



## OSD (Comptroller) & DASD (Transportation Policy) Transportation Working Capital Fund (TWCF) Customer Outreach Forum (T-COF)

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T-COF Meeting – May 5, 2011 (0900-1400)

### **Minutes & Action Items**

#### **Opening Remarks:**

Mr. Richard Allen (OSD [Comptroller]) and Mr. Tim McNulty (ODASD [Transportation Policy]) welcomed attendees. Mr McNulty introduced Mr Adam Yearwood as the interim ODASD (TP) POC for the Transportation Working Capital Fund (TWCF) – Customer Outreach Forum (T-COF). Mr McNulty reiterated the purpose/objective of the T-COF.

T-COF Meeting objectives:

- Begin a continuing dialog between TWCF stakeholders (customers, service providers, financial managers, OSD)
- Improve knowledge and awareness of transportation issues and including USTRANSCOM's financial management and budgeting processes
- Provide the Services/Agencies a forum to present and discuss TWCF issues
- As a collective body, leverage subject matter expertise to develop, recommend, and pursue solutions that improve the Department's ability to manage its transportation mission

#### **Minutes**

OSD/Comptroller [C] and Transportation Policy [TP] reviewed along with T-COF attendees all Action Items from the last T-COF meeting held on October 14, 2010. Based on discussions, the following is a compiled list of Outstanding Action Items remaining from the last T-COF meeting:

#### **Outstanding AIs:**

\*AI4. (USTC). Provide an update on the progress of the pilot test with U.S. Coast Guard (USCG) that evaluates charging non-DoD agencies the DoD cargo rate.

**Action/Comment:** USCG did not meet criteria of legislation efforts. While there were two other non-DoD candidates considered, the USCG was not a candidate. Note, Navy does provide a Transportation Account Code (TAC) to USCG when performing duties on behalf of the Navy. ODASD [TP] will follow up with USCG for equity.

\*AI7. (USTC). Develop and provide to the T-COF draft update recommendation for the DoDFMR delineating responsibilities for intra-theater transportation funding.

**Action/Comment:** DoDFMR adequately outlines funding requirements. DA/G4 expressed concern that intra-theater funding responsibilities remain unclear. USTC stated they believe the DTR delineates intra-theater funding responsibilities.

\*AI12. (DSCA/USTC). Provide to the T-COF membership details on the \$30M in unpaid FMS transportation bills and recommendations on how to avoid in the future.

**Action/Comment:** USTC provided detail on payment of the remaining \$25M in unpaid FMS transportation bills and noted progress on the issue during the past 6 months. USTC stated the remaining funding was sourced (e.g., DSCA) and policy/business rule changes are being implemented to avoid future replication. USTC will provide feedback when payment is resolved.

\*AI 26. (ODASD[TP]). Provide update to Third Party Payment System (TPPS) contract.

**Action/Comment:** ODASD[TP] shared the current TPPS contract extension expires on September 30, 2011. Also, MOPAS is scheduled to be signed shortly. Once signed, there will be a technical team to evaluate any TPPS proposals. The goal remains to have the new TPPS contract in place prior to end of this fiscal year. Additionally, there are contractual options available to bridge service gaps to prevent any break in TPPS service.

## **Briefings/Discussion Items**

- 1) **HQMC presented an update to First Destination Transportation (FDT)/Second Destination Transportation (SDT) naming conventions.** HQMC provided the feedback they received from the Services on FDT/SDT definitions.

### Comments:

HQMC proposes consideration of new definitions with a focus on the movement of assets to provide the framework.

- a. Continued discussion on whether or not the current FDT/SDT naming convention is inconsistent, outdated and misleading.
- b. HQMC review input received from respective services.
- c. DA/G4 will send DFAS Manual 37-100 to T-COF attendees; recommend review of 37-100 to improve FDT/SDT definitions
- d. DLA/J8 will address further questions/input directly to HQMC.
- e. OSD [C]/[TP] emphasized need to gain consensus within the T-COF community, however, any decision points would require additional collaboration with finance/acquisition partners.

### Action Items related to this agenda topic:

\*AI 18. Services will provide feedback to HQMC's definition of "First Destination Transportation/Second Destination Transportation".

\*AI 19. HQMC will review input, propose recommendation and provide to ODASD/TP.

\*AI 20. ODASD/TP will review and socialize comments with T-COF attendees.

- 2) **HQMC presented an overview of billing issues associated with Forward Stocking. Also, discussed a breakout of the DLA and USTC Forward Stocking bills respectively.** HQMC stated the goal is to align transportation charges to the correct appropriation. Additionally, reduce non-Forward Stocking shipments share amongst the Services.

