

IBM Business Consulting Services



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High-level “AS IS” Business Process

Surface Deployment and Distribution Command (SDDC)

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1 Executive Summary

The Military Surface Deployment and Distribution Command (SDDC) formerly known as the Military Traffic Management Command (MTMC) began the development of the Surface Transportation Management System (STMS) and hired IBM to provide Program Management Support and Independent Verification and Validation (IV&V) services. The Surface Transportation Management System (STMS) was intended as a tool to enable the Directorate of Operations, and specifically the Global Distribution Directorate to perform its mission. The STMS was to incorporate the functionality of both the Integrated Booking System (IBS) and the Global Freight Management System (GFM). It will enhance SDDC's ability to respond quickly, efficiently and effectively to end-to-end military movement and information requirements.

However, the development and implementation of STMS was cancelled and the STMS Program Management Office modified IBM's contract to include documenting the current high-level transportation business process employed by SDDC. The following document describes the current high-level "AS IS" business processes associated with SDDC's ocean, domestic and unit move processes. The structure of the document is comprised of five sections. In addition to this executive summary, the second section provides a brief overview of the mission and goals of SDDC, the third section documents the high-level business processes and is further divided into three sub-sections – Ocean, Domestic and Unit Moves. The next section graphically displays the systems that interface for both IBS and GFM and provides a brief description of data flows. The fifth and final section provides a consolidated list of the primary constraints, rules and regulations associated with SDDC's primary mission. In addition to the five sections, several appendixes are provided that outline a few of the unique business processes associated with ocean transportation.

The goal of this document is to provide the STMS Program Management Office with a current, concise description of its business processes, primary systems and interfaces along with a list of significant constraints.

Note: Any reference to Deployment Support Command (DSC), MTMC - Fort Eustis, or Joint Traffic Management Office (JTMO) should be understood by the reader as meaning SDDC Operations Center (Fort Eustis, VA). All processes described within this document are performed by SDDC Operations Center personnel assigned to the G3 Directorate.

2 Overview

The Military Surface Deployment and Distribution Command (SDDC) provides global surface distribution management and services to meet National Security objectives in peace and war. SDDC is a joint service, major Army command, and the surface transportation component of the US Transportation Command (USTRANSCOM).

The SDDC Operations Center at Fort Eustis, VA is the hub for SDDC operations worldwide and is transforming to become the global surface distribution center for USTRANSCOM. There are also four subordinate units, three of which manage seaports. The 597th Transportation Terminal Group, Sunny Point, NC is the major subordinate headquarters responsible for the command's port terminal units in the United States and Puerto Rico. The 598th Transportation Group, Rotterdam, The Netherlands, and the 599th Transportation group, Wheeler Army Air Field, Hawaii manage the command's remaining worldwide terminal units. The fourth subordinate unit, the Transportation Engineering Agency, Newport News, VA conducts global deployability engineering and analysis to support national security requirements and influences transportation engineering policies.

The Military Surface Deployment and Distribution Command's (SDDC) Directorate of Operations is responsible for evaluating and improving the business aspects of worldwide surface movement operations. These aspects include providing customer support, monitoring and improving business practices, assessing standards, pricing and rating services, end-to-end traffic management, and shipment security.

The Directorate of Operations or Command Operations Center is organized into the Global Distribution Directorate and the Deployment Operations Directorates. The Global Distribution Directorate includes Domestic and International, as well as an Asset Management Group.

In order to meet SDDC's Global Distribution mission, the Global Distribution Domestic team manages all aspects of surface transportation within CONUS from carrier acquisition through the execution of shipment distribution functions. Specifically, the team supports its customers through the following core functions:

- Acquiring and Approving Domestic Carriers
- Carrier Performance Monitoring
- Carrier Rate Evaluation and Management
- Ensuring Total Asset Visibility and In-Transit Visibility
- One-Time Only Rate Negotiation
- Long-Term Contract Development and Execution
- Shipment Optimization
- Rail Shipment Optimization and Management
- Post-Shipment Payment Auditing

Global Distribution International provides value added services for the acquisition and execution of international surface distribution functions. The Global Distribution International team supports SDDC's Global Distribution mission by managing all aspects of the international surface distribution process from developing contracts with our ocean carrier partners to assisting shippers with booking cargo and executing the distribution process. Specifically, the team supports its customers through the following core functions:

- Developing Long-Term Ocean Carrier Contracts
 - Monitoring Carrier Performance
 - Ensuring Total Asset Visibility and In-Transit Visibility
 - Providing One-Time-Only Shipment Assistance
-

- Container Management
- Booking Cargo

The Asset Management group manages DoD owned and leased railcar and containers in support of both deployment and sustainment operations.

3 Business Process

As the Army component of the U.S. Transportation Command (USTRANSCOM) and a major Department of the Army (DA) command, the Military Surface Deployment and Distribution Command (SDDC), formerly known as the Military Traffic Management Command (SDDC), performs a vital role for the Department of Defense (DoD) in deploying, re-deploying, and sustaining U.S. forces worldwide. SDDC is the single manager for common-user ocean cargo terminals, transportability engineering, and traffic management. SDDC books military ocean cargo with commercial and military carriers, accomplishes the movement, pays the carrier, and bills the DoD agency or component for the move.

Cargo distribution and port management are two primary business processes of the SDDC. To meet this mission the Global Distribution Division, located at Fort Eustis, Virginia, develops transportation contracts which support the transportation management of freight such as tanks, fuel, ammunition, combat vehicles, food and other commodities to locations throughout the world. In support of the port management function, SDDC serves as the port manager at 25 locations worldwide and is responsible for all aspects of the vessel loading and un-loading operations as well as providing documentation support for cargoes moving under the Defense Transportation System (DTS) network.

These two primary business processes provide the SDDC with the ability to execute an “End-to-End” distribution process, which provides in-transit visibility and total asset visibility throughout the logistics pipeline to the war fighter.

3.1 Ocean Transportation

SDDC is the single manager for common-user ocean cargo terminals, transportability engineering, and traffic management. SDDC books military ocean cargo with commercial and military carriers, accomplishes the movement, pays the carrier, and bills the DoD agency or component for the move.

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3.1.1 Ocean Transportation Systems

The SDDC utilizes several systems in support of its mission for providing transportation services worldwide. The systems utilized are:

1. IBS – Integrated Booking Systems
 - a. RFRAM – Requirement Forecasting and Rate Analysis Module
 - b. CARE II – Carrier Analysis and Rate Evaluation Module
 - c. IBS-CSS - Integrated Booking Systems – Commercial Sealift Solutions
 - d. eSS – Electronic Shipper System (Direct Bookings)
 - e. OCI – Ocean Carrier Interface
 - f. Web Vessel Schedule
 - g. One Time Only Module
 - h. Unit Module
 - i. Sustainment Module
 2. WPS – World Wide Port System
-

3.1.2 Processes

The objectives of this document are to outline the business process flows for the Military's Surface Deployment and Distribution Command's (SDDC) International (Ocean) Transportation Business Process, not including the business process flows involved with WPS. The business process flows include the Forecasting, Bid and Solicitation Process, the Movement Management and the Post Move Reconciliation Process

3.1.2.1 Forecasting, Bid and Solicitation Process

Forecast and Analysis Process enables SDDC's Global Distribution International (GDI) Department to generate service requirements for Solicitation of new or modified Ocean Carrier Service Contracts. Historical distribution traffic volume data is collected and sorted by contract, trade route, van type, van size and other pertinent information. This historical data is analyzed and modified as necessary to include predictive information such as current military plans, objectives and activities. The data is reviewed and massaged in an iterative process, ultimately resulting in a forecast that can be translated to service requirements for proposal by the carrier vendor community.

Carrier Services are solicited and awarded in accordance with Federal Acquisition Regulations, (FAR). The process begins with formulation of an acquisition strategy and timeline that often includes discussions with industry as well as the Military Services who are the ultimate customers of the SDDC. The resulting contract structure can include special requirements particular to certain ultimate consumers of the services or other special features only applicable to discreet customers or service locations. Once the Draft Request for Proposal and service requirements forecast has been finalized, the vendors are invited to bid on the contract. Bid rates for cargo transportation services are generally organized by location groups and/or types of service. The service terms may be defined as Door to Door (also known as Single Factor rates), Port to Door, Door to Port or Port to Port. Drayage, Line Haul, mileage, accessorial and other specific service rates may also be solicited as add-on rates or rate differentials. Currently the Proposed rates are submitted via a web-enabled application that is opened for carrier inputs during the specified proposal period. Carriers input pricing information on all contract services they wish to offer and also provide a written response to the proposal as well, outlining in detail their vessel service offerings, management organization, and other key information that allows the SDDC to evaluate the responses based on government defined "Best Value". The proposals are evaluated and best value awards are determined based on the published evaluation criteria for each solicitation. A Rate-Guide is published for use by SDDC and customer personnel during the execution phase. Cargo minimum guarantees may be established by route or other discreet service requirement. Performance requirements and measures vary depending on the services solicited in any particular contract. Terms and conditions of the various Indefinite Deliver Indefinite Quantity (IDIQ) contracts awarded by SDDC may vary. Awards may be made to multiple carriers serving all or certain routes and requirements, including multiple awards for the same trade route or service. The awarded carrier rates are then used during the move management process or execution phase of the ocean carrier contracts in accordance with the terms and conditions describing award of individual movement services to a particular vendor.

When a requirement is identified that is not covered by an existing IDIQ contract, the requirement is marked for fulfillment via the One-Time-Only acquisition process. This process also is accomplished IAW the FAR. The bid and solicitation process is currently performed using a web-enabled acquisition system. The process for receiving and handling one-time-only shipping requests and ensuring their delivery includes the steps performed by participants in the process noted below:

- HQ SDDC (Headquarters Surface Deployment and Distribution Command) staff including JAG.
- CONUS (Continental United States) OCCA (Ocean Cargo Clearance Authority)
- OCONUS (Outside Continental United States) OCCA
- Carriers
- MARAD (Maritime Administration)

The process participants facilitate the following workflow in processing an OTO:

- OTO move request is submitted by CONUS or OCONUS OCCA
- The HQ SDDC OTO Team Leader reviews the OTO request and either accepts it for processing or rejects it.
- If accepted, the team lead may aggregate the request with other similar ones and then generates an RFP. The requirement also may be forwarded to Acquisitions for inclusion as a modification of the appropriate IDIQ contract.
- An RFP is generated using standard legal language based upon the type of shipment
- Jag reviews the RFP
- The RFP is published and vendors are notified of the solicitation
- Bids are submitted by the carriers and evaluated by the OTO acquisition personnel
- Upon selection of awardee, JAG, the Chief of Staff and/or MARAD may be notified of review requirement
- Upon approval at the appropriate level, a Notice of Acceptance is generated and forwarded to the successful bidder

Forecast, Bid and Solicitation Business Process

1. SDDC determines the need for a contract to move Defense Transportation System (DTS) cargo.
 2. SDDC Operations (OPS) conducts Improvement Process Team (IPT) meetings with sealift carrier's covering new contract requirements.
 3. SDDC OPS defines scope of contract utilizing commodity, locations and country routes data from the Requirement Forecast and Rate Analysis Module (RFRAM) and Carrier Analysis and Rate Evaluation Module (CARE II). Note-RFRAM does not include break bulk requirements. Break bulk shipment requirements for the contract is added directly into CARE II.
 4. Historical shipment data (cargo volumes, commodities, locations and country routes) is compiled from the World Wide Port System (WPS) and transferred to RFRAM. The combined historical shipment data from RFRAM and WPS is then used as the baseline forecast for the new contract.
 5. SDDC OPS forwards baseline forecast shipment data to shippers via excel files and reports.
 6. DTS shippers review the forecast shipment data and provide updates to the data based on their projected shipment requirements for the new contract period.
 7. DTS shipper's forward updated projected shipment data back to SDDC OPS via excel files.
 8. SDDC OPS finalizes projected shipment requirements for new contract in RFRAM.
 9. Contract shipment baseline requirements, based on forecasts, historical and projected shipment requirements are then finalized in RFRAM and transferred to CARE II.
 10. SDDC Acquisition prepares text version of the Request for Proposal (RFP).
 11. Updates to baseline shipment requirements may be added at this time into CARE II, including break bulk and accessorial base line shipment requirements.
 12. SDDC Acquisition conducts contract pre-solicitation conference with DTS shippers and sealift carriers to discuss contract scope and requirements. Additional comments are provided by participants at this time which may change contract terms, conditions and requirements.
-

13. Based on projected shipment requirements and updates to contract term and conditions obtained in step #12, the final projected cargo requirements are created, final RFP is generated, and Contract Line Item Numbers (CLIN) are created.
 14. SDDC Acquisition releases RFP to sealift carriers industry. Included in the RFP is the terms and conditions of the contract and a final bid date, at which time all responses from the sealift carrier to the SDDC must be received.
 15. CARE II is made available to the sealift carriers via a web interface.
 16. SDDC Acquisition conducts a pre-proposal conference with sealift carriers, providing an opportunity for participants to comment or ask questions about the contract. Based on comments received, any accepted and approved changes to the contract will be released by SDDC Acquisition through subsequent contract modifications.
 17. SDDC OPS develops the Independent Government Case Estimates (IGCE). This information is used to evaluate the rates bid by the sealift carriers to determine if the proposed rates by the sealift carriers are within the established government guidelines. This data is entered into CARE II.
 18. Sealift carriers populate CARE II with their proposed rates and service profile information. Sealift carriers also prepare text responses to the RFP which will cover how they propose to support the technical requirements of the contract.
 19. Sealift carriers finalize and submit their bids and proposals to SDDC Acquisition by the due date established in the RFP.
 20. SDDC Acquisition and OPS evaluates sealift carrier rate bids in CARE II.
 21. SDDC Acquisition reviews written technical proposals from sealift carriers and conducts evaluation meetings with SDDC OPS and DTS shippers, focusing on the technical proposals submitted by the sealift carriers. These meetings determine the Best Value ratings that will be applied to each sealift carrier.
 22. Based on the technical proposals and rate submissions from sealift carriers, SDDC OPS may request from the sealift carriers any updates or clarifications to their original bid. This process may be repeated several times by SDDC OPS. This process may or may not be referred to as Best and Final Offer (BAFO).
- Note -Step #20 and #21 can be repeated as necessary based on additional inquiries by SDDC OPS and responses provided by the sealift carriers.
23. SDDC Acquisition officially accepts and approves the final sealift carrier offers. No other changes are accepted after this point.
 24. Evaluation of sealift carrier rates and technical proposals are combined to determine overall Best Value ratings and sealift carrier awards.
 25. Sealift carriers are notified of awards by SDDC Acquisition.
 26. SDDC Acquisition publishes final rates for contract.

3.1.3 Move Management and Post Move Reconciliation Process

The Move Management Process encompasses the execution phase of all Ocean Contracts. The logic associated with offering a particular movement, whether booked direct or not, must take Statutory and Regulatory requirements into consideration. These include Domestic Flag and VISA preferences, Defense Transportation Regulations and others.

3.1.3.1 Container Direct Booking Process

The following figure presents a step-by-step process flow diagram of the Sealift Direct Booking process. Each step of the carrier booking and payment process is described below.

