



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

T-COF Meeting - December 10, 2009 (0900-1430)

Minutes & Action Items

Opening Remarks:

OSD (Comptroller) and OSD (Transportation Policy) opened the meeting with an overview of the purpose of the Transportation Working Capital Fund (TWCF) – Customer Outreach Forum (T-COF) meetings.

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:

- 1) OSD(TP) conducted a review of Outstanding Action Items from the last T-COF meeting (May 5, 2009):
 - a. (Services). Provide feedback on OSD[C]'s "Obligation Policy for Permanent Change of Station (PCS) Orders" memo and how it impacts your TAC creation/management and accounting processes.
 - Army – In compliance. (Completed.)
 - Navy – No impact. (Completed.)
 - Marine Corps – Processes are in line with the OSD memo. (Completed.)
 - Air Force – In compliance. (Completed.)
 - b. (DLA). Provide feedback to USTC on the use of TAC SSAM.
 - TAC SSAM is not currently in DTR Appendix V.
 - DLA says they may no longer need SSAM. DLA to confirm.
 - c. (OSD[C]). Review current self-reimbursement policy.
 - (Modified: USTC to provide an update on their efforts to improve the billing process.)

Action Items related to this agenda topic:

AI 1 - DLA to advise if TAC SSAM is still needed or not.

AI 2 - USTC to provide an update on their efforts to improve the billing process.

- 2) USTC discussed TWCF bill dispute resolution process.
 - a. DFAS Columbus discovered SDDC billing errors and issues with the dispute resolution process. Additionally, in many instances DFAS could not identify the correct bill-payer.
 - b. USTC established a Tiger team to address these issues.

Action Items related to this agenda topic:

AI 3 - USTC J8 to provide an update on the progress of the Tiger team.

- 3) USTC discussed the initiative to charge non-DoD agencies the DoD cargo rate. This increased volume would help to preserve TWCF and the Defense Transportation System (DTS), as well as provide a larger customer base to cover costs.
 - a. USTC stated that they are implementing a pilot test with Coast Guard to test this new concept.

Action Items related to this agenda topic:

AI 4 - USTC J8 to provide an update on the progress of the pilot test.

- 4) USTC provided an update on the Defense Enterprise Accounting and Management System (DEAMS) implementation effort. Highlights:
 - a. Increment 1, Spiral 1 – Initial DEAMS capability at Scott AFB was fielded in Jul 07.
 - Commitment accounting
 - b. Increment 1, Spiral 2 – Complete DEAMS full capability at Scott AFB (supports AF & USTC) for procure to pay; plant, property and equipment; order to cash; project accounting; and general accounting to be complete by the end of the first quarter of CY10.
 - Core accounting capabilities
 - Deploy to Scott AFB users by Mar 10 (USTC, AMC, AFRES, and ANG users)
 - c. Increment 2, Spiral 3 – Field full DEAMS capability throughout USTC during FY14.
 - Commitment accounting
 - General accounting
 - Enhancement of Spirals 1 & 2
 - User deployment (remainder of AMC, MSC, and SDDC)

- d. AF stated that the DEAMS program is managed by AFMC and is primarily funded by Air Force.
- 5) USTC discussed the status of the new USTC Billing Center and the Component Billing System. Highlights:
- a. The Billing Center is a BRAC initiative (established 1 Oct 2007) that consolidates common USTC billing processes and consists of AMC, SDDC, and DFAS personnel working together in a matrixed environment.
 - b. The Billing Center will provide a consolidated bill to the customer for transportation services received under the TWCF, and will leverage the DEAMS Component Billing System (DCBS) module when complete.
 - c. DCBS will initially encompass just AMC billing, with SDDC being addressed in a later version of DEAMS.
 - DCBS initial operating capability (IOC) during 1QCY10
 - Modifications post-IOC (prior to Sep 10) include pre-bill detail review and online dispute resolution
 - DCBS will consolidate surface billing with air during 4QCY11

Action Items related to this agenda topic:

AI 5 - USTC to follow-up on the Services receiving duplicate charges on their AMC bills. (Issue raised by AF.)

- 6) MC presented concerns with intra-theater transportation funding responsibilities for shipments by air (Air Force) and surface (Army). At issue is whether or not the OSD(C)/OSD(TP) intra-theater transportation payment memo for the movement of equipment from Iraq to Afghanistan applies to the transportation of items requisitioned from DLA. Comments:
- a. Intra-theater DLA shipments – requisitioned vs. re-stock
 - b. Requisitioned shipments are typically funded directly by the Services
 - c. Re-stock shipments are typically funded by “S” TACs (MIPR-based)
 - d. Should the Services be seeing shipments to Afghanistan on their USTC/DLA forward stocking bills? (Is DLA forward-stocking in Afghanistan?)
 - e. These issues require additional, follow-on discussion.

Action Items related to this agenda topic:

AI 6 - MC to work with USTC to figure this out.

AI 7 - USTC to research updating the DoDFMR with verbiage (or similar verbiage) from the OSD(C)/OSD(TP) memo.

AI 8 - DLA to confirm status of forward-stocking in Afghanistan.

AI 9 - OSD(TP) to send out info on the Intra-Theater Sealift Working Group (ITSWG) to T-COF membership when available.

