



Military Sealift Command

FY 2023

Customer Billing Rates and Guidance for the Transportation Working Capital Fund

Effective 1 October 2022

Version 3

(Rate Changes - OSD Directed Fuel Decrease Effective 1 Feb 2023)

U.S. GOVERNMENT DEPARTMENT OF DEFENSE MILITARY SEALIFT
 COMMAND (MSC) BILLING RATES FOR THE TRANSPORTATION WORKING
 CAPITAL FUND (TWCF)

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Purpose & Scope: MSC has the responsibility for providing sealift and ocean transportation for all U.S. military Services as well as for other government agencies. They provide transportation services and charge customers for the costs related to providing those services. Because these services are provided through the use of MSC ships, the rates charged to customers pertain to those costs required to operate the ships.

MSC Rates are set on a per-day basis by ship class to recover costs of workload based on specific customer requirements. MSC Cost Recovery Rates are set to recover 100% of the costs based on customer specific requirements.

MSC lines of operation have two methods to charge customers for cost recovery (*see Illustration 1*):

1. **Per diem rates:** Developed and approved with the President’s Budget which recover projected full cost to operate a ship divided by 365, resulting in an average daily cost to operate for dedicated customers.



2. **Reimbursable basis:** Charged for the total actual cost of the service provided, including an overhead rate, which is a fixed percentage of direct costs. This applies primarily in the Chartered Cargo and POL line of operation.

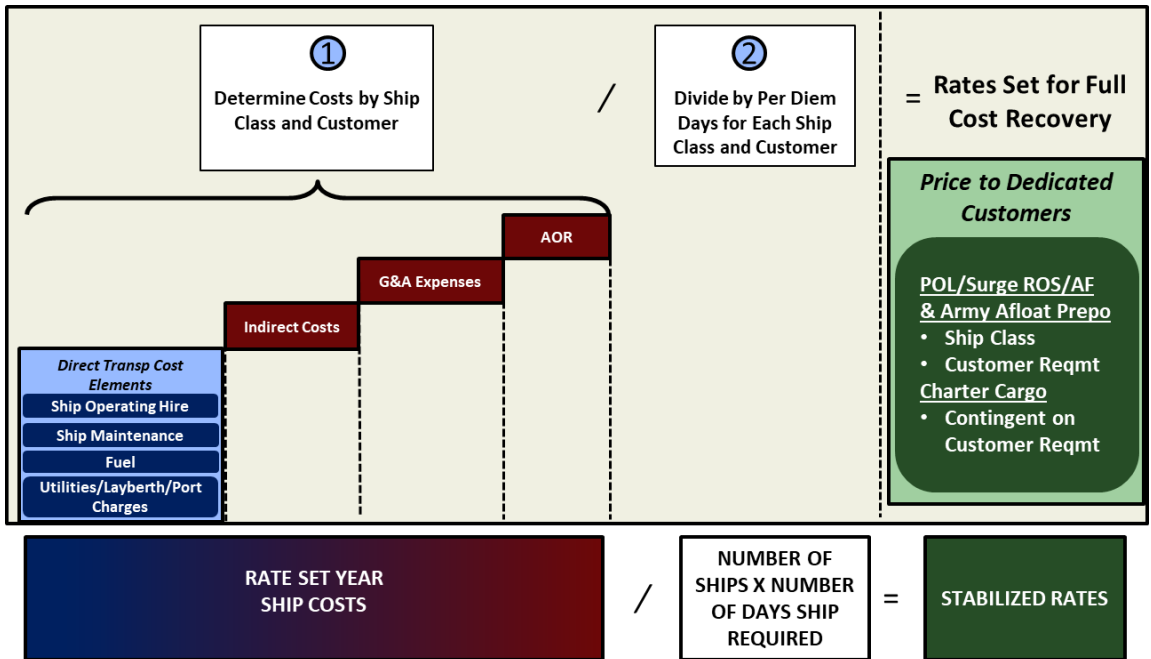


Illustration 1: MSC Rates Development

Rates may be obtained by request to HQ USTRANSCOM/J8-BT at DSN 779-5009, commercial (618) 229-5009, or e-mail to TRANSCOM.Scott.TCJ8.mbx.rates@mail.mil.