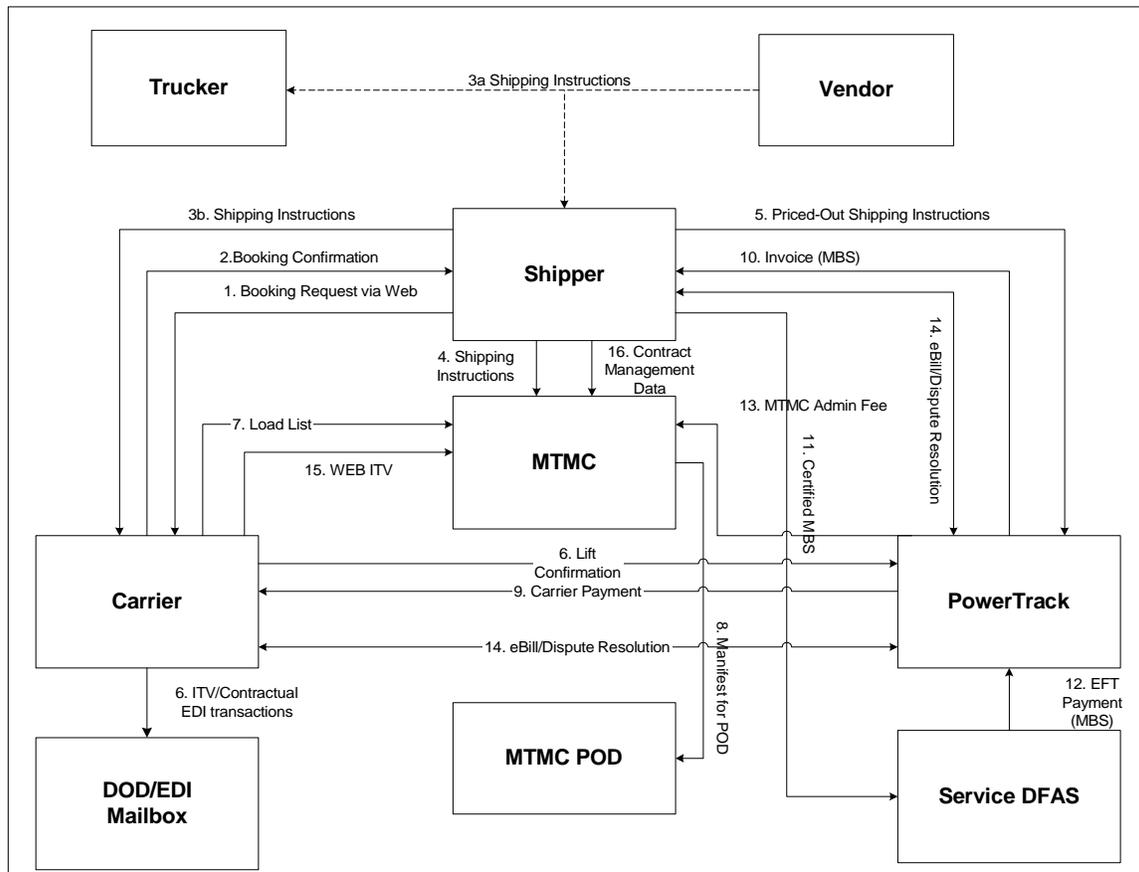


Figure 3-1: Direct Booking Process

- 1.0 Shipper books directly with carrier using carriers on-line web system. The basis for all Direct Bookings is SDDC Contracts or approved carrier tariffs. Shipper initiates booking process by accessing carrier’s on-line web based booking system and enters applicable booking information. Shipper will select vessel/voyage from the carrier’s web based system based on Required Delivery Date (RDD) of cargo.
- 1.1 At time of carrier booking, shipper is responsible for entering the leading Transportation Control Number (TCN) into the carrier’s system based on the following format:
 - Consignor DoDAAC
 - Julian Year and Day of Booking
 - “S” (Identifies shipment as direct booking)
 - Sequence number
 - Shipping Terms
- 1.2 The system utilized by the shipper for pricing and documenting shipments will calculate the correct TCN based on the number of containers assigned to the booking request.
- 1.3 Carrier is required to send the shipper generated TCN in the EDI 315 TS.
- 1.4 The shipper (system) created TCN appearing on the SI will be considered the official TCN for the container/shipment.

- 2.0 Carrier confirms the booking via their web based booking system. Carrier's booking number replaces the Port Call File Number (PCFN) as the booking identification number. Carrier then begins actual service by providing equipment to the shipper or having the shipper select equipment from their approved container pool. The booking confirmation will consist of at least the following minimum fields:
 - Carrier Booking Number
 - Commercial Vessel Name
 - Commercial Voyage Number
 - POE Sail Date at time of confirmed booking
 - POD Arrive Date at time of confirmed booking
 - 3.0 (a) Vendor (if direct vendor shipments are utilized) supplies hard copy SI to the trucker and shipper. Upon stuffing the container at vendor's site, a SI is completed by the vendor and is given to the trucker at time of container pick-up. The SI is also sent to the shipper via fax or mail. If a vendor is not utilized for the shipment, shipper is responsible for creating the SI and providing the document to the trucker at the time of container pick-up.
 - 3.0 (b) Shipper supplies SI to the carrier. Shipper verifies that SI is correct and then forwards data to the carrier via the EDI 304 Transaction Set (TS) (until EDI 304 is implemented fax or email from the shipper system will be used).
 - 4.0 Shipper submits SI to IBS-CSS. Shipper verifies that SI is correct and then forwards data via an EDI 858R to IBS-CSS. Until the EDI transaction is approved and implemented by the affected parties a mutually agreed upon flat file may be substituted. Note-One SI is generated per container.
 - 5.0 Shipper transmits SI to PowerTrack. Shipper verifies that Priced-out SI is correct and then forwards transaction to PowerTrack via an EDI 858R or flat file. The Priced-out SI will contain the correct approved carrier rate based on contract or tariff rates provided by SDDC. The shipper is responsible for maintaining their own system for pricing out shipments and providing the accurate rate on the SI to PowerTrack.
 - 6.0 Carrier loads container on vessel and submits EDI 315 lift confirmation to PowerTrack and DoD EDI Mail Box. The carrier submits lift confirmation (vessel departure) by submitting an EDI 315 TS to PowerTrack to facilitate payment and to the DoD EDI mailbox for contractual In-Transit visibility (ITV) requirements.
 - 7.0 Carrier makes available Load List to SDDC. Carrier will also provide to SDDC a Load List to facilitate SDDC management and customs data transmission. For this purpose the Load List can be made available to SDDC via the carrier's web based booking system.
 - 8.0 SDDC data feed to WPS at POD. To initiate the Customs Clearance Process, updated SIs are transmitted from IBS-CSS to the appropriate POD-WPS system for further processing. At the POD, port personnel utilize the data for preparation of the actual customs clearance forms.
 - 9.0 Carrier Payment and Matching Process with PowerTrack. There are two carrier payment approaches that the carrier has the option to choose from for receiving payment from PowerTrack.
-

- 9.1 Carrier Invoiceless Payment Approach. Once shipper's Priced-out SI and the carrier's EDI 315 TS are in PowerTrack, PowerTrack will match the two data streams based on carrier booking number and container number. PowerTrack will then generate an Electronic Funds Transfer (EFT) payment transaction for each successful match. The EDI 820 TS will also be sent from PowerTrack to the carrier when it becomes available. Payment will be executed upon PowerTrack's matching of the Priced-out SI and EDI 315 TS. Any discrepancies or adjustments required after payment has been executed will be offset via the eBill process.
 - 9.2 Carrier Invoice Payment Approach. For carriers utilizing the invoice payment approach with PowerTrack, payment from PowerTrack will be based on receipt of the carrier EDI 310 TS in addition to the EDI 315 TS.

If the dollar amount in the shipper's Priced-out SI transactions equals the amount in the carrier's invoice transaction and a 315 has been received for each Priced-out SI, then the transaction is approved for payment. U.S. Bank will remit payment to the carrier via EFT. The EDI 820 TS will also be sent from PowerTrack to the carrier when it becomes available.

However, if the Priced-out SI, the 315, and the invoice dollar amounts do not meet these criteria for auto-pay, then the exception handling procedures (steps 14) are followed.
 - 10.0 Shipper retrieves MBS from PowerTrack web site. Shippers receive the MBS from U.S. Bank for payments made to the carriers via the PowerTrack web site. The shipper's Certifying Officer then certifies the MBS. Shipper personnel must be appointed as Certifying Officer from DFAS before they can accept and certify received transaction from PowerTrack
 - 11.0 Shipper mails hard copy certified MBS to their DFAS. The certified MBS, which contains valid Lines of Accounting (LOA), is forwarded to the shipper's/service's DFAS for processing.
 - 12.0 Shipper's/Service' s DFAS makes payment to US Bank for the certified MBS thru EFT.
 - 13.0 SDDC Administration Fee. U.S. Bank will calculate the SDDC Administration Fee for payment to SDDC for contract and traffic management services. The fee is based on a percentage of the carrier payment submitted by the shipper. Twice a month U.S. Bank will generate a Direct Booking spreadsheet and submit it to DFAS-Omaha and SDDC-RM. The Service DFAS and SDDC DFAS (Omaha) will recognize TWCF expense and revenue respectively. DFAS (Omaha) enters Statement of Account (SOA) and Statement of Transaction (SOT) in the Online Payment and Collection (OPAC) system and OPAC processes SOT and SOA to Treasury.
 - 14.0 eBill / Dispute Resolution. The following process will be followed when a carrier charge for service does not match the shipper's transaction in PowerTrack or additional debits/credits are incurred after PowerTrack has executed payment to the carrier.
 - 14.1 PowerTrack generates a list of audit exceptions. In cases of an audit exception, where the difference between shippers expected charges and the carrier's invoice (carrier invoice payment approach only) is outside the range of the shipper's tolerance level, payment will not be executed by PowerTrack until the carrier and shipper resolve the discrepancy. Both shipper and the carrier will access PowerTrack to identify the audit exceptions.
 - 14.2 Carrier and shipper resolve audit exception in PowerTrack. When a transaction cannot be executed in PowerTrack due to a variance in data elements between the Priced-out SI and the carrier's data, shipper and carrier will resolve the audit exception via telephone or
-

email. Once the audit exception is resolved, the appropriate data will be corrected within PowerTrack. (If the error pertains to the EDI 315 TS, then the carrier will make the correction; if the error pertains to the SI data, then shipper performs the correction.) The transaction is then updated and approved in PowerTrack, and payment is remitted to the carrier via EFT.

- 14.3 Carrier submits eBill to shipper. In instances where resolution is either not achieved or additional charges are incurred after original payment has been executed (e.g., additional services ordered, change in routing/ destination, different type service requested), then adjustments will be made through an eBill process. The carrier will access PowerTrack to submit an eBill for the amount in question. Once the eBill is in PowerTrack, shipper will have three (3) Government Business Days (GBDs) to respond to the eBill.
 - 14.4 Shipper submits eBill to carrier. Shipper will also have the capability to initiate eBills to the carrier. Similar to carrier submission, shipper will access PowerTrack to submit an eBill for the debit/credit amounts. Once the eBill is in PowerTrack, the carrier will have three (3) GBDs to respond to shipper's eBill.
 - 14.5 Shipper approves or disputes eBill via PowerTrack. In PowerTrack, shipper can either approve the carrier-issued eBill or further dispute it. If shipper approves the transaction, then it is executed upon approval. However, if shipper disputes it, PowerTrack will have the ability to lock out individual charges (i.e., charges at the *container* level) until the parties resolve the discrepancy.
 - 14.6 Carrier approves or disputes eBill via PowerTrack. In PowerTrack, the carrier can either approve the shipper-issued eBill or further dispute it. If the carrier approves the transaction, then it is executed upon approval. However, similar to step 14.5, if the carrier disputes it, then PowerTrack has the ability to lock out individual invoices until the parties resolve the discrepancy.
 - 14.7 Shipper or carrier has option to solicit SDDC intervention. In pricing or service disputes either party can initiate SDDC's intervention if the parties cannot reach agreement. If the disputed charges or service are brought to SDDC's attention, SDDC's decision on the dispute will be considered the final government position and the shipper will if required, modify the shipper portion of the PowerTrack record accordingly.
- 15.0 SDDC In-Transit Visibility (ITV) and Contractual Requirements. SDDC is solely responsible for contract acquisition and management for Defense Transportation System (DTS) sealift cargo. Therefore, it is SDDC's responsibility to monitor contract performance from both the shipper and carrier perspective by ensuring awarded contract allocation levels are met throughout the life cycle of the contract. In order to achieve this objective, SDDC will be provided ITV data by carrier for cargo that has been booked to their web sites.

Carriers will provide ITV data via contractually required EDI 315 TS. Carriers will also provide ITV data via their web based booking system, giving SDDC personnel full access to DTS shipments booked by military shippers moving cargo under SDDC contracts and tariffs.

- 16.0 Shipper Maintains Shipping Data for Contract Management and Sends Information to SDDC upon Request.

Shippers will provide shipping data via their internal pricing and documentation systems upon request by SDDC for contract management purposes.

3.1.3.2 Non-PowerTrack Payment Process for Container Shipments

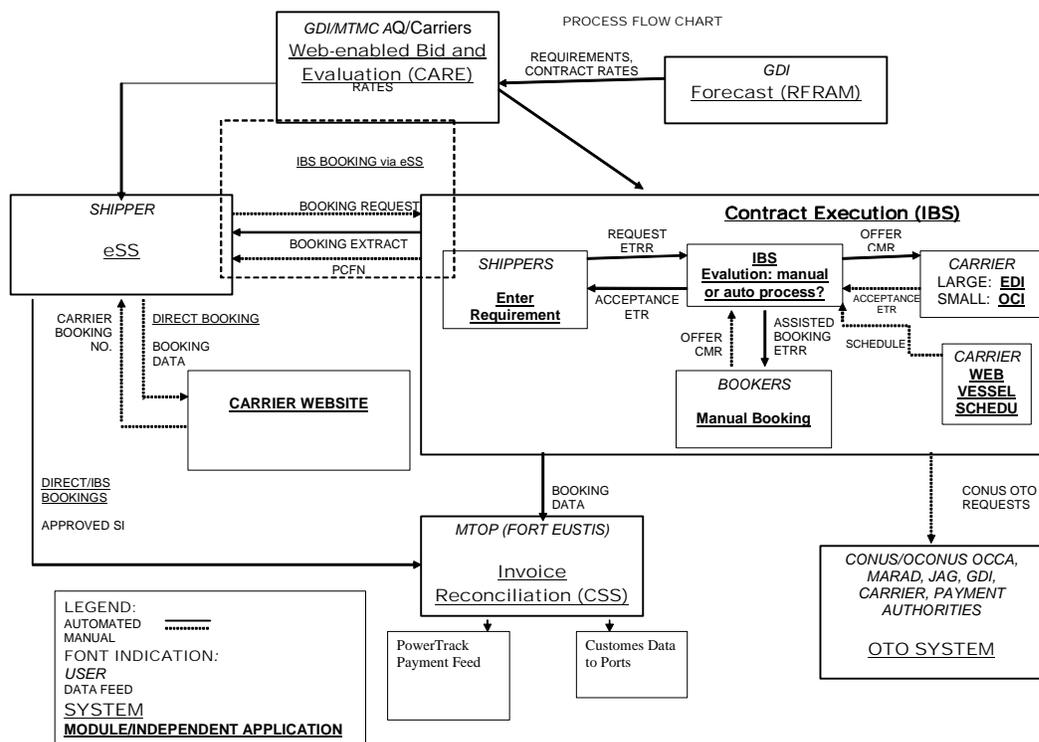


Figure 3-2: Non-MRM#15 Container Process

- 1.0 The shipper requests transportation services via submission of an Export Traffic Release Request (ETRR) into the Integrated Booking System (IBS). This request enumerates all pertinent data including POE and POD, consignee, number, size and type of containers, spot requirements, commodity code, Required Delivery Date, other services, etc.
- 2.0 The Carrier enters vessel schedule information via a web-enabled interface (Web Vessel Schedule module). GDI personnel also have the ability to enter vessel schedule information on behalf of the carrier.
- 3.0 In addition to ETRR information, the Shipper is provided the option of indicating preferences in terms of carrier, port and voyage. This information is used by IBS to book the cargo.
- 4.0 If no preference information is included, the IBS Sustainment module logic optimizes the requirement in terms of Statutory Requirements, cost/best value, cargo allocation rules and transit time to meet the parameters of the ETRR.
- 5.0 If more than one feasible voyage is found, the request is returned to the shipper for selection of the carrier after which an offer is submitted to the carrier via EDI, email or fax.
- 6.0 Under certain conditions, the ETRR is flagged for manual processing by GDI personnel.
- 7.0 If only one feasible vessel is identified and there are no special circumstances, the carrier is automatically offered the shipment via EDI 300 transaction, email or fax.
- 8.0 The carrier then accepts or declines the offer.
- 9.0 If accepted, the carrier has 24 hours to submit an amended acceptance or "counter-offer".