- 7) DLA and USTC presented the AMC DIM weight Billing issue. DLA submits that AMC is using a flawed methodology to derive DIM weight billing and should adopt a method similar to commercial industry. While USTC concurs, there appears to be a disconnect as to the extent of the impact.

Action Items related to this agenda topic:

AI 10 - USTC to provide a list of the systems that would be impacted by a change to the AMC DIM weight billing methodology.

AI 11 - USTC & DLA to provide their respective methodologies for comparison and discussion.

- 8) Defense Security Cooperation Agency (DSCA) Financial Policy provided an overview of Foreign Military Sales (FMS) issues. DSCA has been reviewing FMS transportation and has found short-comings. Highlights:
- a. Approximately \$30M in unpaid, unresolved FMS transportation bills
 - b. Billing challenges:
 - Consolidated, multi-Service shipments
 - Improperly constructed FMS Transportation Control Numbers (TCNs)
 - Inaccurate Transportation Account Code (TAC) data in the Transportation Global Edit Table (TGET)
 - Mis-matched TACs to TCNs
 - Inability to identify TAC-to-TCN errors up front and send back to DCMA or DLA for correction
 - c. DSCA has created a transportation working group that is reviewing options for improvement.
 - USTC J8 is engaged.
 - Considering moving some shipment types to Above the Line (or Below the Line) to streamline the billing/payment process.
 - USTC Legal is reviewing options.

Action Items related to this agenda topic:

AI 12 - DSCA/USTC to provide detail on the \$30M in unpaid FMS transportation bills and recommendations on how to avoid in the future.

AI 13 - DSCA/USTC to provide recommendations on how to identify errors and send back to DCMA or DLA for correction before billing occurs.

- 9) DLA briefed the Financial Billing Mode Code (FBMC) issue. The FBMC is a Financial Air Clearance and Transportation System (FACTS)-required data element that the Services/Agencies use to varying degrees and for various reporting/management purposes. As a result of FACTS requiring the FBMC, other systems have included it into their design, requirements, and process.
- a. Despite not using air-eligible FBMCs, DLA consistently has their air-ineligible TACs used by non-DLA organizations for air shipments.

- b. TGET currently requires the FBMC.

Action Items related to this agenda topic:

AI 14 - DLA to develop and provide to Navy verbiage to re-engineer how the FBMC is used in FACTS and throughout the financial transportation process. (Navy to present DLA's recommendation to the FACTS Configuration Management Board (CMB) for consideration/vote.)

- 10) MC presented their DLA S TAC issues. DLA Traffic Management Offices (TMOs) are not applying the appropriate TACs to shipments. As a result, additional reconciliation between appropriations and reimbursement requests from the other Services is required. Due to incorrect TAC use, an additional \$10M in FY08 forward stocking charges was assessed to MC.

DLA stated that leadership was working with MC to resolve TAC assignment issues.

Action Items related to this agenda topic:

AI 15 - If after working with DLA problems remain, MC to bring the issue back to the T-COF for resolution.

Action Item (AI) Summary and Due Dates:

1. (DLA). Determine if TAC SSAM is needed and provide feedback to T-COF. Due February 5, 2010.
2. (USTC). Provide an update on efforts to improve the billing process. Due February 19, 2010.
3. (USTC). Provide update on the progress of the TWCF Bill Dispute Resolution Process Tiger Team. Due February 26, 2010.
4. (USTC). Provide update on the progress of the pilot test with Coast Guard that evaluates charging non-DoD agencies the DoD cargo rate. Due March 26, 2010.
5. (USTC). Research the issue of duplicate charges on AMC bills and provide feedback to T-COF. Due February 5, 2010.
6. (MC/USTC). Coordinate to determine shortfalls in intra-theater transportation funding responsibilities and provide feedback and recommendations to the T-COF. Due February 19, 2010.

7. (USTC). Develop and provide to the T-COF draft update recommendation for the DoDFMR delineating responsibilities for intra-theater transportation funding. Due March 5, 2010.
8. (DLA). Confirm status of forward stocking in Afghanistan and provide update to the T-COF. Due February 5, 2010.
9. (OSD[TP]). Provide info on the Intra-Theater Sealift Working Group (ITSWG) to T-COF membership when available.
10. (USTC). Provide a list of systems that would be impacted by a change to the AMC DIM weight billing methodology. Due March 19, 2010.
11. (USTC/DLA). Provide your respective AMC DIM weight billing methodologies to the T-COF membership for comparison and discussion. Due March 26, 2010.
12. (DSCA/USTC). Provide to the T-COF membership detail on the \$30M in unpaid FMS transportation bills and recommendations on how to avoid in the future. Due February 5, 2010.
13. (DSCA/USTC). Provide recommendations on how to identify FMS shipment data errors and send back to DCMA or DLA for correction before billing occurs. Due February 19, 2010.
14. (DLA). Develop verbiage to re-engineer how the FBMC is used in FACTS and throughout the transportation financial process and provide to Navy T-COF rep. (Navy rep will then present DLA's recommendation to the FACTS CMB for consideration/vote.) Due date in conjunction with the next scheduled FACTS CMB meeting.
15. (MC). If still unresolved by the next T-COF meeting, present DLA TAC assignment issues to the T-COF membership for discussion and resolution.