### Comments:

- a. HQMC Highlighted data discrepancies in Forward Stocking bills, in turn, can cause inaccurate charges to be billed to the Services.
- b. HQMC noted there are slight variations of the definition of Forward Stocking.
- c. HQMC recommended consideration of updating business rules to make a new standard to support business relationships.
- d. DLA offered support to HQMC to develop any working group.

### Action Items related to this agenda topic:

\*AI 21. HQMC will provide data to USTC/J8 and DLA/J8.

\*AI 22. USTC/J8 and DLA/J8 will review and provide comments to ODASD/TP.

\*AI 23. ODASD/TP will review and socialize comments with T-COF attendees.

AI28. DLA would establish a Process Action Team (PAT) with Services and USTC to develop new business rule methodology and review the data inconsistencies in the bills.

**3) HQMC provided SmarTAC system application of the web based system which is in developmental stage assigning TAC business rules applications.**

Comments:

Note, briefing provided to government employees only.

Action Items related to this agenda topic:

None. Information only.

**4) USTC briefed on Over Ocean Transportation (OOT) Billing Process.** USTC- J8 provided as a background that PBD 703, 29 November 2004, directed DLA and USTC to submit proposals to improve billing and collection of OOT. DLA and USTC co-developed OOT study. OSD [C] memorandum 26 August 2006 approved OOT transfer from DLA to USTC.

Comments:

- a. USTC offered billing information is on their website for review.
- b. DLA stated that clean financial statement should be our goal.
- c. USTC will work closely with OSD and the Services to ensure data integrity.
- d. ODASD [TP] contributed that business rules analysis seems to be need between USTC and HQMC as they apply due diligence to this issue.

Action Items related to this agenda topic:

AI29. USTC and HQMC review new OOT business rules/methodology.

AI30. USTC and HQMC provide new OOT business rules/methodology feedback to OSD [C] and [TP].

AI31. OSD [C] and [TP] will review and socialize new OOT business rules/methodology comments with T-COF attendees.

**5) USTC-J8 A presented a briefing on Over Ocean Transportation (OOT) Estimates.** USTC-J8 A provided the FY11 OOT Estimates as of varied data points (e.g., July 2010, March 2011, April 2011). OOT Estimates were broken down by respective Service.

Comments:

- a. Navy appreciated the OOT Estimates and emphasized any funding solution must provide the transparency to support the why behind the spending as well.
- b. ODASD [TP] inquired how the information and stated OOT changes are shared with the Services.

- c. USTC-J8 stated OOT Estimates are shared with the Services on a quarterly basis via telecons.
- d. USTC stated the purpose of the OOT Estimates are: (1) USTRANSCOM OOT estimates are for assistance only, (2) Services still need to review for their own budget and (3) USTC offered they stand ready to partner with Services OOT Estimate needs.
- e. Services are asking for a written analysis from USTC blended with operational context.

Action Items related to this agenda topic:

AI32. Services will provide OOT Estimate comments ODASD [TP] to assist justifying any unfunded requirements.

AI33. ODASD [TP] will share comments with USTC to assist providing the context of an analysis to develop OOT Estimates.

AI34. USTC to provide additional operational context to OOT Estimates.

**6). ODASD [TP] and USTC provided their perspective on Transportation Billing.** ODASD [TP] stated our objective is to move forward from this discussion and identify issues that require resolution using Simplify, Transparency and Accountability criteria. USTC J8 provided an overarching perspective on USTC's organizational size and respective manpower in relation to other COCOMs. Additionally, USTC contributed the cost structure, efficiency initiatives and direct reimbursements as it relates to the Transportation Working Capital Fund (TWCF).

Comments:

ODASD [TP] stated further clarification as a framework for discussions:

- a. Simplify - there has been some talk of "direct appropriation" actions for certain portions that TWCF currently funds, it may be something we may want to discuss as an option or opportunity.
- b. Transparency of funds – Everyone is working hard to provide financial information and at the same time we need to ensure the Service's expectations are being met.
- c. Accountability of fund utilization – simply, we need to explain what DoD is getting for our transportation dollars.

USTC J8 provided in addition to our streamlining efforts, they have instituted a program to aggressively attack primary cost drivers. USTC J8 discussed funding alternatives for the Traffic Management, DPO, RFID bills to include:

- d. Status Quo
- e. Transfer to USTRANSCOM Defense Wide appropriated Account
- f. Roll up bills (with fewer direct bills)
- g. Implement Powertrack Fee for HHG and CONUS Freight Movement
- h. Put CONUS Freight in TWCF

Action Items related to this agenda topic:

AI35. USTC will provide menu of alternative transportation funding scenarios to T-COF attendees for consideration of funding strategies.

AI36. Services will provide feedback regarding alternative transportation funding strategies to ODASD [TP].

AI37. ODASD [TP] review and provide comments to USTC.

AI38. USTC, ODASD [TP] and Services will evaluate/recommend alternative transportation funding strategies.

