

Kiersten Long

From: Debra Schnabel <debra.schnabel@gmail.com>
Sent: Thursday, January 11, 2024 4:50 PM
To: Dg_clerk
Subject: Fwd: Lynden Transport ANC to Haines FSC

CAUTION: This email originated from outside of the Haines Borough. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Please attach this correspondence (two letters) to the posted minutes of the November 16 Commerce Committee Meeting.

Debra

(907) 766-2827
(907) 314-0788

The practice of peace and reconciliation is one of the most vital and artistic of human actions. - Thich Nhat Hanh

----- Forwarded message -----

From: Debra Schnabel <djschnabel@haines.ak.us>
Date: Thu, Jan 11, 2024 at 4:28 PM
Subject: Fwd: Lynden Transport ANC to Haines FSC
To: Debra Schnabel <debra.schnabel@gmail.com>

Sent from my iPad

Begin forwarded message:

From: Steve Hartmann <steveh@lynden.com>
Date: November 13, 2023 at 1:38:13 PM AKST
Subject: Lynden Transport ANC to Haines FSC

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Debra,

The applicable Fuel Surcharge for Lynden Transport is determined by lane and/or geographic location and within the lane/geographic location they are uniform. For Alaska intrastate highway lanes they are all uniform and it is listed under our Lane 6 row in our Fuel Surcharge Table

which can be found on the Lynden Transport Website under the tab “Resources” then under Fuel Surcharges. You are correct in your understanding that a Fuel Surcharge is to recoup expense tied to the additional expense of fuel. The shipment you referred to was an LTL shipment which involves a pick up, handling, delivery services and the return of the unit to origin. It also took up 260 cubic feet of space which is a measurable portion of a trailer. Other factors that involve the creation of a Fuel Surcharge Table are the lane balances and the volumes of freight moving within a lane (full loads or partial loads), etc.

The Lane 6 Fuel Surcharge applies on all shipments moving over the highways within Alaska, Haines is not being singled out. Below is a copy of Lynden Transport’s current Fuel Surcharge Lanes.

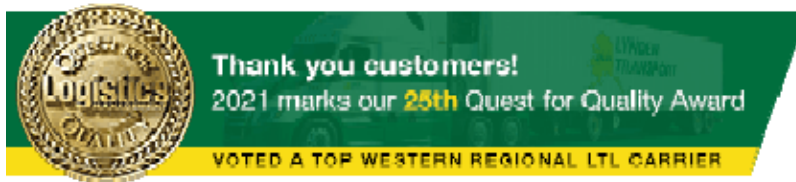
Please feel free to reach out to me with any other questions you may have.

Sincerely,

Steve Hartmann

Steven M. Hartmann | V.P., Sales & Marketing | **Lynden Transport, Inc.** | 206-575-9547
W

253-677-4920 C | steveh@lynden.com





Lane 1	Ship	Steamship based service and Household and Alaska points (excluding Southeast A
Lane 2	Central Alaska Barge (Fuel Roll-in)	Barge based service between lower 48 ar Southeast Alaska; Barge based service be Cordova, AK
Lane 2A	Central Alaska Barge (Non Fuel Roll-in)	Barge based service between lower 48 ar Southeast Alaska; Barge based service be Cordova, AK - Contract Customers are su
Lane 3	Southeast Alaska Barge and Marine Highway	Barge based service between lower 48 ar Marine Highway service
Lane 4	Air (Involving Interstate Shipments)	Same as Lane 1
Lane 4A	Air (Involving AK Intra-state Shipments)	
Lane 5	Interstate Highways	Service between continental US Points of Lane 6 and Alaska Points; Service between Canadian Points; Service between Canad
Lane 6	West Coast Interstate Highway; Alaska Intra-state Highway	Service between the states of Alaska, Wa Idaho and Nevada; QuickTrans Service; H within the state of Alaska

On Nov 7, 2023, at 2:34 PM, Dave Curtis <DAVEC@lynden.com> wrote:

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Haines Borough Commerce Committee

Debra Schnabel, Chair

Debra,

This is in response to your November 2, email to Michael Ganey. My name is Dave Curtis. I am a Vice President at Alaska Marine Lines, with primary responsibility for pricing. I have been with AML for over 32 years having started out in Southeast Alaska where I lived for 20 years, first in Sitka, then time in both Ketchikan and Juneau. Thank you for this opportunity to answer your inquiry into fuel surcharges applied to freight rates.

AML's fuel surcharge is based on our cost of fuel and fuel related items. It is a pricing mechanism intended to recover fuel-related costs. Fuel, ultra-low-sulfur diesel in our present case, is a primary component in the cost to provide the service. Every significant mode of freight transportation utilizes fuel surcharges to adjust freight charges to the fluctuating costs of fuel, this includes ships barges, trains and trucks and other modes.

The volatility of the price of fuel in recent years has made it necessary to be able to adjust freight rates with the price of fuel. It importantly provides a mechanism to adjust the rates back downward when the price of fuel declines as evidenced by the 4.5% reduction that became effective for Haines earlier this month.

AML purchases over four million gallons of diesel a year to fuel our tugboats for the Southeast Alaska service. In addition we purchase fuel for trucks, forklifts, and other equipment that enables us to provide this freight service. The price paid for parts and supplies necessary for our service often include either direct fuel surcharges or imbedded fuel costs. The price we pay for fuel changes daily, sometimes multiple times in a single day, in a highly competitive market of fuel suppliers. This year the difference between the lowest price and the highest we've paid has been over 60%. We never know what the next day's fuel price will be.

The largest carriers to Alaska are the ship-lines, Matson and Tote, which service the majority of the freight through Anchorage. Their present fuel surcharges are 23.5% and 25.0% respectively. The Alaska Railroad's fuel surcharge for freight is presently 31.0%. Old

Dominion Freight Lines, one of the nation's leading LTL carriers, list a current fuel surcharge of 35.32%. All of this information is current according to each company's website. Full load trucking in the lower forty-eight is generally at over 40%. AML's fuel surcharge for Haines is presently at 15.5%. AML's fuel surcharge rates in Southeast Alaska have consistently been among the lowest that we know of in any transportation service.

Though the partnership with our great customers, our team at all of the Southeast Alaska locations and the mariners who tow our barges, we have created a highly reliable and efficient service that allows us to keep the fuel surcharge at among the lowest level of any similar service.

Thank you once again for the opportunity to add some context to the discussion about how the volatile price of fuel impacts freight costs.

Sincerely,

Dave Curtis

Vice President - Pricing

Dave Curtis

Vice President

Alaska Marine Lines, Inc.

5615 W Marginal Way SW

Seattle, WA 98106

(206) 768-3519

www.shipaml.com

All services are subject to the standard terms and conditions of Alaska Marine Lines' tariff and/or bill of lading (available at <http://www.lynden.com/terms-conditions.html>). Any bill of lading or other shipping document issued shall not be effective to the extent it conflicts with our terms and conditions. By shipping with Alaska Marine Lines you are acknowledging acceptance of our terms and conditions. When rates are offered that differ from our common carrier tariffs, those rates are offered as contract rates. By shipping with Alaska Marine Lines you are contractually accepting such terms and conditions and the rates offered, and pursuant to 49 U.S.C. §14101(b) you expressly waive any other rates and terms of service (including rights and remedies) which may be to the contrary.

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