Military Surface Deployment and Distribution Command

FY 2014

Direct Booking Program Billing Rates & Guide

Direct Booking Program
Billing Rates & Guide

1. Purpose and Scope

This guide contains the FY 2014 Transportation Working Capital Fund (TWCF) billing rate tables for Direct Booking services provided to DOD shippers by the Military Surface Deployment and Distribution Command (SDDC). In addition, guidance concerning the method used to calculate Direct Booking Administrative Fees is provided for all customers.

These billing rates can be accessed on USTRANSCOM's web site at: www.transcom.mil. At the top of the page, click on "Doing Business with USTRANSCOM." Scroll down to "Transportation Rates and Rules" and click on the "FY14" link.

Users are invited to send comments and suggested improvements directly to USTRANSCOM/TCJ8-BT, Attn: Rates Team, 508 Scott Drive, Scott AFB IL 62225-5357 or e-mail at USTC-RATES@ustranscom.mil.

2. Direct Booking Program

Direct Booking Administrative Fees exist to reimburse the Transportation Working Capital Fund for costs associated with all aspects of research, development, maintenance, replacement, customer service, acquisition, billing, and other administrative tasks supporting direct booking capabilities.

3. Application of Rates

Table 1 reflects Administrative Fee rates applicable to the Direct Booking program.

Billing rates are formulated annually by USTRANSCOM J8 on behalf of SDDC. Once rates have been established and approved, rates are provided to U.S. Bank by SDDC G8. U.S. Bank loads the applicable FY rate into their system(s). Monthly Administrative Fee billing

amounts are computed on behalf of SDDC by the PowerTrack vendor, U.S. Bank. U.S. Bank transmits a monthly file to all Direct Booking customers and SDDC. The monthly file contains the direct booked cost of freight, number of containers shipped, and the amount of administrative fees to be billed to customers by line of accounting. Based upon the monthly sheet provided by U.S. Bank, SDDC bills Direct Booking customers for the applicable Administrative Fee amounts.

The amount of an Administrative Fee for a single shipment is calculated by multiplying the applicable FY rate (%) against the cost of freight.

4. Formulation of Rates

There are two types of Direct Booking Administrative Fee rates. The first type rate is applicable to the Defense Commissary Agency (DeCA), and the second type rate is applicable to all other customers. DeCA's rate is developed independently to conform to congressional language in Title 10, United States Code.

DeCA's Direct Booking Administrative Fee percentage is based on a market survey of commercial freight forwarders. The results of the market survey provided an average overhead charge per container that commercial freight forwarders typically charged shippers outside of the Defense Transportation System (DTS). The market survey average overhead charge per container is compared to the average direct booking over-ocean shipping cost per container to calculate the administrative fee percentage.

The "All Other" Direct Booking Administrative Fee percentage is based on SDDC Liner Business Area costs submitted in the President's Budget. Indirect and general & administrative costs to be recovered by rates are compared to direct costs to calculate the administrative fee percentage.

Table 1:
Direct Booking Program
FY14 Direct Booking Administrative Fee Rates

Type Rate	Rate %	Description
DeCA	6.8%	Applicable to only DeCA.
All Other	7.0%	Applicable to all other Direct Booking customers, excluding DeCA.