- 10.0 The counteroffer may be accepted by GDO personnel or the offer may be extended to another carrier.
- 11.0 Once the final offer is accepted, the ETRR is marked Booked and an Export Traffic Release is returned to the shipper via email or fax or may be viewed online.
- 12.0 GDI personnel may cancel a booking at any time prior to lift.
- 13.0 GDI personnel may request a cancelled booking to be re-instated for various reasons. This is handled via a manual data-manipulation process.
- 14.0 IBS generates a skeletal Shipping Instruction and transmits it to WPS.

3.1.3.3 Break Bulk Process

3.1.3.3.1 Break Bulk Liner

The following is a general description of the As-Is Break bulk Outbound Liner sealift process:

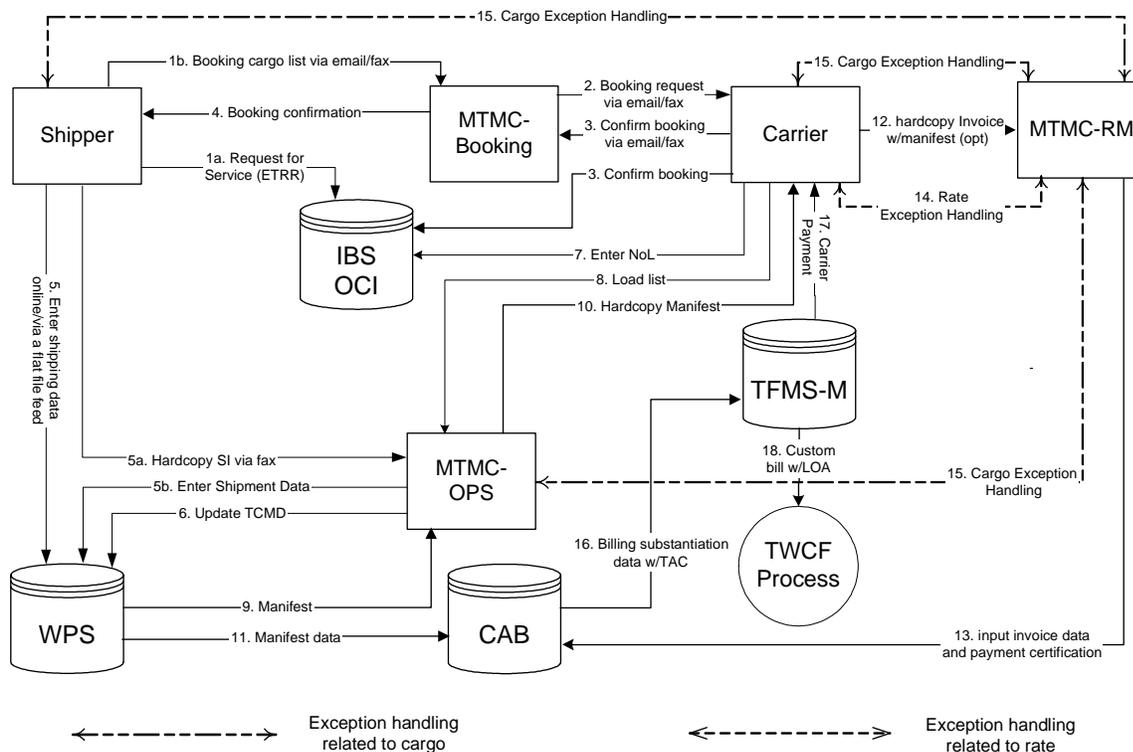


Figure 3-3: Break Bulk Liner Process

- 1.0a The shipper requests transportation services via submission of an Export Traffic Release Request (ETRR) into the Integrated Booking System (IBS).
- 1.0b The shipper also supplies the SDDC booking office with a fax or email list of the cargo offered. SDDC booking office selects carrier, vessel and terms, and rates the cargo after receiving the request from the shipper.
- 2.0 SDDC Booking office sends the booking request notification to the carrier via email or fax.

- 3.0 The carrier views the booking data in the IBS Ocean Carrier Interface (OCI) and sends a confirmation/acceptance of booking back to SDDC Booking office via email or by entering the booking number into the OCI.
- 4.0 The SDDC booking office confirms the booking with the shipper.
- 5.0 The shipper creates a TCMD and sends it to WPS after receiving the booking confirmation.
- 5.0a Alternatively, the shipper provides SDDC Operations with a hardcopy TCMD or shipping instructions.
- 5.0b The SDDC Operations creates a TCMD in WPS based on the hardcopy TCMD or shipping instructions the shipper provides.
- 6.0 During and after the cargo loading process, SDDC Operations will update the TCMD information in WPS prior to generating the manifest.
- 7.0 Upon cargo lift, the carrier enters the notification of lift into the OCI.
- 8.0 Within 24 hours of vessel departure, the carrier generates a load list and sends it to SDDC Operations and/or port personnel.
- 9.0 SDDC Operations compares the shipper's TCMD with the carrier's load list, and updates the information in WPS to create the Cargo MILSTAMP Manifest within 72 hours of vessel departure.
- 10.0 A hardcopy of the manifest is provided to the ocean carrier by SDDC Operations within 3-5 days depending on the length of the voyage.
- 11.0 The electronic manifest data is transmitted to CAB from WPS.
- 12.0 The ocean carrier prepares an invoice, attaches a copy of the manifest (optional) and mails the package to SDDC-RM.
- 13.0 SDDC-RM receives the carrier invoice, enters invoice data and certifies the invoice for payment in CAB.
- 14.0 Any discrepancies between the invoice and the manifest data are resolved between the carrier and SDDC-RM.
- 15.0 However, discrepancies dealing with cargo weight and dimensions will necessarily involve SDDC Operations, and possibly the shipper, besides the carrier and SDDC-RM, in the resolution process.
- 16.0 CAB prices out the manifest and generates invoice payment and billing substantiation data that is transmitted to TFMS-M after receiving the manifest, invoice data and payment certification.
- 17.0 TFMS-M receives the certification details and pays the carrier either through electronic funds transfer or paper check.

The following steps are part of the Transportation Working Capital Fund (TWCF) process and are included in the "TWCF Process" bubble in the flow chart:

- 18.0 TFMS-M submits the billing substantiation to DFAS-Omaha for collection.
 - 19.0 DFAS-Omaha generates customer billings Standard Form (SF) 1080 and forwards the SF 1080 along with the billing substantiation to the shipper's certifying office.
 - 20.0 The shipper's certifying office receives the billing substantiation for certification.
 - 21.0 Shipper/customer certifies the billing substantiation.
 - 22.0 Shipper's payment office provides certification details to DFAS-Omaha.
 - 23.0 Shipper reimburses SDDC via DFAS.,
-

3.1.3.3.2 Break Bulk Free Out

The following is a general description of the As-Is Breakbulk Free Out sealift process:

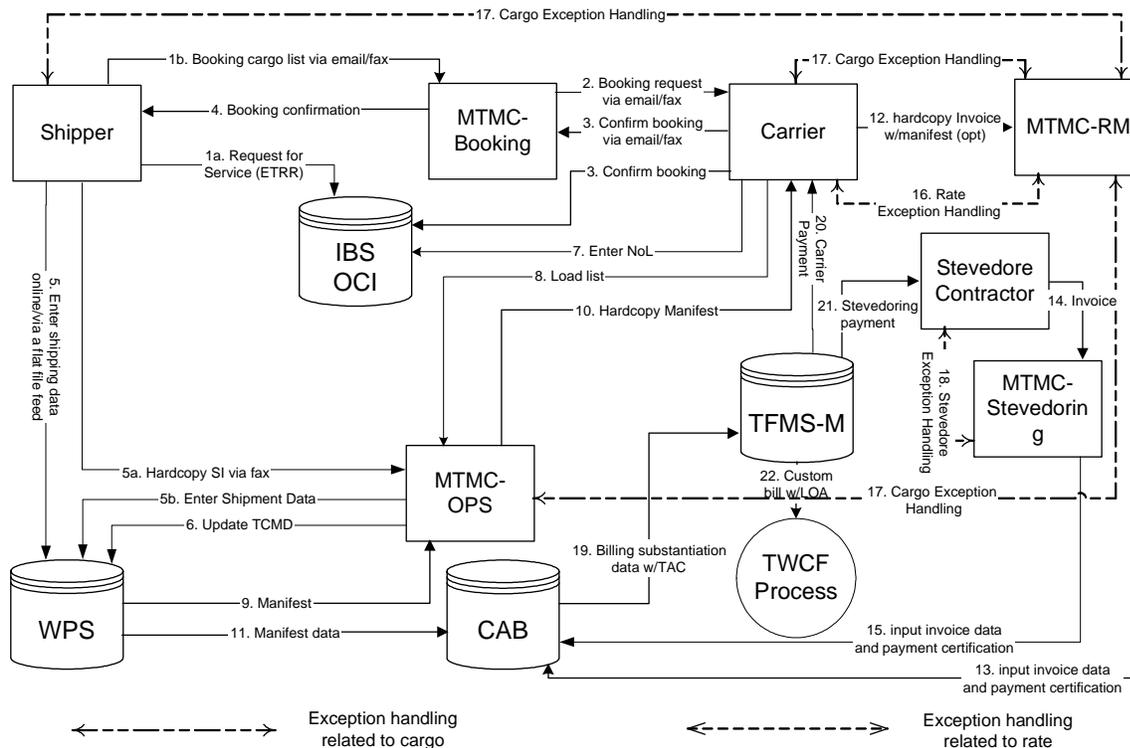


Figure 3-4: Break Bulk Free Out Process

- 1.0a The shipper requests transportation services via submission of an Export Traffic Release Request (ETRR) into the Integrated Booking System (IBS).
- 1.0b The shipper also supplies the SDDC Booking Office with a fax or email list of the cargo offered. SDDC Booking Office selects carrier, vessel and terms, and rates the cargo after receiving the request from the shipper.
- 2.0 SDDC Booking Office sends the booking request notification to the carrier via email or fax.
- 3.0 The carrier views the booking data in the IBS Ocean Carrier Interface (OCI) and sends a confirmation/acceptance of booking back to SDDC Booking Office via email or by entering the booking number into the OCI.
- 4.0 The SDDC Booking Office confirms the booking with the shipper.
- 5.0 The shipper creates a TCMD and sends it to WPS after receiving the booking confirmation.
- 5.0a Alternatively, the shipper provides SDDC Operations Office with a hardcopy TCMD or shipping instructions.
- 5.0b The SDDC Operations creates a TCMD in WPS based on the hardcopy TCMD or shipping instructions the shipper provides.
- 6.0 During and after the cargo loading process, SDDC Operations will update the TCMD information in WPS prior to generating the manifest.
- 7.0 Upon cargo lift, the carrier enters the notification of lift into the OCI.

- 8.0 Within 24 hours of vessel departure, the carrier generates a load list and sends it to SDDC Operations and/or port personnel.
- 9.0 SDDC Operations compares the shipper's TCMD with the carrier's load list, and updates the information in WPS to create the Cargo MILSTAMP Manifest within 72 hours of vessel departure.
- 10.0 A hardcopy of the manifest is provided to the ocean carrier by SDDC Operations within 3-5 days depending on the length of the voyage.
- 11.0 The electronic manifest data is transmitted to CAB from WPS.
- 12.0 The ocean carrier prepares an invoice, attaches a copy of the manifest (optional) and mails the package to SDDC-RM.
- 13.0 SDDC-RM receives the carrier invoice, enters invoice data and certifies the invoice for payment in CAB.
- 14.0 The stevedore contractor sends the invoice for the stevedoring activity to SDDC Stevedoring Office.
- 15.0 SDDC-Stevedoring receives the stevedoring invoice, enters invoice data and certifies the invoice for payment in CAB.
- 16.0 Any discrepancies between the carrier invoice and the manifest data are resolved between the carrier and SDDC-RM.
- 17.0 However, discrepancies dealing with cargo weight and dimensions will necessarily involve SDDC Operations, and possibly the shipper, besides the carrier and SDDC-RM, in the resolution process.
- 18.0 Any discrepancies between the stevedore invoice and the stevedore workload data are resolved between the stevedore contractor and SDDC Stevedoring Office.
- 19.0 CAB prices out the manifest and generates invoice payment and billing substantiation data that is transmitted to TFMS-M after receiving the manifest, invoice data and payment certification.
- 20.0 TFMS-M pays the carrier either through electronic funds transfer or paper check after receiving the certification details.

TFMS-M pays the stevedore contractor either through electronic funds transfer or paper check after receiving the certification details.

The following steps are part of the Transportation Working Capital Fund (TWCF) process and are included in the "TWCF Process" bubble in the flow chart:

- 22.0 TFMS-M submits the billing substantiation to DFAS-Omaha for collection.
 - 23.0 DFAS-Omaha generates customer billings Standard Form (SF) 1080 and forwards the SF 1080 along with the billing substantiation to the shipper's certifying office.
 - 24.0 The shipper's certifying office receives the billing substantiation for certification.
 - 25.0 Shipper/customer certifies the billing substantiation.
 - 26.0 Shipper's payment office provides certification details to DFAS-Omaha.
 - 27.0 Shipper reimburses SDDC via DFAS.
-

3.1.3.3.3 Break Bulk - MSC

The following is a general description of the As-Is Breakbulk MSC sealift process:

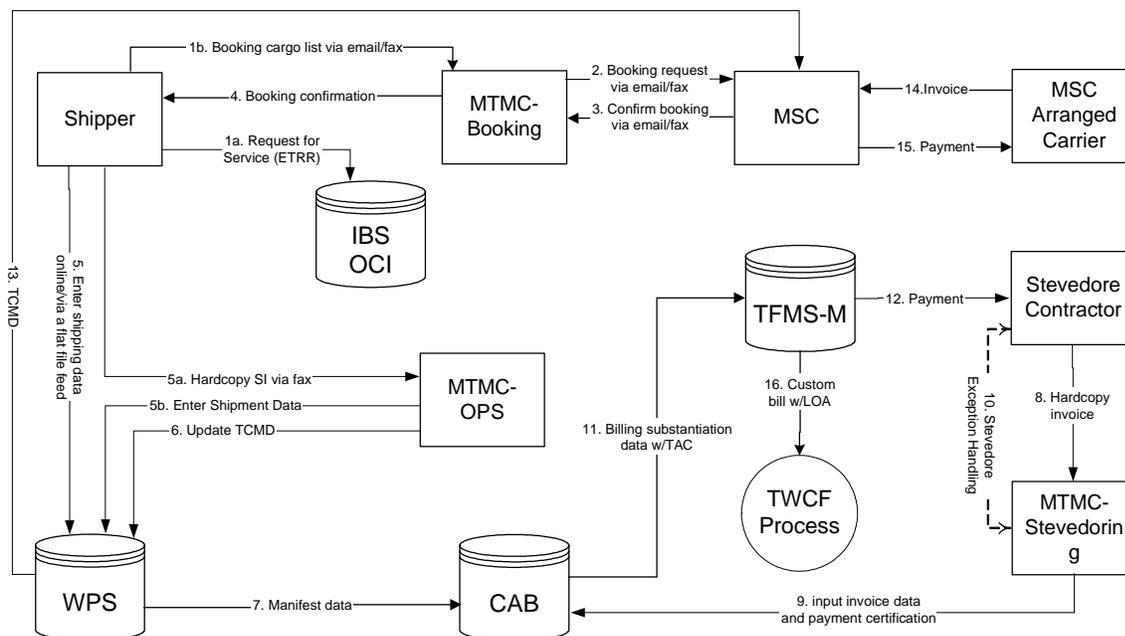


Figure 3-5: Break Bulk MSC Arranged Process

- 1.0a The shipper requests for transportation services via submission of an Export Traffic Release Request (ETRR) into the Integrated Booking System (IBS).
- 1.0b The shipper also supplies the SDDC booking office with a fax or email list of the cargo offered. SDDC booking office selects carrier, vessel and terms, and rates the cargo after receiving the request from the shipper.
- 2.0 SDDC Booking office sends the booking request notification to the carrier via email or fax.
- 3.0 The carrier views the booking data in the IBS Ocean Carrier Interface (OCI) and sends a confirmation/acceptance of booking back to SDDC Booking office via email or by entering the booking number into the OCI.
- 4.0 The SDDC booking office sends the booking confirmation to the shipper.
- 5.0 The shipper creates a TCMD and sends it to WPS after receiving the booking confirmation.
- 5.0a Alternatively, the shipper provides SDDC Operations with a hardcopy TCMD or shipping instructions.
- 5.0b The SDDC Operations creates a TCMD in WPS based on the hardcopy TCMD or shipping instructions the shipper provides.
- 6.0 During and after the cargo loading process, SDDC Operations will update the TCMD information in WPS prior to generating the manifest.
- 7.0 The electronic manifest data is transmitted to CAB from WPS.
- 8.0 The stevedore contractor sends the invoice for the stevedoring activity to SDDC Stevedoring Office.