**7.) AMC provided an update on the Defense Enterprise Accounting and Management System (DEAMS) Component Billing System (DCBS) implementation efforts.** AMC provided an update to DCBS as the system is considered live.

Comments:

- a. October 2010 – 100 customers; November 2010 – 300 customers
- b. Customer feedback has been positive
- c. System releases due: DCBS Dispute Module – August 2011; DCBS Pre-Validation – September 2011

Action Items related to this agenda topic:

None. Information only.

**8.) USTC/J8 - B provided a status on DoD Third Party Payment System (TPPS) Data In Integrated Data Environment/Global Transportation Network (GTN) Convergence (IGC).** USTC/J8-B briefed the Enterprise Data Warehouse is a government owned repository to electronically store historical data.

Comments:

- a. USTC/J8-B stated the system can produced a report of 700,000 records in 26 minutes as an example of the data warehouse's ability as an e-system of records.
- b. He also explained the different user roles (e.g., Standard User, Power User) to differentiate IGC's user access capabilities.
- c. USTC/J8-B contributed that the system is already paid for by the DPO however any new capabilities would incur additional systems costs which would need to be covered.

Action Items related to this agenda topic:

None. Information only.

## **9.) Service/Agency Issues.**

### **Army:**

Use of Service's TACs (with applicable LOAs) to support financial transactions for movement of cargo via intra-theater airlift within OND/OEF AOR.

#### Comments:

- a. DA/G4 expressed concern that intra-theater funding responsibilities remain unclear.
- b. USTC stated DTR contains existing guidance.

#### Action Items related to this agenda topic:

AI39. DA/G4 will forward pertinent emails received from the field to USTC in order to provide context of concerns.

AI40. USTC will review intra-theater airlift transportation funding language in the DTR, provide feedback to T-COF attendees and issue any subsequent guidance as necessary.

### **Navy:**

Stressed need for FACTS-TGET interface remaining on schedule.

#### Comments:

- a. NOLSC stated the importance for interface and potential consequences if not completed.
- b. NOLSC will share copy of T-COF minutes with program coordinator.

### **Air Force:**

No comments.

### **MC:**

No comments.

### **DLA:**

No comments.

**Action Item (AI) Summary and Due Dates:**

\*AI4. (ODASD[TP]). Follow up with USCG for equity on the issue of charging non-DoD agencies the DoD cargo rate.

**Due: 27 June, 2011.**

\*AI12. (USTC). Provide T-COF membership details on the \$25M in unpaid FMS transportation bills and recommendations on how to avoid in the future. USTC will provide feedback when payment is resolved.

**Due: 27 July, 2011.**

\*AI 18. (Services). Provide any additional feedback on “First Destination Transportation/Second Destination Transportation (FDT/SDT)” definitions to HQMC.

**Due: 27 July, 2011.**

\*AI 19. (HQMC). Provide consolidated FDT/SDT definitions to OSD [C] and [TP].

**Due: 26 August, 2011.**

\*AI 20. (ODASD[TP]). Review and socialize FDT/SDT definitions with T-COF attendees.

**Due: 26 September, 2011.**

\*AI 26. (ODASD[TP]). Provide update to T-COF attendees when the Third Party Payment System (TPPS) request for proposal is released.

**Due: 27 June, 2011.**

**Update: ODASD/TP provided notification that the TPPS RFP was released on 12 May 2011. Recommend AI 26 is closed.**

AI28. (DLA) Establish a Process Action Team (PAT) along with the Services and USTC to develop new business rule methodology and review the data inconsistencies in Forward Stocking bills.

**Due: 26 August, 2011.**

AI29. (USTC and HQMC). Review new OOT business rules/methodology.

**Due: 27 June, 2011.**

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AI31. (OSD [C] and [TP]). Review and socialize new OOT business rules/methodology comments with T-COF attendees.

**Due: Next T-COF.**

AI32. (Services). Provide OOT Estimate comments to ODASD [TP] assist justifying any unfunded requirements.

**Due: 27 June, 2011.**

AI33. (ODASD [TP]). Share comments with USTC to assist providing the context of an analysis to develop OOT Estimates.

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AI 37. (ODASD[TP]). Review alternative transportation funding strategies and provide comments to USTC.

**Due date: 26 August, 2011.**

AI 38. (USTC, ODASD[TP] and Services). Evaluate/recommend alternative transportation funding strategies.

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AI39. (DA/G4). Forward pertinent emails received from the field to USTC in order to provide context of intra-theater airlift transportation funding concerns.

**Due: 27 June, 2011.**

AI40. (USTC). Review intra-theater airlift transportation funding language in the DTR, provide feedback to T-COF attendees and issue any subsequent guidance as necessary.

**Due: 27 July, 2011.**

\*Denotes previous Action Item