



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

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T-COF Meeting - October 14, 2010 (0900-1330)

**Minutes & Action Items**

**Attendees:**

Last Name	First Name	Organization	Email	Telephone
Adcock	Jeffrey	OPNAV N41	jeffrey.s.adcock@navy.mil	703-604-9927
Allen	Richard	OSD (C)	richard.allen@osd.mil	703-571-9209
Bogle	Jerry	ASA FMC	jerry.w.bogle@us.army.mil	703-693-2773
Brayton	Lydia	HQ DA, G4	lydia.y.brayton@us.army.mil	703-614-1524
Coleman	Anita	HQ DA, G4	anita.coleman@us.army.mil	703-614-5864
Gray	Gregory	HQMC, LPD-4	gregory.b.gray@usmc.mil	703-659-7930
Jasmin	Cedric	HQ DA, G4	cedric.jasmin@us.army.mil	703-602-5404
Jean	Patrick	HQMC, LPD-4	patrick.jean@usmc.mil	703-695-9041
Jones	Mona	Navy/NOLSC	mona.jones@navy.mil	757-443-5342
Kelley	Wanda	NAVISA-FACTS	wanda.kelley@navy.mil	DSN: 646-5508
Kulscar	Jim	USTC J8	james.kulscar@ustranscom.mil	779-5016
Lalich	David	ODASD (TP)	david.lalich.ctr@osd.mil	703-601-4461
Limcaoco	Diane	HQMC, LPD-4	diane.limcaoco@usmc.mil	703-695-9012
Loviska	Robert	DCMA	robert.loviska@dcma.mil	314-614-1959
Lowin	Lynda	HAF A4/7PY	lynda.lowin@pentagon.af.mil	703-695-7748
Magagnotti	Cheryl	HQMC, LPD-4	cheryl.magagnotti.ctr@usmc.mil	703-695-9041
McNulty	Tim	ODASD (TP)	timothy.mcnulty@osd.mil	703-601-4461
Meyer	Paul	USTC J8-A	paul.meyer@ustranscom.mil	618-229-6563
Morrow	Richard	HQ DLA J-332	richard.j.morrow@dla.mil	703-767-5256
Nevers	Crystal	DLA J83	crystal.nevers@dla.mil	703-767-8167
Ruble	Stacy	HQMC, LPD-4	stacy.ruble@usmc.mil	703-695-7930
Smith	Judithanne	NAVISA-FACTS	judithanne.smith@navy.mil	DSN: 646-5503
Spencer	David	USTC J8	david.spencer@ustranscom.mil	618-229-5009
Sundin	Brian	LMI	bsundin@lmi.org	703-346-9237

Taylor	Mario	HQ DA, G4	mario.taylor@us.army.mil	703-614-3565
Tirey	Ruth	AFMC	ruth.tirey@wpafb.af.mil	937-904-1081
Urlick	Steve	USTC J8	steve.urick@scott.af.mil	618-229-2310
Vogle	Greg	DCMA	greg.vogle@dcma.mil	214-670-9455
Wakeley	Jim	AF/A4LM	james.wakeley@pentagon.af.mil	703-588-2135
Weathers	Allen	AFGLSC	allen.weathers@wpafb.af.mil	
Witter	Randy	DLA	randy.witter@iblogistics.com	703-965-6881

**Opening Remarks:**

Mr. Richard Allen (OSD [Comptroller]) and Mr. Tim McNulty (ODASD [Transportation Policy]) welcomed attendees and 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

ODASD-TP proposed scheduling a post-FY (e.g., October) T-COF as one of the semi-annual meetings. Additionally, each Service will review FY cross-over policies to discuss lessons learned in preparation for the next T-COF.

**Outstanding Action Items (AIs):**

ODASD (TP) conducted a review of Outstanding AIs from the last T-COF meeting (December 10, 2009):

AI 1. (DLA). Determine if TAC SSAM is needed and provided feedback to the T-COF.  
 Action/Comment: DLA (Morrow) doesn’t need TAC SSAM.  
 Status: **Closed.**

AI 2. (USTC). Provide an update on efforts to improve the billing process.  
 Action/Comment: USTC provided briefings during Dec 09/Oct 10 T-COF.  
 Status: **Closed.**

AI 3. (USTC). Provide an update on the progress of the TWCF Bill Dispute Resolution Process Tiger Team.

