



Military Surface Deployment and Distribution Command

FY 2015

Direct Booking Program
Billing Rates & Guide

Direct Booking Program Billing Rates & Guide

1. Purpose and Scope

This guide contains the FY 2015 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 "FY15" 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 transcom.scott.tcj8.mbx.rates@mail.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 the Third Party Payment System (TPPS) vendor by SDDC G8. The TPPS vendor loads the applicable FY rate into their

system(s). Monthly Administrative Fee billing amounts are computed on behalf of SDDC by the TPPS vendor. The TPPS vendor 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 the TPPS vendor, 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
FY15 Direct Booking Administrative Fee Rates**

<u>Type Rate</u>	<u>Rate %</u>	<u>Description</u>
DeCA	7%	Applicable to only DeCA.
All Other	15%	Applicable to all other Direct Booking customers, excluding DeCA.