



# Military Surface Deployment and Distribution Command

FY 2017

Direct Booking Program  
Billing Rates & Guide

## **Direct Booking Program Billing Rates & Guide**

### **1. Purpose and Scope**

Direct Booking is a program that allows the following designated agencies/customers in FY2017, desiring to ship Continental United States (CONUS) outbound containerized cargo, to contact and directly book freight with commercial carriers to selected areas: Defense Commissary Agency (DeCA), Army and Air Force Exchange Service (AAFES), Navy Exchange Service Command (NEXCOM), Military Postal Service Agency (MPSA), and Defense Logistics Agency (DLA). These agencies/customers of the Direct Booking Program are essentially acting as adjunct booking agents to transact actual booking of cargo that enters and flows through the Defense Transportation System (DTS) as other Military Surface Deployment and Distribution Command (SDDC) cargo booked to scheduled commercial liners.

Direct Booking Cost Recovery Rate exists to recover Transportation Working Capital Fund (TWCF) costs associated with all aspects of research, development, maintenance, replacement, customer service, acquisition, billing, and other administrative tasks supporting direct booking capabilities. Table 1 in this guide contains the Fiscal Year (FY) 2017 Transportation Working Capital Fund (TWCF) billing rate tables for Direct Booking services provided to the Department of Defense (DOD) shippers by SDDC. Users are invited to send questions, comments and suggested improvements directly to USTRANSCOM/TCJ8-CA, Attn: Rates Team, 508 Scott Drive, Scott AFB IL 62225-5357 or e-mail at [transcom.scott.tcj8.mbx.rates@mail.mil](mailto:transcom.scott.tcj8.mbx.rates@mail.mil).

### **3. Application of Rates and Customer Cost**

The designated agencies/customers provide shipping information to commercial carrier web sites which reflect Universal Service Contract (USC) rates plus a cost recovery rate. The customer pays the carrier directly through a Third Party Payment System (TPPS); money does not go through SDDC TWCF.

Direct Booking Customer Costs = Direct Booking Calculated Cost of Freight via Commercial Carrier Web Sites + Cost Recovery Rate

Table 1 reflects Cost Recovery 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 TPPS vendor by SDDC G8. The TPPS vendor loads the applicable FY rate into their system(s). Monthly 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 and the amount 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 amounts. The billed amount 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 Cost Recovery 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 Cost Recovery Rate 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 cost recovery rate. The "All Other Customers" Direct Booking Cost Recovery Rate recovers SDDC/USTRANSCOM Liner budgeted G&A costs.

**Table 1:  
Direct Booking Program  
FY17 Direct Booking Cost Recovery Rates**

<u>Type Rate</u>	<u>Rate %</u>	<u>Description</u>
DeCA	7%	Applicable to only DeCA.
All Other Customers	13%	Applicable to all other Direct Booking customers, excluding DeCA,