9.0 SDDC Stevedoring Office enters invoice data and certifies the invoices for payment in CAB after receiving the invoices.

10.0 Any discrepancies between the stevedore invoice and the stevedore workload data are resolved between the stevedore contractor and SDDC Stevedoring Office.

11.0 CAB generates invoice payment and billing substantiation data that is transmitted to TFMS-M.

TFMS-M pays the stevedore contractor either through electronic funds transfer or paper check after receiving the certification details.

The following three steps are all about MSC carrier payment. It is out of the scope of these CONOPS.

13.0 WPS feeds TCMD to MSC CARS system.

14.0 The MSC arranged carrier sends its invoice to MSC.

15.0 MSC makes the payment to the carrier.

The following steps are part of the Transportation Working Capital Fund (TWCF) process and are included in the "TWCF Process" bubble in the flow chart:

16.0 TFMS-M submits the billing substantiation to DFAS-Omaha for collection.

17.0 DFAS-Omaha generates customer billings Standard Form (SF) 1080 and forwards the SF 1080 along with the billing substantiation to the shipper's certifying office.

18.0 The shipper's certifying office receives the billing substantiation for certification.

19.0 Shipper/customer certifies the billing substantiation.

20.0 Shipper's payment office provides certification details to DFAS-Omaha.

21.0 Shipper reimburses SDDC via DFAS.

3.1.3.4 Container Payment Process Utilizing PowerTrack (Invoice Model)

The following figure presents a step-by-step process flow diagram of the invoice carrier payment process. Each step of the invoice carrier payment process is described below.

Invoice Carrier Payment Concept

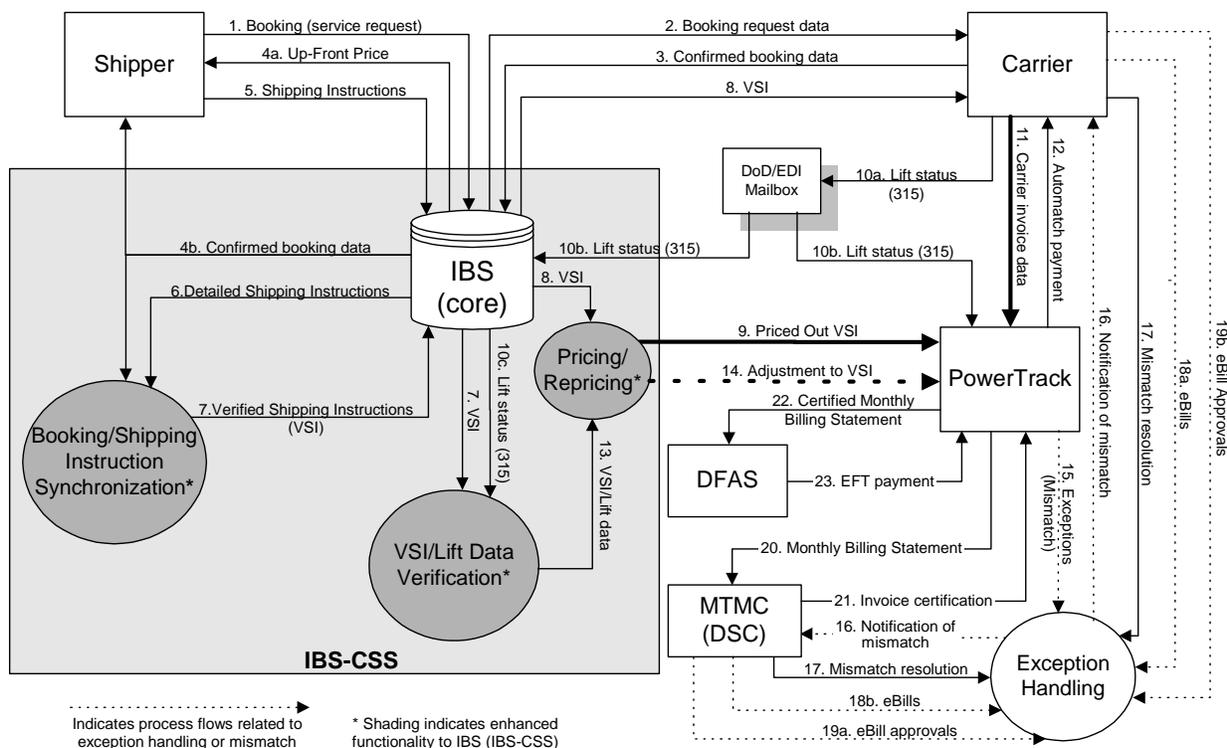


Figure 3-6: PowerTrack Carrier Payment Approach (Invoice Process)

- 1.0 Shipper submits an Export Traffic Release Request (ETRR) to IBS. The shipper enters anticipated cargo reservation requirement request in IBS to begin the booking process.
- 2.0 IBS submits the booking request to the carrier. The booking request is then forwarded to the selected carrier via an EDI 300 transaction. This booking request does not include the up-front price estimate calculated by IBS in step 4a.
- 3.0 Carrier sends the booking confirmation to IBS. If the carrier accepts the booking, then they provide confirmation via an EDI 301 transaction back to IBS, that they will provide the requested services.
- 4.0a IBS generates the up-front price, which is sent to the shipper. IBS, using the carrier selection criteria (i.e., VISA, workload, contracts, etc.), performs booking and calculates the price based on the booking data entered in step 1. The up-front price to the shipper is based on OSD stabilized rates.
- 4.0b IBS generates the confirmed booking data for the shipper. After the carrier has provided confirmation, IBS generates the confirmed booking data for the shipper. The confirmed booking data is stored in IBS where it is later used to generate the VSI (step 7).

Note: steps 1 – 4 can be repeated prior to generation of the SI as the shipper changes the terms of the booking.

5.0 Shipper will generate the SI, which is sent to IBS. After a container has been stuffed, the shipper will use the confirmed booking data as a baseline to generate the SI. This is the point where the container number is assigned to the Transportation Control Number (TCN). One SI is generated per container, and the shipper transmits the SI to IBS. (However, during the test period, if the shipper is unable to submit the SIs to IBS directly, then they will send the data to WPS as TCMDs, where they will be converted to SIs and transmitted to IBS.)

The primary data elements that are added to the confirmed booking data (step 4) to generate the SIs include (but are not limited to):

- Container number
- Seal number
- Content data
- Pieces
- Weight
- Cube
- Voyage number
- Ultimate destination

6.0 IBS-CSS performs booking/SI synchronization. Upon receipt of the SI from the shipper (or WPS), IBS compares the details of the SI against the confirmed booking data that is stored in IBS (during step 4b). The confirmed booking data is compared against the SI for that Shipment Unit Identification Number (SU_ID) to ensure that:

- order rules were not violated
- the terms for carrier payment are still valid and accurate
- cargo routing is the same as originally booked
- The data fields matched during this synchronization process includes:
 - PCFN, Point of Origin, Point of Destination
 - Port of Embarkation (POE), Port of Debarkation (POD)
 - Van type, Van size
 - Carrier Code, Consignee Department of Defense Activity Address Code (DoDAAC)
 - Commodity Code
 - Origination terms (TCN character 15) and destination terms (TCN character 16)
 - Number of stop-offs
- If a discrepancy between the booking data and the SI is noted, the shipper and SDDC resolve the discrepancy via manual communications. The resolution is then updated by SDDC via the Web-based adjustment screens in IBS-CSS. After the SI data has been validated against the booking data, and adjustments have been made (if any), the SI becomes a VSI.

7.0 IBS generates the VSI. Once the SIs are verified, the VSIs are stored in IBS where they are later used in both the VSI/Lift Data Verification (step 10c) and pricing processes, and to provide shipment details to the carrier.

- 8.0 IBS sends the VSI to the carrier and generates the Priced-out VSI. After the VSIs have been created and stored in IBS, they are transmitted to the carrier to provide shipment/order details. They are also transmitted through the IBS pricing module in order to generate a "Priced-out VSI" which is transmitted to PowerTrack. The price is calculated based on the service ordered and the contract under which the service request was booked. If no changes to the data have been made since the time of booking, then the original price (calculated in step 4a) is the price that will be transmitted to PowerTrack.
- 9.0 IBS sends the Priced-out VSI to PowerTrack. Once the priced-out VSI is generated, it is transmitted to PowerTrack to represent SDDC's expectation of what they are to be charged by the carrier.
- 10.0a Carrier transmits Lift Status transactions (315) to both DoD EDI mailbox and PowerTrack. After the carrier loads the containers on the vessel and departs, the carrier will transmit a lift status report in the form of the EDI 315 transaction set to the designated DoD EDI mailbox (as they do today). One 315 is generated for each container on the vessel. This is done for the "VD" event (vessel departure). The 315 transactions will also be transmitted to PowerTrack either directly from the carrier or via the DoD EDI mailbox.
- 10.0b Lift status is transmitted to IBS and PowerTrack. The 315s are translated into the user-defined format (UDF) and sent to both IBS and PowerTrack. (Alternatively, the carrier may have the capability to submit the 315s directly to PowerTrack.)
- 10.0c IBS performs VSI/lift data verification. IBS compares 315 details against the VSI data that was entered into IBS during step 7. Successful application of the 315 to the VSI serves as confirmation of lift for SDDC.
- This VSI to Lift comparison is performed to ensure that:
 - the container was lifted
 - order rules were not violated
 - terms for carrier payment are still valid and accurate
 - cargo routing is the same as ordered
 - The data fields validated during the verification process include:
 - Point of Origin, Point of Destination
 - POE, POD
 - SCAC
 - Consignee
 - Carrier
 - Van type, Van size
 - Number of stop-offs
 - Contract terms
 - Container number
 - If a variance between the VSI and 315 data is noted, the carrier and SDDC resolve the discrepancy via manual communications. The resolution is updated by SDDC in the IBS-CSS Web-based adjustment screens and stored in IBS.
- 11.0 Carrier generates an electronic invoice, which is transmitted to PowerTrack. After transmitting the 315 (step 10a), the carrier will generate and transmit an electronic invoice to PowerTrack representing what the carrier is charging SDDC.
-

12.0 U.S. Bank submits payment to the carrier via PowerTrack EFT. If the dollar amount in SDDC's Priced-out VSI transmission (step 9) equals the amount in the carrier's invoice transmission (step 11) (or if SDDC's Priced-out VSI transmission is lower than the carrier's invoice, yet within the carrier's pre-established tolerance level), and a 315 has been received for each Priced-out VSI, then the transaction is approved for payment. U.S. Bank will remit payment to the carrier via EFT. However, if the VSI, the 315, and the invoice dollar amounts do not meet these criteria for auto-pay, then the exception handling procedures (steps 15 – 19) are followed.

Note that steps 13 – 17 occur only if there is a data discrepancy in step 10c that results in a price change.

13.0 IBS generates the VSI/Lift data stream for re-pricing. If data discrepancies that impact carrier charges are noted between the VSI and Lift data, and resolved in step 10c, then IBS generates a VSI/Lift data stream and transmits it through the IBS pricing module to generate a "Re-priced Adjustment" to the VSI. The price is recalculated based on the service provided and the contract under which the service request was booked. This step occurs only if discrepancies between VSI and Lift data impact carrier charges or the Priced-out VSI.

14.0 IBS transmits the Adjusted VSI to PowerTrack. This step occurs only if payment has not yet been made to the carrier, and only if there is a discrepancy between the VSI record and the carrier's lift status record that results in a price change. If the discrepancy does not result in a price change, then this transmission does not occur. The adjusted VSI file generated in step 13 is transmitted to PowerTrack to update the Priced-out VSI previously transmitted in step 9. The transmission of the adjusted VSI data from IBS to PowerTrack serves as SDDC's "adjusted expected carrier charge", and is used in step 15. This step occurs only if payment has not yet been made to the carrier. If an adjustment is needed after payment has been made, the eBill process will be triggered (steps 18 and 19).

15.0 SDDC- FEVA and U.S. Bank handle exceptions (as necessary). Situations can occur, where there is a "mismatch" between SDDC's expected charges (steps 9 or 14) and the carrier's invoice (step 11). Under these circumstances, payment will not be automatically executed. Rather, the transaction will enter the "exception handling" process.

- To support exception handling, both the carrier and SDDC- FEVA will have the capability to "drill down" past PCFN level information in PowerTrack to research the data elements that affect price.
- A mismatch in any of these data elements could trigger a difference in price. If there is no difference in price, then the transaction will be executed and the discrepant data can be updated after the transaction has been executed.

16.0 PowerTrack generates a list of mismatches. In cases of a mismatch, where the difference between SDDC's expected charges and the carrier's invoice is outside the range of the carrier's tolerance level, payment will not be executed by PowerTrack until the carrier and SDDC- FEVA resolve the discrepancy. Both SDDC- FEVA and the carrier will access PowerTrack to identify the mismatches.

17.0 Carrier and SDDC- FEVA resolve mismatch in PowerTrack. When a transaction cannot be executed in PowerTrack due to a variance in data elements between the Priced-out VSI and the carrier's invoice data, SDDC- FEVA and the carrier will resolve the mismatch via telephone or email. Once the mismatch is resolved, the appropriate data will be corrected within PowerTrack. (If the error pertains to the 315, then the carrier will make the correction; if the error pertains to either booking or SI/VSI data, then SDDC- FEVA performs the correction.) The transaction is then updated and approved in PowerTrack, and payment is remitted to the carrier via EFT. The following are examples of potential mismatches and discrepancies:

- Incorrect container number on the SI
 - Services that were ordered cannot be rated within IBS (price not on SI)
 - PowerTrack cannot apply 315 to a priced-out VSI
-

- Services were ordered, but not on the 315
 - Inaccurate SI exists in the system
 - No 315 enters IBS
- 18.0a Carrier submits eBill to SDDC- FEVA. In instances where resolution is either not achieved or additional charges are incurred after original payment has been executed (e.g., additional services ordered, change in routing/destination, different type service requested), then adjustments will be made through an eBill process. The carrier will access PowerTrack to submit an eBill for the amount in question. Once the eBill is in PowerTrack, SDDC- FEVA will have three (3) Government business days to respond to the eBill. If SDDC- FEVA does not respond within this time period, then the eBill will be automatically approved to process the offset amount.
- 18.0b SDDC- FEVA submits eBill to carrier. SDDC- FEVA will also have the capability to initiate eBills to the carrier. Similar to carrier submission, SDDC- FEVA will access PowerTrack to submit an eBill for the offset amount. Once the eBill is in PowerTrack, the carrier will have three (3) Government business days to respond to SDDC's eBill. If the carrier does not respond within this time period, then the eBill will be automatically approved for offset.
- 19.0a SDDC- FEVA approves or disputes eBill via PowerTrack. In PowerTrack, SDDC- FEVA can either approve the carrier-issued eBill or further dispute it. If SDDC approves the transaction, then it is executed upon approval. However, if SDDC disputes it, PowerTrack will have the ability to lock out individual invoices (i.e., charges at the container level). Then, the transactions will be executed for the containers within a booking that do not have any discrepancies with the data elements that are used to calculate price, and no transaction will occur for the discrepant amount until resolution is obtained.
- 19.0b Carrier approves or disputes eBill via PowerTrack. In PowerTrack, the carrier can either approve the SDDC- FEVA-issued eBill or further dispute it. If the carrier approves the transaction, then it is executed upon approval. However, similar to step 19a, if the carrier disputes it, then PowerTrack has the ability to lock out individual invoices until the parties resolve the discrepancy.
- From this point forward, steps 20 - 23 are followed to process the monthly invoice from U.S. Bank to SDDC.
- 20.0 U.S. Bank generates a monthly invoice for certification. Through PowerTrack, U.S. Bank will generate a monthly invoice, which is submitted to SDDC- FEVA for certification. This monthly invoice includes all charges that U.S. Bank has paid to carriers since the previous billing statement.
- 21.0 SDDC- FEVA certifies U.S. Bank's Monthly Billing Statement (MBS) via PowerTrack. On a monthly basis, SDDC- FEVA accesses PowerTrack via the Web to view the monthly invoice generated in step 20. The charges on the monthly invoice are rolled up by Line of Account; however, SDDC- FEVA will have capability to drill down to container level information to view the data necessary to certify the charges for payment by DFAS-Omaha (step 23). Exception handling procedures for discrepancies with the U.S. Bank invoice have not yet been finalized. However, SDDC- FEVA will sign-off on the approved charges. After SDDC electronically signs the monthly billing statement in PowerTrack, the statement is prepared for transmission to DFAS-Omaha (step 22). If the interfaces are not ready to support electronic transmission of the certified invoice to DFAS, then U.S. Bank will generate and send a hardcopy to DFAS-Omaha.
- 22.0 U.S. Bank submits the certified MBS to DFAS-Omaha. After SDDC- FEVA has certified the invoice, it is transmitted electronically to the DFAS payment system via PowerTrack. Currently, the format of choice for the electronic invoice is an EDI 810. If the interface is not available by the time transactions begin, U.S. Bank will generate and send a hardcopy to DFAS-Omaha.
- 23.0 DFAS-Omaha remits payment to U.S. Bank. DFAS-Omaha receives the SDDC-certified invoice from PowerTrack and remits payment to U.S. Bank via an Automated Clearing House transaction
-

in Commercial Transaction Format. U.S. Bank then liquidates all accounts receivable in PowerTrack.