Action/Comment: NOLSC/SDDC met; Tiger Team changes have resulted in progress.

Status: **Closed.**

AI 4. (USTC). Provide an update on the progress of the pilot test with Coast Guard that evaluates charging non-DoD agencies the DoD cargo rate.

Action/Comment: Candidate did not meet criteria of legislation.

Status: **Open.**

AI 5. (USTC). Research the issue of duplicate charges on AMC bills and provide feedback to T-COF.

Action/Comment: Pre-dispute functionality scheduled to be in place Sep 10.

Status: **Closed.**

AI 6. (MC/USTC). Coordinate to determine shortfalls in intra-theater transportation funding responsibilities and provide feedback and recommendations to the T-COF.

Action/Comment: Working intra-theater DLA shipped items.

Status: **Closed.**

AI 7. (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.

Status: **Closed.**

AI 8. (DLA). Confirm status of forward stocking Afghanistan and provide update to T-COF.

Action/Comment: HQMC provided briefing in today's meeting.

Status: **Closed.**

AI 9. (ODASD/TP). Provide info on the Intra-Theater Sealift Working Group (ITSWG) to T-COF membership when available.

Action/Comment: List of ITSWG POCs available.

Status: **Closed.**

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

Action/Comment: Listing of systems impacted available.

Status: **Closed.**

AI11. (USTC/DLA). Research the issue of duplicate charges on AMC bills and provide feedback to the T-COF.

Action/Comment: Pre-dispute functionality scheduled to be in place Sep 10.

Status: **Closed.**

AI 12. (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: SDDC issued Customer Advisory clarifying DTR requirements to construct TCNs to mitigate future issues. OSD (C) confirmed bill is valid and payment is being worked.

Status: OSD (C) to provide detail on the status for payment of \$30M in unpaid FMS transportation bills. **Open.**

AI 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.

Action/Comment: USTC Billing Center has provided manifest information to show correct TCNs to comply with business rules.

Status: **Closed.**

AI 14. (DSCA/USTC). Develop verbiage to re-engineer how the Financial Bill Mode Code (FBMC) is used in Financial Air Clearance and Transportation System (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.)

Action/Comment: DLA provided briefing in today's meeting. DLA recommends issue is deferred to the Third Party Payment System (TPPS) Internal Controls Working Group.

Status: **Closed.**

AI 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.

Action/Comment: MOA has been signed; dramatic improvements have been noted for 1<sup>st</sup> quarter.

Status: **Closed.**

## **New Business**

- 1) USTC (Mr Urick) provided an update on the Defense Enterprise Accounting and Management System (DEAMS) Component Billing System (DCBS) implementation efforts. USTC provided an update to DCBS as the system is considered live.
  - a. Currently, the system has 150 user accounts on file.
  - b. DCBS is readied for a full run October 18/19.
  - c. User notification to be sent after system run.
  - d. TWCF customer remains the highest priority.

Action Items related to this agenda topic:

AI 17. USTC will provide update to system status at next T-COF meeting.

- 2) HQMC (Mr Jean) presented discussions of First Destination Transportation (FDT)/Second Destination Transportation (SDT) definitions. At issue is whether or not the current naming convention inconsistent, outdated and misleading. Comments:
  - a. Provided background on the divergent FDT/SDT definitions.
  - b. Hides the true cost of acquisition and procurement.

- c. Focus on ‘movement of assets’ to provide the framework for new definitions.

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 and provide comments to ODASD/TP.

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

- 3) HQMC (Ms Magagnotti) presented an overview of billing issues associated with Forward Stocking. Also, discussed a breakout of the DLA and USTC Forward Stocking bills respectively. Highlighted data discrepancies in Forward Stocking bills can cause inaccurate charges to be billed to the Services.
  - a. Data reflects 75% of Forward Stocking charges appear not to support Forward Stocking
  - b. Services are paying for shipments to other DoD/Non-DoD customers.
  - c. Necessitates a further look at root causes and applicable fixes.
  - d. Issue requires additional, follow-on discussion.

