tariff. One solution Parsifal created is Relocation Procurement Software that provides a dynamic pricing and bidding environment coupled with a simpler pricing application. For further information, please visit our website, www.parsifalcorp.com.