

## **Our Load Rate Calculation Method**

### Introduction

Our dispatch team employs a unique formula to meticulously calculate the profitability of each load, ensuring that the costs of operating as an Owner/Operator are not put on the back burner. This document provides an overview of the methodology and the key considerations we have in the rate calculation process.

### Load Rate Calculation Methodology

Our Truck Rate Calculator meticulously examines both fixed and variable expenses associated with transporting loads, because we know that you became an Owner/Operator to make more than what a Company Driver makes.

This calculation method allows the dispatcher to best assess whether it is worth the Owner/Operator's time and money to move a certain load.

### Fixed Expenses

The total ***Fixed Expenses*** are divided by the number of loads transported each month, yielding the fixed expense per load. Because these costs do not change based on how much you work - ***More Loads Leads to Lower Fixed Expenses Per Load.***

We include in fixed expenses the expenses that are consistent every month, such as: Truck Payment, Trailer Lease Payment, Insurance Costs, etc.

### Variable Expenses

These variable load expenses are captured in a format that aligns with industry standards to assess the profitability of each specific load. Variable expenses are those expenses that are incurred when driving and are directly linked to each specific load.

These include: Fuel Price at the Time of the Load, Average Fuel Consumption of the Tractor, Distance (*in miles*) from Origin to Destination, Additional Fees and ***A Company Driver's Pay***\*

\* In the nitty-gritty of our calculation, we label this as an expense. But here's the real deal – as the Owner/Operator, that amount stays in your pocket. Now, if a load's payout is just like what a regular Company Driver gets, we pass on it. We want to make sure you're banking more as an Owner/Operator, because you can be a Company Driver anywhere. If you make money, we make money!

## Expense Breakdown

The **formula** deducts the following expenses as follows (*Deductions are separate*):

- 12% commission on Total Earnings.

- Driver Compensation at \$0.70 per mile

*\* Distinguishing the truck as a business and the driver as an individual entity. Again, this separation ensures a fair compensation structure.*

- \$220 daily cost for the truck

*\* Covering payment, maintenance, depreciation, and other associated expenses, regardless of whether the truck is on the road or parked.*

- \$105 for Trailer and Insurance

*\* Which is applicable on a monthly basis, irrespective of whether the truck is running or parked, because those things always continue to get charged.*

- Fuel Expenses calculated at \$0.74 per mile

*\* Providing a comprehensive estimate of fuel costs associated with each mile traveled.*

## Financial Goals

Our primary goal is to ensure that every truck owner, after considering the calculated expenses, takes home a minimum of **\$1,000 per week**. This amount is specifically designated for the truck, recognizing it as a vital business entity.

## Partnering for Success

We consider that as a truck owner, you are **not** just a number but a valued partner in achieving shared goals. Our dispatch team collaborates with you to optimize earnings, making certain that your business thrives and your financial objectives are met.

In conclusion, having a truck means owning a business, and the paycheck you receive is a result of a successful partnership between you as a driver, your truck as a business entity and ITP Western Express Inc.