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Docket T-101661  
Kathy Roman, Rocket Transportation  
Fuel Surcharge Experience  
3/22/2011

Our first filing in November 2006 that became final in September 2007 had fuel prices about \$2.30/gallon. When the fuel prices spiked, we looked around to see what everyone else was doing and saw "fuel surcharges". We looked to see what was necessary to be able to add our own fuel surcharge and set out to prepare our case.

We were still struggling with getting the business off the ground and ridership prior to the fuel increase was averaging only 3 passengers in each direction.

What we found in the analysis was that for every full dollar increase in fuel, our one way trip cost for fuel (diesel) increased only \$4.00. (25miles/gallon, average 100 miles each direction means 4 gallons per one way trip)

As Ultra Low Diesel became the norm, we have had to add a concentrate to put stuff back in since the vans were not built for that fuel. The additive is \$10 and is good for 5 round trips, making that cost an extra \$1 each direction. This was not put into the cost estimate at creation but keeps maintenance costs down and is worth the cost until we can get newer vans.

What we also found was that for every full dollar increase in fuel, our ridership increased 100%.

We decided not to file the request for a fuel surcharge since the increased ridership covered all additional fuel costs.

Again, since we were new and 'normal' ridership levels had not been established, the increase in ridership was not immediately attributed to the increase in fuel cost. Not until the fuel costs leveled back down to normal and we experienced a higher than normal cancellation rate and much slower reservations for a few months did we see the full impact of the fuel prices on our service. Ridership is still increasing steadily but we do notice the increase in calls and bookings as fuel prices increase.

Our experience is that when fuel prices increase, customers are more likely to use our service than drive themselves or ask a friend.