To ensure the fastest response time, please submit transportation cost estimate requests via the cost estimate website at <https://www.ustranscom.mil/common/transportation-estimate.cfm?menuPrimary=dbw>. Requests for large moves may also be made via email to transcom.scott.tcj8.mbx.cost-estimates@mail.mil. Please provide as much information as possible to include origin, destination, dimensions (LxWxH), weight, cargo type (e.g. container, general cargo, vehicle, etc.) and booking term.

For general ocean transportation question, please call 1-800-526-1465. The rates website also has useful information: <https://www.ustranscom.mil/dbw/rates.cfm>.



Military Sealift Command Chartered Cargo FY2023

EFFECTIVE: 01 Oct 22 through 30 Sep 23 (FY23)

Chartered Cargo: Worldwide movement of Department of Defense dry cargo (contingencies and exercises). Transportation provided through Military Sealift Command controlled time Chartered vessels, other shipping agreements and activations from the Ready Reserve Force.

Dedicated Customer: Navy

Chartered Cargo

FY23 Per Diem Rate

DIEGO GARCIA SHUTTLE

\$39,870



Military Sealift Command Prepositioned Ships FY2023

EFFECTIVE: 01 Oct 22 through 30 Sep 23 (FY23)

Prepositioned Ships: Army and Air Force dedicated prepositioned assets (Government and Commercial Chartered Ships).

Dedicated Customer: Army

<u>Preposition Ships</u>	<u>FY23 Per Diem Rate</u>
CHARLTON - FOS	\$149,430
POMEROY - FOS	\$149,430
RED CLOUD - FOS	\$149,430
SODERMAN - FOS	\$149,430
WATKINS - FOS	\$149,430
EDDIE CARTER - FOS	\$106,717
JOHN PAGE - FOS	\$106,717

Dedicated Customer: Air Force

<u>Preposition Ships</u>	<u>FY23 Per Diem Rate</u>
FISHER	\$71,770
DAVID S. LYON	\$71,770



Military Sealift Command Petroleum (POL) Tankerships FY2023

EFFECTIVE: 01 Oct 22 through 30 Sep 23 (FY23)

POL Tankerships: Worldwide movement of Department of Defense bulk petroleum products. Military Sealift Command controlled chartered contracts.

Dedicated Customer: Defense Logistics Agency Energy

<u>POL Tankerships</u>	<u>FY23 Per Diem Rate</u>
State Class	
US EAST COAST	\$98,953
US WEST COAST	\$98,953
Charters	
WPAC DEEP DRAFT	\$126,768
WPAC SHALLOW DRAFT	\$126,768
Other	
ICE TANKER	\$92,632

Table 1 General Terms and Definitions

Accumulated Operating Result (AOR) - Reflects accumulated Net Operating Results (NOR) by business area. Cumulative prior year gains and losses; starting financial position for establishing composite rates of change for the budget year.

Composite Rate of Change - Change in rate revenue from one year to the next set in the President's Budget two years prior to execution year.

Cost - TWCF costs for USTRANSCOM and Transportation Component Commands to include services, supplies, labor, contracts, fuel, maintenance, etc.

Cost Recovery Factor – Percentage applied to direct cost to recover overhead cost and G&A expenses and return/recover AOR.

Direct Cost - Costs directly attributable to a line of operation.

Measurement Ton (MTON) – A volume ton for land and sea measurements that equal 40 cubic feet.

Overhead Cost - Costs indirectly associated with moving cargo and passengers.

Revenue - Costs to the customer billed through rates (primary revenue stream), reimbursables, and Service Level Bills.

Transportation Working Capital Fund (TWCF) - Provides working capital for such industrial-type activities, and such commercial-type activities that provide common services within or among departments and agencies of the DOD. Services or work performed; including applicable administrative expenses, and be reimbursed from available appropriations or otherwise credited for those costs, including applicable administrative expenses and costs of using equipment.