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.

- 4) DLA (Mr Morrow) presented Financial Billing Mode Code (FBMC) and TAC Edits. DLA provided FBMC lacks definitions in DoDFMR and Defense Transportation Regulations. DLA contends current FBMCs can create confusion for transportation personnel. Potential remedies include need for:
  - a. One FBMC for use only on surface modes.
  - b. One FBMC for use on all modes/used for ACA processing
  - c. Develop mechanism(s) for upfront TAC edits in shipper systems

Action Items related to this agenda topic:

DLA will consider addressing aspects of “FBMC/TAC Edits” issues through TPPS Internal Controls Working Group.

- 5) HQMC (Mr Ruble) shared insight to their web based system (aka, TAC Master) which is in a developmental stage being developed using TAC business rules applications.

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

\*AI 4. (USTC). Provide an update on the progress of the pilot test with Coast Guard that evaluates charging non-DoD agencies the DoD cargo rate. Due: Next T-COF.

USTRANSCOM/TCJ8 Response: Legislation requires that transportation provided to Non-DoD federal customers increases utilization of existing airlift capacity. The Coast Guard work actually required a new chapter. DoD is required to submit a 1 March 2011 report to Congress on the use of the legislation. USTRANSCOM//TCJ8 will submit the data to OSD/(C) for the report. There are currently two other Non-DoD customers reviewing the application for the DoD rate. Once the applications are received USTRANSCOM/TCJ8 will determine whether they qualify for the DoD rate.

\*AI 12. (OSD [C]). Provide a status for payment of \$30M in unpaid FMS transportation bills. Due: December 15, 2010.

USTC Response: FMS has paid \$14.2 of what is now a \$33.4M balance. Balance due continues to increase on a monthly basis due to the adherence to FMS business rules.

AI 16. (Services). Review respective transportation funding business rules to address FY crossover funding lessons learned. Due: Next T-COF.

AI 17. (USTC). Provide an update on the Defense Enterprise Accounting and Management System (DEAMS) Component Billing System (DCBS) implementation efforts. Due: Next T-COF.

USTC Response: USTC/AMC is prepared to provide a status update briefing during the next T-COF meeting.

AI 18. (Services). Provide definition of “First Destination Transportation (FDT)/Second Destination Transportation (SDT)” feedback to HQMC. Due: November 15, 2010.

AI 19. (HQMC). Provide consolidated FDT/SDT definitions/comments to ODASD/TP. Due: November 29, 2010.

AI 20. (ODASD/TP). Review and socialize FDT/SDT comments with T-COF membership. Due: Prior to next T-COF.

AI 21. (HQMC). Provide “Forward Stocking” data to USTC/J8 and DLA/J8. Due: Oct 29, 2010.

AI 22. (USTC/DLA). USTC/J8 and DLA/J8 will review and provide “Forward Stocking” comments to ODASD/TP. Due: January 7, 2011.

USTC Response: USTRANSCOM will prepare a presentation for the next T-COF meeting, briefing the background, business rules, and findings pertaining to the Forward Stocking data provided by HQMC.

AI 23. (ODASD/TP). Review and socialize “Forward Stocking” comments with T-COF membership. Due: Prior to next T-COF.

AI 24. (HQMC/ODASD [TP]). HQMC will coordinate with ODASD/TP for demonstration of “TAC Master” system. Due: Prior to December 22, 2010.

AI 25. (HQ DA/G4). Provide status of loading Army FY11 LOAs to ODASD/TP. Due: NLT December 22, 2010.

AI 26. (ODASD/TP). Provide update to Third Party Payment System (TPPS) contract. Due: Next T-COF.

AI 27. (ODASD/TP). Propose next T-COF meeting date Apr 7, 2011; location: ODASD/TP Conference Room, 0800-1400hrs (more details to follow).

\*Denotes previous Action Item.