



7/18/17

RE: Notice of updates to Best Overnite Rules Tariff 100

To our valued customers:

Best Overnite Rules Tariff 100 items **105** (Fuel Surcharge), **655** (Notification Prior to Delivery), **395** (CARB Compliance Fee) will be changed/updated effective October 1, 2017. Please update your records accordingly. Contact your sales person or customer service for answers to any questions regarding these rules tariff updates, a summary of the changes are below:

Fuel Surcharge, item 105: All LTL and TL percentages in the fuel table will be increased by 4% and a floor of 18% will be implemented. A review of 9 Western Regional and National competitors' fuel tables showed an average deficit of 4.23% between Best Overnite and competitor fuel surcharges. The passing of SB-1, set to be effective November 1, 2017 will increase the state excise tax per gallon of diesel fuel from 20 cents to 36 cents and sales tax on diesel from 5.75% to 9.75%.

Notification Prior to Delivery item 655: The default charge will be set at \$35 for this service. The definition/item language will be updated to include bill of lading notations such as "call before", "call ahead", "call consignee 24 hours prior" as being within scope for item 655 to apply.

CARB Compliance Fee item 395: Item name will be changed to California Compliance. The item surcharge will be set at \$6.51. A review of 9 Western Regional and National competitors' surcharges for California Compliance showed an average deficit of \$0.68 between Best Overnite CARB Compliance fee and competitor surcharges. The costs of doing business in CA continue to increase and are not limited to costs associated with air quality regulatory compliance. On-going driver shortages, Workers Comp, labor law compliance continue to add costs to operating in the state of California.

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