3.2 Domestic Transportation

SDDC is the single manager for common-user ocean cargo terminals, transportability engineering, and traffic management. SDDC books military ocean cargo with commercial and military carriers, accomplishes the movement, pays the carrier, and bills the DoD agency or component for the move.

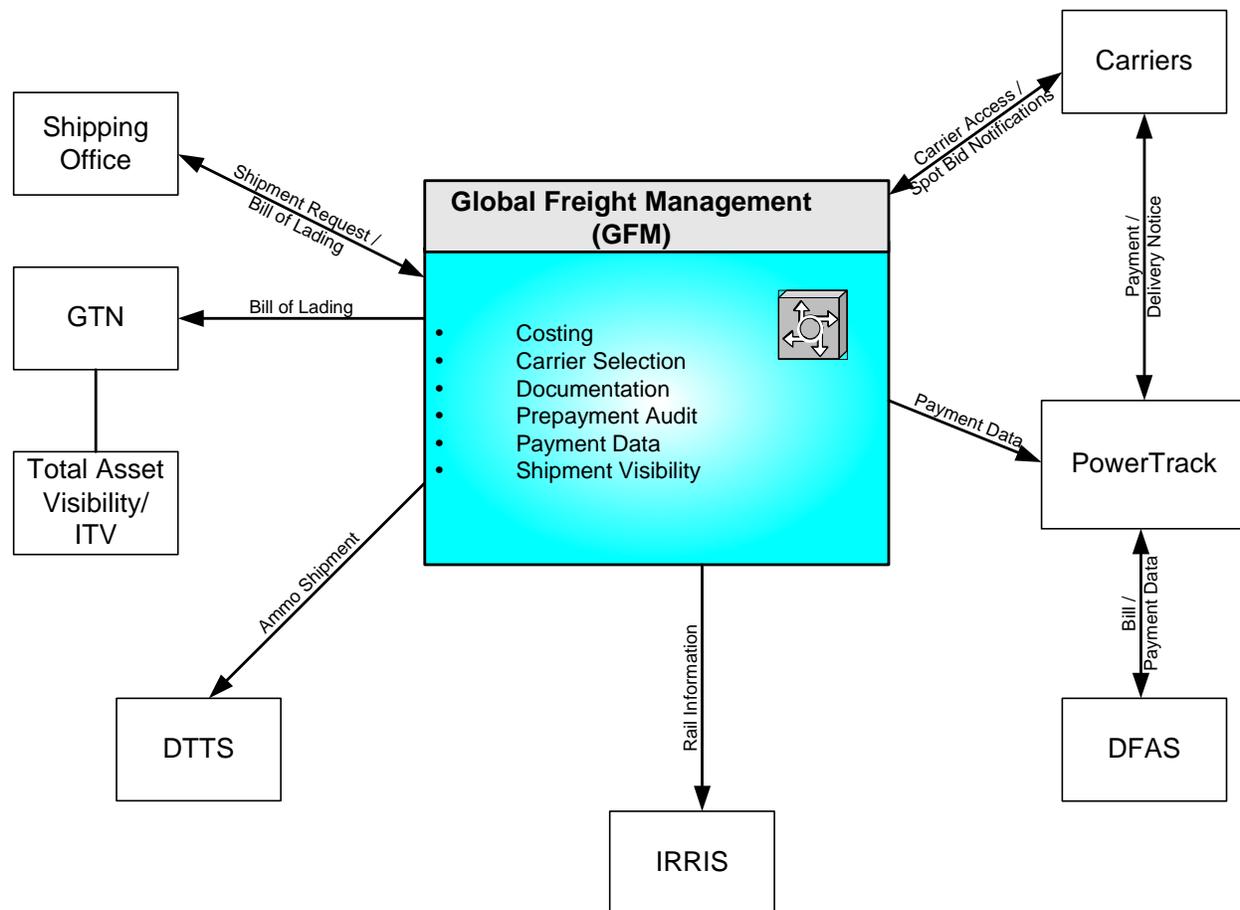
Cargo distribution and port management are two primary business processes of the SDDC. To meet this mission the Global Distribution Division, located at Fort Eustis, Virginia, develops transportation contracts which support the transportation management of freight such as tanks, fuel, ammunition, combat vehicles, food and other commodities to locations throughout the world. In support of the port management function, SDDC serves as the port manager at 25 locations worldwide and is responsible for all aspects of the vessel loading and un-loading operations as well as providing documentation support for cargoes moving under the Defense Transportation System (DTS) network.

3.2.1 Domestic Transportation Systems

The SDDC utilizes several systems in support of its mission for providing transportation services worldwide. The systems utilized are:

The Global Freight Management (GFM) system is an automated U.S. Transportation Command (USTRANSCOM) and U.S. Surface Deployment and Distribution Command (SDDC) freight traffic management web based system. SDDC is the single manager of DoD surface freight movements and is responsible for acceptance and approval of tenders of service from the U.S. commercial carriers. SDDC has developed the GFM system as an automated web-base DoD-wide freight traffic management system with an integrated carrier tender database. GFM provides an automated electronic commerce capability for the procurement of commercial freight transportation services as well as a real time data feed to war fighters. GFM also provides shipment information to the Global Transportation Network (GTN), Defense Transportation Tracking System (DTTS), and the Intelligent Road Rail Information System (IRRIS) which allows for those systems to maintain in-transit visibility between origin and destination in support of readiness. GFM provides automated capability to transportation offices for carrier selection, costing, shipment documentation, and management of DoD freight movements. GFM processes multiple requests using numerous commodities and Standard Point Location Codes (SPLCs). GFM provides prepayment audit support of Carrier Freight Bills submitted to PowerTrack (US Bank) and Defense Financial Accounting System (DFAS) for Payment. SDDC developed a standard tender in 1987, which requires all carriers to submit tenders using the standard format. GFM provides a WEB based capability for Carriers to submit those tenders. This allowed, for the first time, automation of the tenders, carrier's rates, and costing equations used by the carriers.

Each one of the systems listed below extract specific information from GFM; Carrier Systems, Defense Supply System (DSS), Global Transportation Network (GTN), U.S. Air Force Materiel Command (AFMC), General Services Administration (GSA), PowerTrack (US Bank), XML Standard Interface, Transportation Coordinator's Automated Information for Movement System II (TCAIMSII), Transportation Coordinator Automated Command and Control Information System (TC ACCIS), Transportation Research Information System (TRIS), The Intelligent Road/Rail Information System (IRRIS).



GFM system modules are described below:

3.2.1.1 Freight Acquisition Shipping Tool (FAST)

FAST is a Web-based application that represents the cornerstone of the SDDC Global Freight Management (GFM) surface transportation suite. FAST is used to create and execute shipments utilizing DoD approved commercial carriers via the Internet. Offering a varied array of capabilities FAST incorporates the use of the Guaranteed/Voluntary Traffic carrier tenders to provide transportation offices with business tools for building and executing shipment movements. It provides real-time shipment costing, automatic Bill of Lading generation, storage and reuse of shipment data for repetitive shipments, supports hazardous materials shipments, generates management reports, generates military shipping labels, and automates Transportation Control Movement Document (TCMD) creation.

3.2.1.2 Spot Bid

Spot Bid is a flexible and responsive one-touch electronic resource that posts open shipments for bid by qualified carriers via the Internet. It is a viable acquisition alternative for procuring transportation services for one-time only, unique shipments of any or all modes. It supports SDDC Operations policy on overweight/over-dimensional shipments however; it is not used for ammunition shipments. Carriers bid on open shipments via the Internet, and bids remain sealed until the bid timeframe closes. It allows the Shipper to establish the bidding timeframe. Bids are used in place of standard tenders in the generation of a Bill of Lading. It also provides automatic open shipment notification for participating carriers. Finally, Spot Bid has "Best Value" logic as an integral capability. All submitted bids reflect an all-inclusive expense representing line haul, accessorial charges, and any additional expenses anticipated to support that particular shipment.

3.2.1.3 Small Package Express (SPE)

SPE allows users to ship small packages (150 lbs or less) utilizing existing DoD contracts with small package carriers via the Internet. Both domestic and international air shipments are supported. It incorporates interfaces with the various package pickup/delivery services. It supports dangerous goods, alcohol and dry ice shipments. It will generate the necessary military shipping labels. SPE can automatically generate international shipment documents (American goods returned, Korean CBL, commercial invoice, customs). Moreover, it will automatically direct the user into the correct contractual vehicle (FedEx, UPS, etc.) based on location and destination.

3.2.1.4 Standard Transportation Processing System

Based on solicitations developed by SDDC Operations, Global Distribution Domestic (GDD) Group, Tailored Transportation Contracts (TTC) were awarded for replacement of the Guaranteed Traffic tenders of the past. The Freight All Kinds (FAK) contract has a Base year with 2, 1 Year options. The Fuels contracts were awarded for a base year with 4, 1 year options. The rates from the contracts are uploaded into GFM via the STPS application. Contracts for ammunition have not been awarded.

3.2.1.5 Rate Quotation

Rate Quotation allows shippers to retrieve shipment cost estimates for procurement and bid evaluation, shipment planning, and other "what if" scenarios. Shippers can view rate quotations without actually creating shipments.

3.2.1.6 Customer Added Value Suite (CAVS)

The CAVS is a "suite within a suite" that provides the capability to view and print Carrier Tenders, Completed Shipments and Bill of Lading information via the Internet. CAVS allows users to view and print carrier tenders, searching by Standard Carrier Account Code (SCAC) or carrier name. It provides the completed shipment view, by date, origin, destination, commodity, Standard Point Locator Code (SPLC), equipment, and SCAC. The Bill of Lading view provides the latest copy of the BL data or all the information to include the original, correction and/or cancellation. Access to sensitive and/or classified completed shipment data will be restricted to those carriers who are designated to move those shipment types.

3.2.1.7 Transportation Discrepancy Reports

TDR is a report system for the SDDC that identifies transportation discrepancies reported by shippers and receivers of US Government cargo worldwide shipments. It automates the generation of the Standard Form (SF) 361 and submits TDRs to claims online via the Internet. It also provides Management reporting capability. (TDR, generates SF 361, submits SF 361 to claims on line,, and provides TDR Status Report.)

3.2.1.8 Transportation Facility Guide (TFG)

TFG is the single DoD repository for consolidated information on passenger and freight facilities worldwide. It contains base/installation information on transportation facilities of the U.S. military services, the Defense Logistics Agency (DLA), and other authorized activities throughout the world. It is used to provide details on transportation related facilities and services at all nodes and to determine proper routing for DoD freight and passenger movements between points within and outside the United States.

3.2.1.9 Freight Carrier Registration Program (FCRP)

FCRP streamlines the carrier qualification process and is used by the commercial freight industry for registration to transport freight for the Department of Defense (DoD) via the Internet. FCRP provides application processing, automated Standard Carrier Alpha Code (SCAC) validation, automated PowerTrack verification, and automated updates to the DoD approved carrier listing. It also provides access to various Management reports.

3.2.1.10 Tender Entry on the WEB (TEOW)

Tender Entry provides carriers the capability to enter voluntary and negotiated tenders and supplements (rate contracts/ cost matrix) into the GFM database via the Internet. Tenders accepted and posted are effective and utilized by DoD Freight Offices the following day. Users have the ability to Store, Copy, View and Edit tender entries and the module supports all freight transportation modes.

3.2.2 Domestic Processes

The objectives of this section are to outline the business process flows for the “Military” Surface Deployment and Distribution Command’s (SDDC) Domestic Transportation Business Process. The business process flows include the Forecasting and Analysis Process, Bid and Solicitation Process, the Movement Management Process and the Post Move Reconciliation Process

3.2.2.1 Forecasting and Analysis Process

SDDC has to be able to perform “what-if” analyses with historical data that it doesn’t first need to dig out of a separate system and import into a modeling tool. Integrated planning tools can be used to assess readiness for disaster (e.g., what if a key port is shut down unexpectedly), ongoing changes to military force structure (e.g., what if the Army decides to change the size and composition of its deployable units), or any of a multitude of possibilities. For more immediate use, the system needs to provide users access to contractor and carrier performance data, such as shipment distribution by carrier, on-time delivery data, or volume (# shipments or \$) by destination region. Contract information such as active rates and contracts, or shipments available for bid, cancelled, or awarded are other examples of analyses that must be available. The circle of requirements is made complete by providing functionality to generate shipment forecasts which are used to assess and prepare for future bid solicitation efforts.

A Normal shipment-

1. Carriers file rates (tenders or FAR contracts)
2. Shipper generates a shipment request (all modes)
3. System validates request and populate with a list of valid carriers and their related cost
4. Shipper selects carrier from the list
5. System generates documentation
6. System electronically send a copy of the shipment to financial and interfacing partners

B. TTC shipment-

1. Carriers file rates (FAR contracts)
2. Shipper generates a shipment request (all modes)
3. System validates request (lane/region) and populate with a list of valid TTC carriers and their related cost
4. Shipper selects carrier from the list
5. System generates movement documentation
6. System electronically send a copy of the shipment to financial and interfacing partners

C. Ammo/Hazmat shipment-

1. Carriers file rates (tenders or FAR contracts)
 2. Shipper generates a shipment request (all modes)
 3. System send request to SDDC Operations’ staff for review by a technicians
-

4. System validates request and populate with a list of valid Ammo carriers and their related cost
5. SDDC Operations' staff selects carrier from the list and return request to the shipper
6. System generates movement documentation
7. System electronically send a copy of the shipment to financial and interfacing partners

D. One Time Only (refer to as SPOTBID) shipment-

1. No carrier rates are on file
2. Shipper generates a shipment request (all modes)
3. System validates request
4. System send (via internet) request for bids to carriers email accounts. The bid is open for 4 hours minimum. All bids are sealed during the opening period. All bids are submitted to the shipper for review.
5. Shipper selects the carrier from the list of bids
6. System generates movement documentation
7. System electronically send a copy of the shipment to financial and interfacing partners

E. Small Package (less 150) shipment-

1. Air Mobility Command negotiated rates are loaded into SPE (AMC contracts)
2. Shipper generates a shipment request (all modes)
3. System validates request and populate with a list of valid carriers and their related cost
4. Shipper selects carrier from the list
5. System generates documentation
6. System electronically send a copy of the shipment to financial and interfacing partners

3.2.2.2 Bid and Solicitation

SDDC solicitations fall into two categories: Those posted to receive bids for traditional standing tenders, and those posted on a One-Time-Only (OTO) or Spot Bid basis. Examples of solicitations includes voluntary / negotiated tenders and FAR contracts (bid, evaluate and awarded like TTC). Under certain circumstances, SDDC provides carriers the option to submit unsolicited bids for consideration. If accepted, these bids become standing tenders. One-Time-Only or Spot Bids are initiated by a Transportation Office (TO) when there no acceptable standing tenders for a shipment.

