

400-N Tariff Item 40 General Price Adjustment

A periodic General Price Adjustment (GPA) will apply on all rates and charges named in this tariff as provided herein.

1. Effective January 1st of each calendar year, the rates and charges in this tariff shall be subject to a General Price Adjustment as determined by the selected U.S. Department of Labor indices for a preceding 12-month annual basing period (e.g. from July to July).
2. Applicable U.S. Department of Labor indices are as reported on the Bureau of Labor Statistics www.bls.gov* web site (tariff users may also refer to the www.promover.org web site for current U.S. Department of Labor indices information), as follows:
 - A) CPI Index information is based on the Consumer Price Index, for All Urban Consumers (CPI-U), Not seasonally adjusted, U.S. City Average, for All Items (less Food and Energy), Series ID cuur0000SA0L1E.
 - B) CEU Index information is based on the average hourly earnings of production workers in the National Employment Index for Hours and Earnings, not seasonally adjusted, for Transportation and Warehousing, specialized freight trucking, under NAICS Code 4842, Series ID ceu4348420008.
3. The General Price Adjustment will be based on the increase in the CEU times .41 (representing the labor portion of carriers' expenses) plus the increase in the CPI times .59 (representing the reciprocal of .41), as specified in Paragraph 2, from July to July of each subsequent calendar year. For example, the basing period will be July 2004 to July 2005 for the January 1st, 2006 adjustment.
4. To determine the General Price Adjustment to apply, first determine the unadjusted indexes (July to July basing period) for each index (CPI and CEU) applicable at the beginning and at end of the specified basing period. Second, to determine the percentage increase in the CEU, subtract the beginning CEU from the ending CEU and divide that answer by the beginning CEU. Multiply that answer times .41. Third, to determine the percentage increase in the CPI, subtract the beginning CPI from the ending CPI and divide that answer by the beginning CPI. Multiply that answer times .59. Finally, add the two weighted subtotals together to determine the GPA percentage increase/decrease to apply. The GPA calculation will be rounded to nearest tenth of percent according to normal rounding procedures.

For example:

	<u>July 2016*</u>	to	<u>July 2017*</u>	<u>% Change</u>	times	<u>Factor</u>	=	<u>GPA</u>
CPI Index =	242.436		247.768	+2.200		.59		+1.3
CEU Index =	20.22		20.38	+0.8		.41		+0.3
								GPA Total = +1.6

The General Price Adjustment (GPA) will apply for all shipments loading beginning on the following January 1st through December 31st.

5. Notwithstanding any other provisions of the tariff, the General Price Adjustment WILL NOT APPLY to the provisions of Item 3, Released and Declared Shipment Value.

HHGCB 400-N Tariff Page References:

- 3rd Revised Page 43 – Effective April 1st, 2006
- 2nd Revised Page 44 – Effective January 1st, 2004
- *Parsifal used **the most recent BLS data** to show the January 1st, 2017 change.

Alternatively, to access the data, click or copy this website - <http://data.bls.gov/cgi-bin/srgate> - and from this link, enter the series ID's. :

- CPI-U = cuur0000SA0L1E
- CEU = ceu4348420008