SDDC needs automated tools to enhance analysis of historical traffic across shipping lanes in preparation of soliciting for standing tenders. These tools identify the traffic lanes on which to solicit bids from carriers. The solicitation and award process also must take advantage of technology by notifying carriers electronically when solicitations are ready. Carriers must be given the ability to submit bids electronically (e.g., web or EDI) against individual lanes and service types. SDDC's lane analyses, identifying historical volume as well as dollar amounts paid for shipments over time, will provide SDDC with information to support its negotiations with carriers.

SDDC also needs to integrate its carrier-registration-and-evaluation process with its bid-and-solicitation process. For example, in order to properly evaluate a carrier's performance, SDDC needs to track carrier transit time, on-time performance, customer satisfaction, and other elements of quality assurance. An integrated system would enable SDDC to register carriers, solicit bids from these carriers, track their performance, and use all this information to evaluate and award bids. This system can then inform the carriers whose bids have been accepted.

Shippers of cargo (e.g., Transportation Officers, AAFES, DeCA) need an integrated system which enables them to "solicit and book shipments" regardless of the final mode of transportation. This system

needs to be able to accommodate instances where the shipper knows which mode and carrier to use. More importantly, it must also accommodate instances where the shipper needs the system to route and rank the shipment, and provide a list of the qualified modes/carriers based on best value. Best value criteria include the cost of the shipment and the carrier's performance score. Shippers need to shift their focus from buying modes of transportation (e.g., LTL/TL or Ocean) to buying end-to-end transportation at a best value cost.

Once a carrier is selected to move a shipment, the shipper needs to notify the carrier electronically (e.g., email, fax, or EDI). The carrier must be able to respond electronically with its acceptance, counter-offer or rejection of the shipment offer and counter-offer if applicable. This process is repeated until the shipment is awarded.

Contracts are award in several ways including;

- FAR Contracts - Awarded to selected by the carriers- by regions/min&max)
- Voluntary Contracts - Tenders submitted in advance by the carriers
- Negotiated Tenders- Submitted in advance of a high volume move or when there are no rates on file.
- One Time Only Contracts - Carrier submit online bids in response to a specific shipment

3.2.2.3 Move Management Process

The STMS needs to generate the necessary electronic and hard copy documentation. Based on the shipment characteristics and tender selected, the system must be able to fully cost out the Bill of Lading (BoL) or Shipping Instruction (SI). EDI versions of the BoL/SI are distributed to a variety of systems, including the Global Transportation Network (GTN), PowerTrack, the Intelligent Road/Rail Information System (IRRIS), and carrier systems. Paper versions of the documents are printed as necessary. The system also must assist receiving Transportation Offices with the creation of necessary customs clearance documentation. Customs data is provided electronically to all external systems that can receive it, and in hard copy where required.

SDDC needs a system that provides end-to-end in-transit visibility (ITV) of the shipment. This functionality must allow users to proactively track their shipments through a single system, rather than having to log on to separate systems such as GTN. The most efficient way to receive ITV data is from the carriers themselves, so the system must accept 315 and 214 EDI status update messages as well as other formats. Whether through status update feeds from carriers or shipment notifications from CMOS, receiving offices need to be able to plan for incoming shipments in real time.

SDDC needs to leverage the integrated systems data by ITV data to IRRIS capabilities. SDDC Operations could use the integrated data to steer sensitive shipments around potential road problems in real time. By tracking this data over time, SDDC can develop alternate routes or change the timing of shipment departures so that they rarely run the risk of encountering trouble. The data that will be made available through STMS and IRRIS will make the movement of hazardous and sensitive cargo a much easier proposition.

3.2.2.4 Post-Move Reconciliation Process

The requirement to support a shipment does not end with delivery. SDDC needs a system which allows the user to create, edit, and manage Transportation Discrepancy Reports (TDRs) for the claims process. The system must also be able to verify, certify, and generate reports on liquidated damages. It needs to receive final shipment status information, as well as the final cost paid on the shipment from PowerTrack (and DFAS as necessary). In addition, SDDC needs information on all shipments online, per the requirements of each contract.

3.3 Unit Moves

1. GFM supports unit moves where are performed through the uses of TC AIM II and TC ACCIS interfaces. The IBS Unit Move Module provides the functional capabilities to monitor, analyze and document unit cargo data for exercises and contingencies.

2. The supported Commander in Charge (CINC) develops the Time Phased Force Deployment Document (TPFDD) that identifies the combat or exercise force requirements flow and mode/source for strategic lift. The information contained with the TPFDD is part of the overall Joint Operations Plans. Assigned cargo move dates are also identified in the Operations Plan.
 3. Service components refine their portion of the TPFDD, add support forces and alert Units. They identify the specific Units that will deploy, along with the deployment data associated with the Units.
 4. Cargo and move requirements are generated by the Service components in the Joint Planning and Execution System (JOPES).
 5. SDDC Command Operations Center (COC) monitors JOPES data to determine what SDDC can expect with regards to cargo volumes (Square footage and tonnage) and required delivery dates. Military Sealift Command (MSC) also monitors JOPES data.
 6. Based on TPFDD requirements, Army Units enter their Deployment Equipment List (DEL) into TC-ACCIS. This data is automatically transferred to the IBS Unit Move Module via FTP. Other Service components may require a manual entry of data into the IBS Unit Move Module by SDDC Operations (OPS).
 7. DEL is transferred from the Units to FORSCOM (Forces Command) to update JOPES.
 8. SDDC COC initiates direct contact with Unit regarding cargo requirements.
 9. Based on projected cargo volumes, SDDC generates a formal request to MSC for vessels.
 10. MSC reviews the SDDC request and will determine if the cargo volume can support the requirements of obtaining a MSC vessel. If MSC accepts the request, MSC obtains vessels from its own fleet, the Ready Reserve Fleet (RRF) or from commercial sources.
 11. If MSC rejects the request from the SDDC, cargo will be offered to commercial sealift carriers under contract to the SDDC.
 12. SDDC OPS allocates Units to ships in both IBS and JOPES to associate the cargo with a vessel. SDDC OPS manually matches cargo to ships by priority and cargo characteristics. A ship loading and planning system (ICODES) may be used to assist planners in allocating cargo to vessel.
 13. Port of Embarkation (POE) is determined by SDDC OPS unless the POE is dictated by the TPFDD.
 14. SDDC OPS port personnel notify the Units via email message regarding vessel particulars (POE, vessel availability).
 15. Unit cargo is transported to the identified POE for the vessel loading operations.
 16. Once a vessel has been selected and the Units allocated to the vessel, SDDC generates an Advance Transportation Control Movement Document (ATCMD) into the World Wide Port System (WPS). Data entered into WPS includes POE/Port of Debarkation (POD)/Transportation Accounting Code (TAC)/ Vessel Name/Voyage. SDDC POE personnel will use the WPS record and provide In-Transit Visibility (ITV) information of the equipment while in SDDC's custody.
 17. Once the ATCMD data is entered in WPS, SDDC POE port personnel will use the data to develop stow plans using ICODES.
 18. SDDC port personnel scan the equipment when it enters the port and upon loading the vessel. The completed cargo data generates the Transportation Control Movement Document (TCMD).
 19. Port personnel generate the manifest.
 20. TCMD data in WPS is made available to the POD for cargo clearance.
-

4. Interfaces

The SDDC utilizes two primary systems in support of its mission for providing transportation services worldwide. The primary systems utilized include the Integrated Booking System (IBS) for ocean transportation and the Global Freight Management System (GFM) for domestic transportation.

The IBS and GFM system interfaces consist of both external (non-DoD) and internal (both DoD and SDDC) interfaces. The inherent applications fall into four major groups. They are documentation, operational, financial, and others. The others generally include in-transit visibility, decision support and post-move reconciliation data stores.

Core data feeds that provides input and output from most categories of systems are as follows:

- Documentation systems such as DSS, CMOS, TCACCIS provide key shipment information that facilitates creation of bill of lading and enables pricing and customs clearance activities.
- Operations systems such as TC AIMS II, DIBS, Ocean Carriers booking and movement status reporting systems provide data that supports move management of transportation by SDDC during sustainment and contingency.
- Financial systems such as CABS, CARS, FARS enable billing, accounting and customer tracking.

The following section first graphically displays the various systems that interface with both IBS and GFM along with their associated sub-systems. The second part of this section is a table that individually list the various interfacing systems and provides a brief description of the associated data flows..

4.1 Spider Diagram

Figure 4-1 provides a high-level view of IBS and GFM in relation to interfacing systems. Black lines denote interfaces between IBS and external systems and blue lines denote interfaces between GFM and external systems.

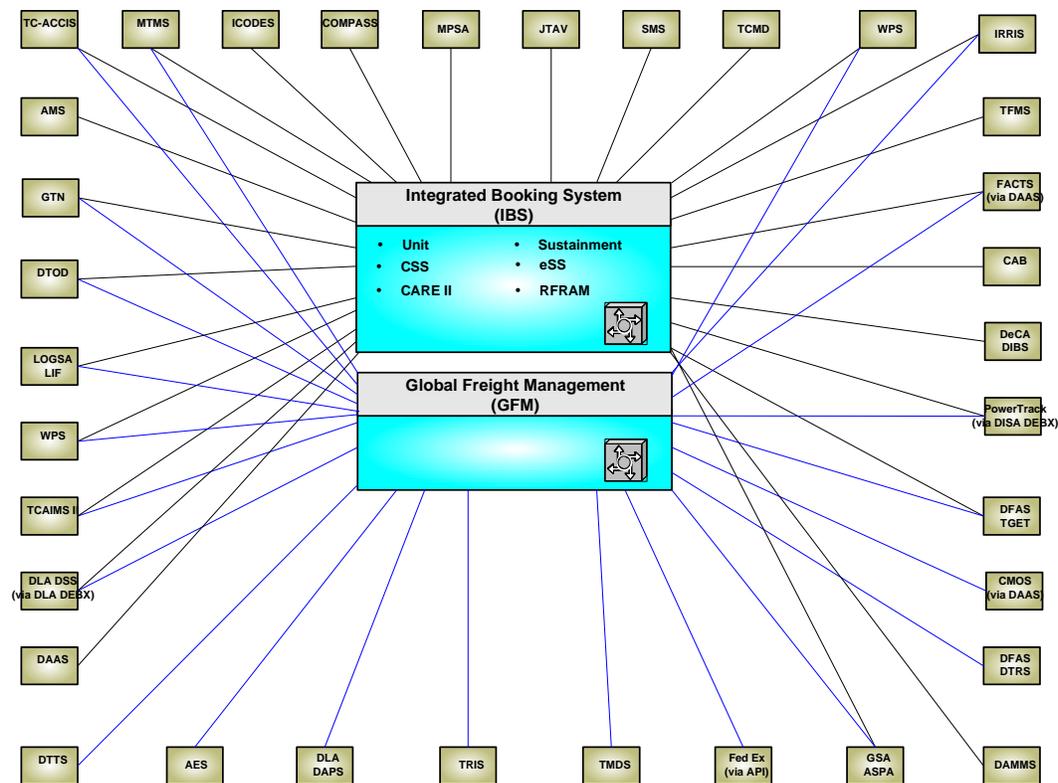


Figure 4-1: Spider Diagram

4.2 Interface Matrix

The following Interface Matrix table individually lists the various interfacing systems and provides a comprehensive review of the current interfaces between IBS, GFM and all external systems. This table is meant to provide detail to the system relationships inferred by Figure 4.1.

Table 4-1: Interface Matrix

| Source System | Interface Data | Target System | System Owner |
|------------------|--|------------------|------------------|
| DTOD | DTOD current and valid City data information. | IBS | SDDC |
| DTOD | DTOD current and valid City data information (SPLC mileage information passed). | GFM | SDDC |
| IBS | DTOD mileage data request for movements between cargo origin/destination points and Military Sealift Command Ports | DTOD | SDDC |
| DTOD | Mileage data for movements between cargo origin/destination points and Military Sealift Command Ports. | IBS | SDDC |
| IBS | Container & Breakbulk Contract Rate Information DODAAC (Department of Defense Activity Address Code) Information | CAB | SDDC |
| DAAS | DODAAC (Department of Defense Activity Address Code) Information | IBS | DLA-DAASC |
| MTMS | Shipping Requirements / Instructions | IBS | OSC |
| IBS | Bill of Lading(858) Information | MTMS | OSC |
| MTMS | Shipping Requirements / Instructions (Navy shipments only) | GFM | OSC |
| GFM | Bill of Lading(858) Information | MTMS | OSC |
| DFAS TGET | Transportation Global Edit Table (TGET) file for the Line of Accounting (LOA) and the Transportation Account Code (TAC). | IBS | DFAS |
| DFAS TGET | Transportation Global Edit Table (TGET) file for the Line of Accounting (LOA) and the Transportation Account Code (TAC). (Note: Though this is currently a “to be” interface, it is mandated and will be required in any future system). | GFM | DFAS |
| GFM | Government Bill of Lading (858) Information | DFAS DTRS | DFAS |
| GSA ASPA | Tender/Booking Data Request for Audit Purposes | IBS | GSA |
| IBS | Bill of Lading Data 858 Freight Data | GSA ASPA | GSA |
| GFM | Tender/Booking Data Request for Audit Purposes (EDI 602) | GSA ASPA | GSA |

| Source System | Interface Data | Target System | System Owner |
|------------------|--|------------------|--------------|
| DISA DEBX | Gov't EDI VAN system - national clearinghouse for all except DLA. EDI Booking transactions for any EDI transactions for all transportation modes | IBS | DISA |
| DSS | Gov't EDI VAN system - national clearinghouse for all Gov't DLA. EDI Booking transactions for any EDI transactions for all transportation modes (via DLA DEBX) | IBS | DLA |
| IBS | The GBL(EDI-858) information will be sent from IBS to DEBX | DISA DEBX | DISA |
| GFM | Gov't EDI VAN system - national clearinghouse for all Gov't except DLA. EDI Booking transactions for any EDI transactions for all transportation modes (Information subsequently routed to PowerTrack) | DISA DEBX | DISA |
| DSS | Gov't EDI VAN system - national clearinghouse for all Gov't DLA. EDI Booking transactions for any EDI transactions for all transportation modes (via DLA DEBX) | GFM | DLA |
| GFM | The GBL (EDI-858) information will be sent from GFM to DSS (via DLA DEBX). | DSS | DLA |
| IBS | Surface receipt & Lift Data (Container Data, Consolidated Container Data, Content Data, USI Measurements Data) | LOGSA | AMC |
| GFM | Ammo bill of lading information | DTTS | DoD |
| IBS | Bill Of Lading (858) Information | DLA DAPS | DLA |
| GFM | Bill Of Lading (858) Information | DLA DAPS | DLA |
| CMOS | Shipment Request Data and Shipment Information (via DAASC translator) | GFM | AFMC |
| GFM | Shipment Request Response (via DAASC translator) | CMOS | AFMC |
| GFM | Bill Of Lading (858) Information (via DAASC translator) | CMOS | AFMC |
| IBS | Payment & Revenue Billing Information. | CAB | SDDC |
| WPS | Transportation Control and Movement Data | IBS | SDDC |
| WPS CRDB | Shipping Instructions (SI) | IBS | SDDC |
| IBS | Advance Transportation Control and Movement data for Unit Equipment | WPS CRDB | SDDC |
| IBS | IBS Booking Report to Ocean Terminals (W5260150WG) | WPS CRDB | SDDC |
| IBS | Skeleton Booking Records | WPS CRDB | SDDC |
| WPS | History Shipment Data | IBS | SDDC |

| Source System | Interface Data | Target System | System Owner |
|--------------------|---|--------------------|---------------------|
| IBS | Initial & Updated shipping instructions for custom clearance purposes. | WPS CRDB | SDDC |
| TCAIMS II | Deployment Equipment List | IBS | SDDC |
| TCAIMS II | Unit Move/Support Request | GFM | SDDC |
| COMPASS | Deployment Equipment List | IBS | Army FORSCOM |
| IBS | Updated Shipping Instructions | IRRIS | SDDC |
| GFM | Bill of Lading (EDI 858) | IRRIS | SDDC |
| AAFES TCMD | Shipment Request | IBS | AAFES |
| IBS | Approved Shipping Instruction data on AAFES booking requests, .Acceptance or Rejection. | AAFES TCMD | AAFES |
| TCACCIS | Sends Deployment Equipment List (FORSCOM), Unit Movement Data | IBS | Army FORSCOM |
| IBS | Export Unit Cargo Requirements (EUCR) | TCACCIS | Army FORSCOM |
| TCACCIS | Unit Move(Rail)/Bill of Lading (UDF Format) | GFM | Army FORSCOM |
| DLA DSS | Bill of Lading (EDI 858) | GFM | SDDC |
| IBS | Shipping Response, Confirmation Information | DLA DSS | SDDC |
| IBS | Initial Shipping information. | GTN | USTRANSCOM |
| IBS | Updated Shipping Instructions, TCN level movement data. | GTN | USTRANSCOM |
| GFM | Bill of Lading (EDI 858) | GTN | USTRANSCOM |
| DeCA - DIBS | Shipping Requirements, Order Information | IBS (eSS) | DeCA |
| IBS(eSS) | Updated Shipping Instruction for Custom Clearance | DeCA - DIBS | DeCA |
| IBS | Load List (The relationship between cargo and voyages which can contain more than one voyage in a single transaction) | ICODES | SDDC |
| IBS | Shipping information, movement data. TCN level. As a source system interface for SMS, IBS provides automated booking information for both unit and non-unit cargo and also provides vessel schedules for commercial carriers. | SMS | SDDC |
| IBS | Carrier payment Data (via DISA DEBX) | PowerTrack | U.S. Bank |
| IBS | Billing Data (via DISA DEBX) | PowerTrack | U.S. Bank |
| GFM | Bill of Lading (EDI 858) (via DISA DEBX) | PowerTrack | U.S. Bank |
| PowerTrack | Application Acknowledgment (EDI 997) (via DISA DEBX) | IBS | U.S. Bank |

| Source System | Interface Data | Target System | System Owner |
|-------------------|--|---------------------|-----------------------------|
| PowerTrack | Application Acknowledgment (EDI 997) (via DISA DEBX) | GFM | U.S. Bank |
| GFM | Shipper Export Declaration, 601 EDI Transaction Set | AES | U.S. Customs Service |
| IBS | Report surface receipt and lift data based on confirmed bookings. The DAMMS interface procedures consist of receiving surface receipt and lift data feeds from IBS-CSS. The surface receipt and lift data feeds will reflect in-transit visibility (supply and transportation) data for all sealift cargo processed by the IBS-CSS module. | DAMMS | Army |
| IBS | EDI 858 Freight GBL/CBL Transaction Sets | FACTS | Navy |
| GFM | EDI 858 Freight GBL/CBL Transaction Sets | FACTS | Navy |
| IBS | N/A | JTAV | DLA |
| IBS | N/A | TFMS | MTMC |
| WPS | Shipment Manifest Data (MILSTAMP records) | GFM | MTMC |
| GFM | Fuel Tender Rates | TRIS | DESC |
| GFM | Shipment Cost Information | NAVTRANS STS | Navy |
| TMDS | Reference Table Updates | GFM | USTRANSCOM |
| GFM | Bill of Lading (EDI 858) | LOGSA | AMC |
| GFM | Shipment Requests | Fed Ex | Fed Ex |
| Fed Ex | Cost Information | GFM | Fed Ex |
| IBS(eSS) | Shipping Instructions | MPSA | MPSA |

4.3

Glossary

| | |
|-------------|---|
| AAFES: | Army and Air Force Exchange Service |
| AES: | Automated Export System |
| AFMC: | Air Force Materiel Command |
| AMC: | Army Materiel Command |
| ASPA: | Cargo and Billing System |
| CAB: | Cargo and Billing System |
| CMOS: | Cargo Movement Operations System |
| DAAS: | Defense Automatic Addressing System |
| DAASC: | Defense Automatic Addressing System Center |
| DAMMS: | Department of the Army Movements Management System |
| DAPS: | Document Automation and Production Service |
| DEBX: | DoD Electronic Business Exchange |
| DeCA: | Defense Commissary Agency |
| DESC: | Defense Energy Supply Center |
| DFAS: | Defense Finance and Accounting Service |
| DIBS: | DeCA Integrated Business System |
| DISA: | Cargo and Billing System |
| DLA: | Defense Logistics Agency |
| DoD: | Department of Defense |
| DSS: | DLA Support Services |
| DTOD: | Defense Table of Official Distances |
| DTRS: | Defense Transportation Payment System |
| DTTS: | Defense Transportation Tracking System |
| ESS: | Electronic Shipper System |
| FACTS: | Finance and Air Clearance Transportation System |
| FORSCOM: | U.S. Army Forces Command |
| GFM: | Global Freight Management |
| GSA: | Cargo and Billing System |
| GTN: | Global Transportation Network |
| ICODES: | Integrated Computerized Deployment System |
| IBS: | Integrated Booking System |
| IRRIS: | Intelligent Road/Rail Information Server |
| LIF: | Integrated Booking System |
| LOGSA: | Integrated Booking System |
| MPSA: | Military Postal Service Agency |
| MTMC: | Military Management Traffic Command |
| MTMS: | Munitions Transportation Management System |
| OSC: | Army Operation Support Command |
| SMS: | Single Mobility System |
| TCACCIS: | Transportation Coordinator Automated Command and Control Information System |
| TCAIMS II: | Transportation Coordinator's Automated Information for Movements System II |
| TCMD: | Transportation Control and Movement Document |
| TGET: | Transportation and Global Edit Table |
| TMDS: | Table Management Distribution System |
| USTRANSCOM: | U.S. Transportation Command |
| WPS: | Worldwide Port System |
| WPS CRDB: | WPS CONUS Regional Database |
| DTOD: | Defense Table of Official Distances |

5. Constraints

5.1 Constraints Assumptions Overview

As the Army component of the U.S. Transportation Command (USTRANSCOM) and a major Department of the Army (DA) command, the Military Surface Deployment and Distribution Command (SDDC), formerly known as the Military Traffic Management Command (MTMC), performs a vital role for the Department of Defense (DoD) in deploying, re-deploying, and sustaining U.S. forces worldwide.

The constraints invoked on the process involve basically two categories of constraints. Government regulations that include both general government purchases and contracts and regulations as well as government regulations that are specific to shipping industry that include Federal Acquisition Regulations (FAR's). The second category of constraints, are business rules that are specific to the type of move and the commodities being moved. This second category could be referred to as business rules.

In this section we have organized the known regulations and rules currently applied by the SDDC. This listing of constraints does not represent a complete list but rather attempts to outline know regulations and business rules surrounding the end to end shipping process of the SDDC.

5.2 Government Regulations

In this section, we provide a list of know government regulations that must be considered in shipping for the SDDC.

5.2.1. Central Contractor Registration

All carriers and/or contractors must register with the Department of Defense Central Contractor Registration (CCR) database as stated in Clause 252.204-7004 of the Defense Federal Acquisition Regulations (DFARs) and the Federal Register/Vol. 63, No. 61, 48 CFR Parts 204, 212, and 252, Final Rule dated 31 March 1998. DFARs clause 252.204-7004 may be viewed at the following listed web site: [h://www.acq.osd.mil/dp/dars/dfars/html/252204.htm](http://www.acq.osd.mil/dp/dars/dfars/html/252204.htm)

Registration in the CCR provides the Defense Finance and Accounting Service (DFAS) valuable information required for electronic funds transfer (EFT) payments, which became mandatory effective 1 January 1999. (Waivers can be obtained from DFAS.)

Carriers/contractors may register or obtain information on CCR registration via the Internet or by calling 1-888-227-2423.

Note: Registration in the CCR will make certain DFAS, has the information required for EFT payments and will help ensure there are no delays in payment.

5.2.2. FAR Regulations applicable to SDDC Business Process

Here is some of the FAR specification that provide constraints on Surface Shipments. These are some examples of some FAR regulations that apply to this segment:

- FAR -- Part 25 - Foreign Acquisition Regulations
- FAR -- Part 29 – Tax Regulations
- FAR -- Part 32 - Contract Financing
- FAR -- Part 45 - Government Property
- FAR -- Part 47 - Transportation. Describes the policy and procedures for:
 - Application of transportation and traffic management considerations in the acquisition of supplies;
 - Acquisition of transportation or transportation-related services by contract methods other than bills of lading, transportation requests, transportation warrants, and similar transportation forms. Even though the FAR does not regulate the acquisition of transportation or transportation-related services when

the bill of lading is the contract, this contract method is widely used and, therefore, relevant guidance on the use of the bill of lading, particularly the Bill of lading (BOL), is provided in this part.

- FAR -- Part 49 - Termination of Contracts
- FAR -- Part 52 – This regulations 246 and 247 include various regulations such as:
 - 52.247-19 Stopping in Transit for Partial Uploading
 - 52.247-20 Estimated Quantities or Weights for Evaluation of Offers
 - 52.247-22 Contractor Liability for Loss of and/or Damage to Freight/ Non-Household Goods
 - 52.247-46 Shipping Point(s) Used in Evaluation of F.o.b. Origin Offers

5.3 Business Rules

This section lists many of the rules and regulations that are specific to the military shipping business.

5.3.1. Carrier Qualification Program

This site contains information that pertains to becoming a Department of Defense (DoD) approved carrier. In order to do business with the DoD all carriers must register through the Freight Carrier Registration Program. At a minimum all carriers must:

- Have an Account with US Bank's Power Track
- Freight Payment System Meet DoD Performance Bond Requirements
- Have Appropriate Transportation Operating Authority

5.3.2. Rules and Accessorial Services for Freight Movements (AFTRP 5)

5.3.3. Rules on DoD Movement via Pipeline (MPRP 6A)

5.3.4. Rules on Movement of Freight by Motor Transportation (MFTRP 1C)

5.3.5. Rules on Movement of Freight Requiring Tank Truck Service (MFTRP 4A)

5.3.6. Rules on Movement of Freight via Rail (MFTRP 10)

5.3.7. Rules on Movement of Guaranteed Traffic (MGTRP 50)

5.3.8. Rules on Movement of Barges (MRTRP 30)

5.3.9. Spot Bid Rules

A spot bid is a flexible and responsive one-touch electronic resource that posts open shipments for bid by qualified carriers via the Internet. It is a viable acquisition alternative for procuring transportation services for one-time only, unique shipments of any or all modes. It supports SDDC Operations policy on overweight/over-dimensional shipments. Carriers bid on open shipments via the Internet, and bids remain sealed until the bid timeframe closes. It allows the Shipper to establish the bidding timeframe. Bids are used in place of standard tenders in the generation of a Bill of Lading. It also provides automatic open shipment notification for participating carriers. All submitted bids reflect an all-inclusive expense representing line haul, accessorial charges, and any additional expenses anticipated to support that particular shipment.

5.3.10. SDDC Standard Tender of Instructions Publication No. 364-C (MSTIP364-C)

5.3.11. HAZMAT Requirements – Code of Federal Regulations

These requirements are by country and there are worldwide regulations as well.

5.3.12. Sealift Carrier Payment via Power Track

An exception exists when the Booking data and the SI (shipping instruction) Data do not match. Carrier needs to be contacted to reconcile difference. These situations must be flagged.

5.3.13. Freight Carrier Registration Program

Performance Bonds required for carriers that have operated for less than 3 years.

5.3.14. Instructions on tendering (MSTIP 364-C)

5.3.15. Defense of Transportations Regulation (DTR) Part II, Cargo Movements

Chapter 205 - Ammunition and Classified shipments

Chapter 206 - Bills of Lading (BLs)

Chapter 207 - Carrier Performance

Chapter 210 - Transportation Discrepancy Report (TDR)

5.3.16. Movement of Air Domestic Freight

Constraints included in AMC # 5 (Air Mobility Command's Publication #5)

Appendix A - Detention – Non-Direct Booking Process

The following Figure A-1 presents a step-by-step process flow diagram of the Carrier Detention Payment Process for non-Direct Booking shipments utilizing the MRM #15 payment process. Each step of the process is described below.

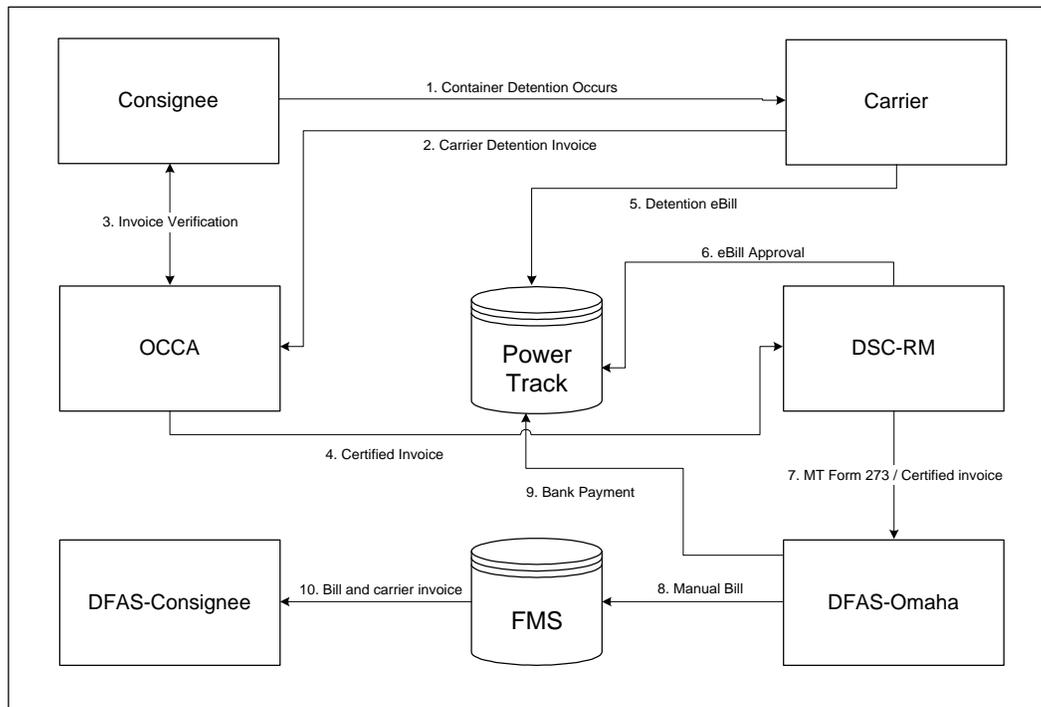


Figure A-1: Carrier Detention Non-Direct Booking Payment Process

Container/chassis is returned to the carrier beyond the free time allowed under the current Universal Service Contract, Regional Domestic Contract or tariff agreement. Government's failure to return equipment to the carrier within the designated free time incurs detention charges, which are invoiced by the carrier. (Note-Detention charges are not incurred when the consignee notifies the carrier that the container is ready for pick up and the carrier fails to do so.)

Carrier sends detention invoice to Ocean Cargo Clearance Authority (OCCA). If an OCCA is not available, carrier should send the detention invoice to the appropriate SDDC Port Office responsible for that area.

OCCA determines cause of detention with consignee and if the charges are correct, verifies detention has occurred and certifies carrier invoice.

OCCA sends certified invoice to SDDC-RM (Fort Eustis (FEVA)) and a copy of the certified invoice to the originating carrier office.

Carrier creates an eBill in PowerTrack and enters detention charges based on PCFN and container number.

SDDC-RM (FEVA) verifies the certified invoice and eBill against the original booking/shipment information in PowerTrack. Verification in PowerTrack is performed based on Port Call File Number (PCFN) and container number. If the eBill charge in PowerTrack matches the certified invoice charge, SDDC-RM (FEVA) approves the eBill for carrier payment execution.

SDDC-RM (FEVA) manually enters detention charge on Misc. Accrual Form (MT Form- 273) and assigns the detention charge to the military customer's (consignee) LOA. This form along with the carrier certified invoice is sent to DFAS-Omaha via mail.

DFAS-Omaha creates a manual bill in FMS (1080) based on the information provided on MT Form-273 and assigns the billable charges to the specific consignee LOA.

DFAS-Omaha executes payment to US Bank for the detention paid to the carrier via PowerTrack.

The manually created bill and certified carrier invoice from DFAS-Omaha is then sent to the military customer via mail for payment settlement.

Appendix B - Detention - Direct Booking Process

The following Figure B-1 presents a step-by-step process flow diagram of the Carrier Detention Payment Process for Direct Booking shipments. Each step of the process is described below.

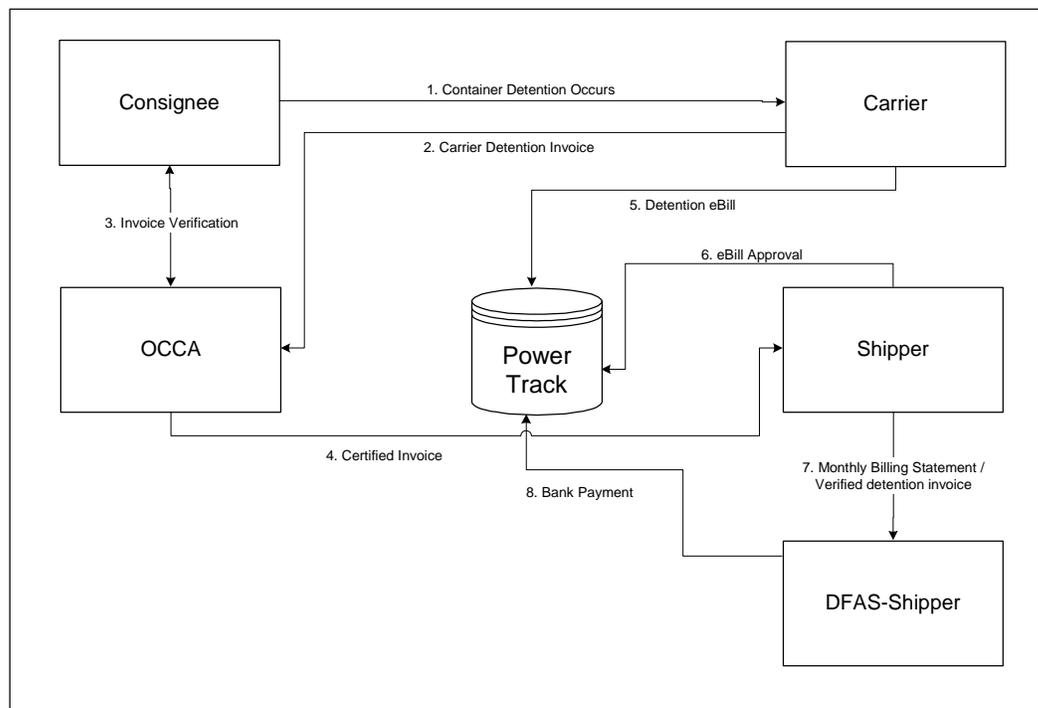


Figure B-1: Carrier Detention Direct Booking Payment Process

1. Container/chassis is returned to the carrier beyond the free time allowed under the current Universal Service Contract, Regional Domestic Contract or tariff agreement. Government's failure to return equipment to the carrier within the designated free time incurs detention charges, which are invoiced by the carrier. (Note-Detention charges are not incurred when the consignee notifies the carrier that the container is ready for pick up and the carrier fails to do so.)
2. Carrier sends detention invoice to Ocean Cargo Clearance Authority (OCCA). If an OCCA is not available, carrier should send the detention invoice to the appropriate SDDC Port Office responsible for that area.
3. OCCA determines cause of detention with consignee and if the charges are correct, verifies detention has occurred and certifies carrier invoice.
4. OCCA sends certified invoice to shipper and a copy of the certified invoice to the originating carrier office.
5. Carrier creates an eBill in PowerTrack and enters detention charges based on carrier booking number and container number.

Shipper verifies the certified invoice and eBill against the original booking/shipment information in PowerTrack. Verification in PowerTrack is performed based on carrier booking number and container number. If the eBill charge in PowerTrack matches the certified invoice charge, shipper approves the eBill for carrier payment execution.

7. Shipper certifies MBS that contains the detention charges. The certified MBS is sent to the shipper's DFAS along with the verified carrier detention invoice.
 8. DFAS-Shipper executes payment to US Bank for the detention paid to the carrier via PowerTrack.
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Appendix C - BAF/ CAF Application Process

The following Figure C-1 represents the process flow of the BAF/CAF process along with a detailed narrative of each step involved in the application of the BAF/CAF charge/offset.

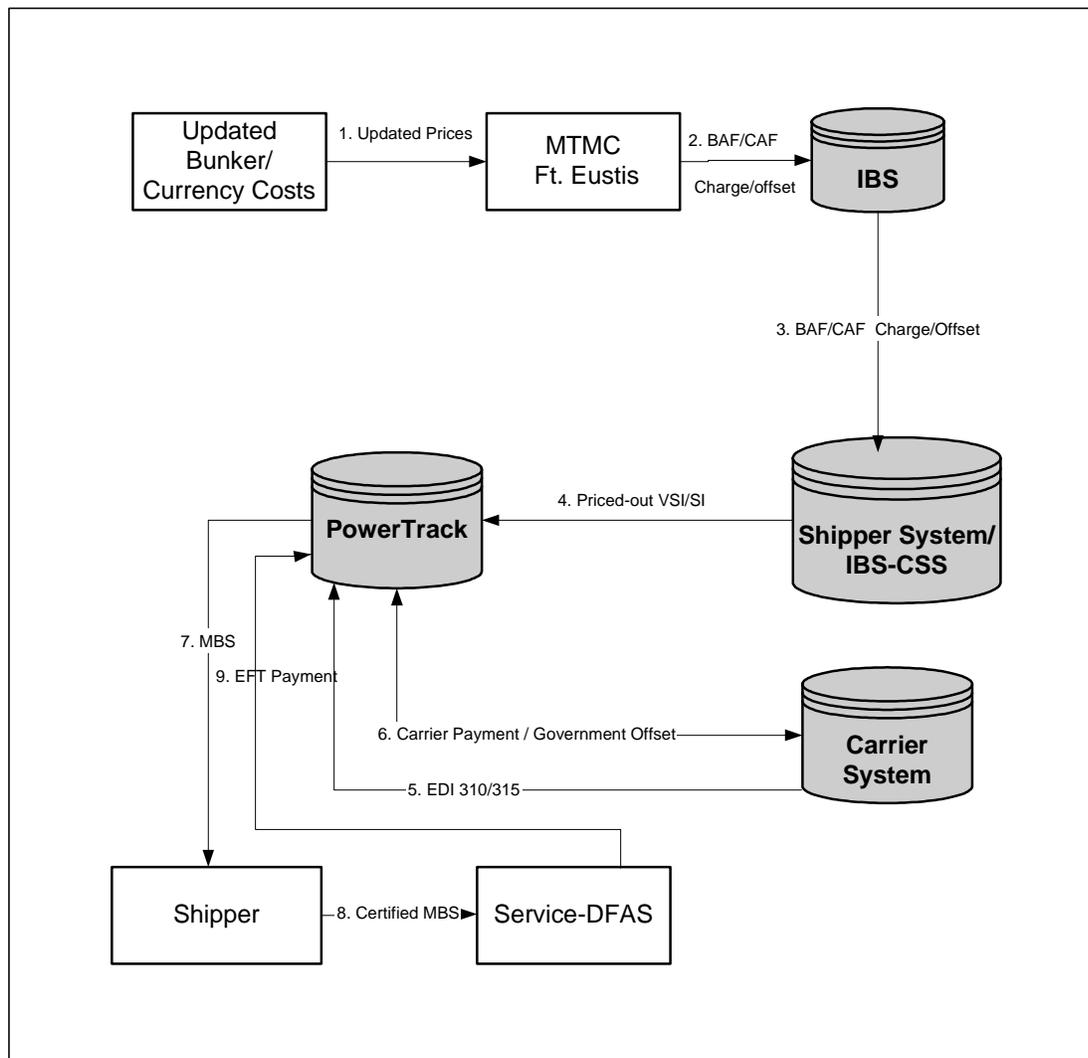


Figure C-1: BAF/CAF Flow Diagram

1. JTMO obtains the monthly updated fuel price and currency prices from the 16th of the month to the 15th of the succeeding month.
2. JTMO calculates the BAF/CAF charge as outlined under current USC/RDC contracts and enters the charge/offset into the IBS database. This will be accomplished two weeks prior to the start of the month in which the BAF/CAF will apply. The BAF/CAF charge will be valid for one month (1st through the end of the month).
3. IBS will transmit the resulting BAF/CAF charge/offset to the Electronic Shipper System, (eSS), IBS-CSS, and DLA's Distribution Standards System (DSS).
4. Shipper books cargo via IBS for non-Direct Bookings and eSS/DSS/Sealift carrier web sites for Direct Booking shipments. IBS-CSS prices out Verified Shipping Instructions (VSI) with applicable BAF/CAF

charge and transmits to PowerTrack. For Direct Booking shipments a priced-out Shipping Instruction (SI) is generated with the applicable BAF/CAF charge and is sent to PowerTrack from eSS and DSS.

If the applicable BAF/CAF charge/offset is not available at the time the approved SI or VSI is created, shipper systems will delay sending priced-out VSI/SI until BAF/CAF charge is available or day of vessel sail, which is greater.

If the priced-out VSI/SI is sent to PowerTrack without the applicable BAF/CAF charge/offset, sealift carrier will initiate an eBill for payment due to the sealift carrier. If an offset is due the government, shipper or SDDC (non-Direct Bookings will initiate an eBill in PowerTrack.

Note-Some shippers will use eSS for non-Direct Booking shipments however; eSS will not price out these shipments. IBS-CSS will price out shipment and will transmit priced-out VSI to PowerTrack.

5. Sealift carrier sends lift confirmation via EDI 315 to PowerTrack. For sealift carriers utilizing the carrier invoice model, an EDI 310 invoice is also sent to PowerTrack with the applicable BAF/CAF charges. Sealift carriers utilizing the carrier invoice model must ensure that they are utilizing the current BAF/CAF charge in their invoices sent to PowerTrack.
 6. Based on current MRM#15 Business Rules, when sealift carrier and government transaction is matched in PowerTrack, sealift carrier is paid via EFT from PowerTrack.
 7. US Bank posts the Monthly Billing Statement (MBS) on the web site for the shipper to retrieve.
 8. Shipper's Certifying Officer certifies the MBS and forwards it to the service DFAS with the correct Lines of Accounting (LOA) and Shipper Document Number (SDN) information.
 9. Service DFAS makes payment to US Bank for the certified MBS thru EFT.
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Appendix D - Diversion and Expedited Delivery Process Flow

The following Figure D-1 presents a step-by-step process flow diagram of the Carrier Diversion and Expedited Delivery process for Direct Booking shipments. Each step of the process is described below.

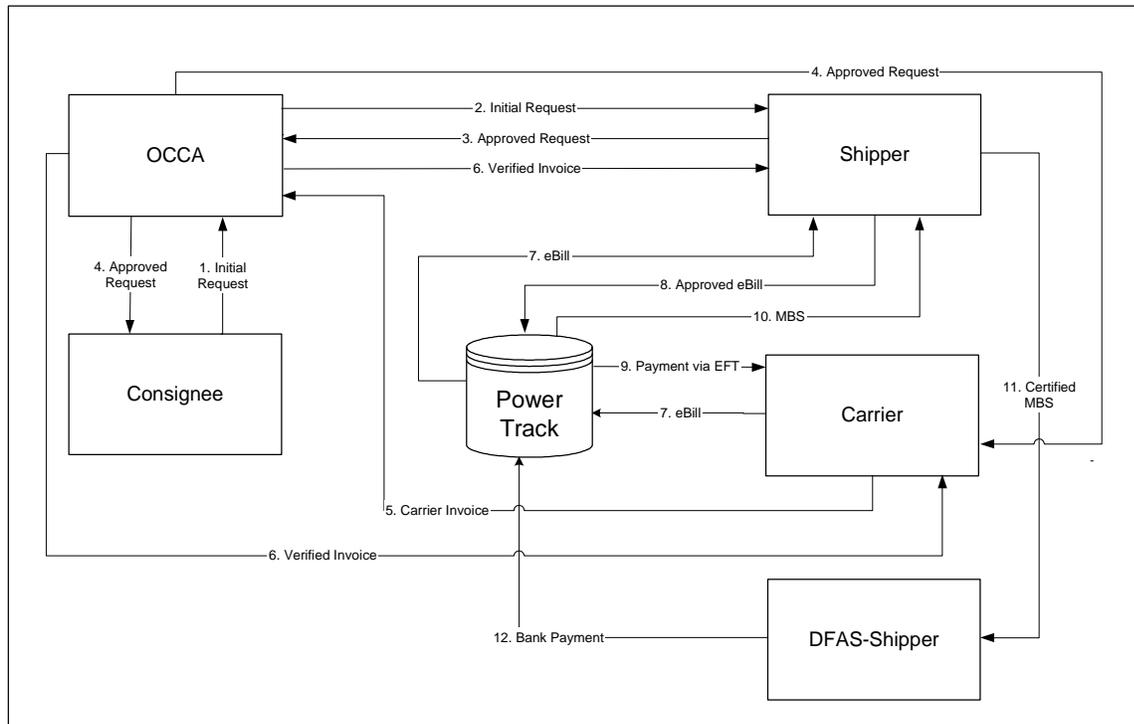


Figure D-1: Carrier Diversion/Expedited Delivery - Direct Booking Payment Process

- 1.0 The consignee or receiver of the container sends Diversion/Expedited Delivery request to the OCCA (If an OCCA is not available, consignee should send the request to the appropriate SDDC Port Office responsible for that area.) via telephone call, fax or email. Request will include name of shipper, shipper point of contact, point of contact telephone number or email address, container number, service request and reason for request.
- 2.0 OCCA will send initial request from consignee to shipper for their approval. Request for service will be sent to shipper via telephone call, fax or email.
- 3.0 Shipper will approve or deny request for service and will forward their decision back to the OCCA (or appropriate SDDC Port Office) where the request originated.
- 4.0 Upon receiving an approved request from the shipper, OCCA will send the approved request to the sealift carrier responsible for moving the container with the necessary instructions for delivering the container to the destination as requested by the shipper. The approved request from the shipper will also be sent back to the consignee for their records
- 5.0 Upon completion of service, sealift carrier will submit a hard copy invoice to the OCCA (or appropriate SDDC Port Office). The hard copy invoice will include charges for the additional service, container number, and sealift carrier booking number.
- 6.0 The OCCA will verify that the sealift carrier has carried out delivery of the shipment as per the Diversion/Expedited Delivery service request. Upon confirmation that the service has been performed, the OCCA will verify sealift carrier's hard copy invoice and submit the hard copy invoice back to the sealift carrier and shipper.

- 7.0 Sealift carrier will create an eBill in U.S. Bank's PowerTrack system for payment of the service charges. The eBill in PowerTrack will be applied on a transaction level specific to the carrier booking number and container. The shipper will then access the eBill in PowerTrack.
 - 8.0 Shipper checks the verified invoice and eBill against the original booking/shipment information in PowerTrack. Verification in PowerTrack is performed based on carrier booking number and container number. If the eBill charge in PowerTrack matches the certified invoice charge, shipper approves the eBill for carrier payment execution. If shipper denies the eBill, both shipper and sealift carrier will work together as per the MRM #15 Business Rules to agree on service provide and appropriate contract charge for service rendered by the sealift carrier.
 - 9.0 PowerTrack executes payment to sealift carrier via electronic funds transfer.
 - 10.0 PowerTrack provides Monthly Billing Statement to shipper for review of charges paid to sealift carriers for the preceding month.
 - 11.0 Shipper certifies MBS that contains the Diversion/Expedited Delivery charges. The certified MBS is sent to the shipper's DFAS along with the verified sealift carrier Diversion/Expedited Delivery invoice.
 - 12.0 DFAS-Shipper executes payment to US Bank for the Delivery/Expedited Delivery paid to the carrier via PowerTrack.
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