

VOLUME 15, CHAPTER 8: “BILLING AND REIMBURSEMENT”

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [October 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and internal references throughout.	Revision
080302	Revised paragraph to clarify that Implementing Agencies (IA) have the responsibility to ensure the accuracy of delivery schedules. Defense Finance and Accounting Service (DFAS) Security Cooperation Accounting (SCA) is responsible for billing appropriate charges.	Revision
080702.A	Removed requirement for DFAS SCA to make payment within 30 days following receipt of billings.	Deletion
080702.C.5.b	Removed definition of a full-time employee performing Foreign Military Sales (FMS) work as being 90 percent of employee’s time, or greater, and part-time as being 10 percent to less than 90 percent of employee time spent on FMS.	Deletion
080901.F.	Revised paragraph to clarify that IAs should validate general ledger balances to payables recorded in the Defense Integrated Financial System as opposed to DFAS SCA performing that role on the IAs behalf.	Revision
Table 8-1	Revised to correct rates established in accordance with Deputy Chief Financial Officer’s (DCFO) policy memorandum, “Reduction to the Foreign Military Sales Transportation Surcharge Rates,” dated July 9, 2018.	Revision
Table 8-2	Revised to correct rates established in accordance with DCFO policy memorandum, “Reduction to the Foreign Military Sales Transportation Surcharge Rates,” dated July 9, 2018.	Revision

Table of Contents

VOLUME 15, CHAPTER 8: “BILLING AND REIMBURSEMENT”	1
0801 GENERAL	4
080101. Purpose	4
080102. Authoritative Guidance	4
0802 RESPONSIBILITIES.....	4
080201. Defense Security Cooperation Agency (DSCA).....	4
080202. DFAS SCA.....	4
080203. IAs	5
080204. Supporting DoD Components	5
0803 FMS BILLING STATEMENT	5
080301. General	5
*080302. Billings for Cases With Payment Upon Delivery	6
080303. Final Statement.....	6
080304. FMS Delivery Listing.....	6
080305. Computer Output.....	6
0804 FMS PURCHASER REQUESTS FOR BILLING AND SUPPLY ADJUSTMENTS .	6
080401. General	6
080402. Adjustment Reply Codes.....	7
080403. Reply Listing.....	7
0805 IA PERFORMANCE REPORTS OR REQUESTS FOR REIMBURSEMENT.....	7
080501. Reporting Deliveries	7
080502. Interfund Transactions.....	8
080503. DFAS SCA Computations	8
0806 TRANSPORTATION COST LOOK-UP TABLE	9
0807 BILLING FOR SPECIFIC COSTS	9
080701. Actual Administrative Costs	9
080702. Actual FMS CAS Costs	9
080703. Actual Transportation Cost	13
080704. Actual PC&H	15

Table of Contents (Continued)

0808	SUPPORTING DOD COMPONENT PERFORMANCE REPORTS/REQUESTS FOR REIMBURSEMENTS	15
080801.	General	15
080802.	Processing Requisitions.....	16
0809	PERFORMANCE AND DELIVERY REPORTING	16
080901.	Reports	16
080902.	Reject Codes.....	19
080903.	Reconciling Reports	19
*Table 8-1. Transportation Charges Based on TBC for Inventory Items Shipped by DWCF.		20
*Table 8-2. Transportation Charges Based on TBC for Inventory Items Not Shipped by DWCF		23
Table 8-3. TBC		26

CHAPTER 8

BILLING AND REIMBURSEMENT

0801 GENERAL

080101. Purpose

This chapter establishes the standard policies for use when:

A. The Defense Finance and Accounting Service (DFAS), Security Cooperation Accounting (SCA) bills foreign governments and international organizations (hereafter referred to as Foreign Military Sales (FMS) purchasers) for costs related to defense articles and services sold pursuant to the Arms Export Control Act ([AECA](#)) (AECA starts on page 427 of Legislation on Foreign Relations, Volume 1-A):

B. The DoD Components report FMS deliveries of materiel and services, contractor progress payments, and other related costs to DFAS SCA to obtain reimbursement or to report performance under an allotment of FMS Trust Fund budget authority; and

C. The DoD Components request reimbursement from the other DoD Components for costs associated with inter-service support of FMS cases.

080102. Authoritative Guidance

The AECA (Public Law 90-629), codified as 22 United States Code (U.S.C.), [Chapter 39](#), and the [Foreign Assistance Act](#) (Public Law 87-195), as amended, codified as 22 U.S.C., [Chapter 32](#) provide the authority for FMS sales of defense articles, services, and training.

0802 RESPONSIBILITIES

080201. Defense Security Cooperation Agency (DSCA)

DSCA approves the establishment and revision of the Implementing Agency (IA), Delivery Source Code, Monitor, and Type of Assistance codes. DSCA forwards the recommended new or revised codes to the DFAS, Accounting Policy Division for approval and inclusion in Volume 15. DSCA and DFAS must use the Standard Financial Information Structure as prescribed in Volume 1, Chapter 4.

080202. DFAS SCA

DFAS SCA must issue quarterly billing statements to FMS purchasers based on payment schedules attached to the Letter of Offer and Acceptance (LOA) by the applicable IA. Exceptions to this policy may be made when an IA submits a Quarterly Forecast of Financial Requirements for Requisition Cases, and the committed values for requisition cases indicate the performance on a particular requisition case is behind or ahead of schedule. In such cases, DFAS SCA must bill

based on the quarterly forecast or the committed value of requisitions. See Chapter 4, paragraph 040504 for more information.

080203. IAs

A. An IA is the DoD Component assigned responsibility by DSCA to prepare an LOA and implement the case. The IA is responsible for overall management of the actions that will result in delivery of the materiel or service set forth in an implemented LOA.

B. IAs must report accrued expenditures (work in process (WIP)) and physical deliveries in the applicable IA financial or logistical system within 30 days of the occurrence (e.g., date of shipment or performance). This information is provided to DFAS SCA through the billing and reporting policies prescribed in this chapter.

080204. Supporting DoD Components

The supporting DoD Components must request reimbursement from other DoD Components through the billing and reporting policies prescribed in this chapter.

A. Requesting Activities. When placing an order to satisfy an FMS demand, requesting activities are responsible for notifying the performing activities. The notification must include the country, case designator, and line item.

B. Performing Activities. Upon notification that a customer order is for an FMS purchaser, performing activities must notify the requesting activity whether the order has been accepted on a reimbursable or direct cite basis and identify the total cost to process the order. This total billing must include both funded and unfunded costs. The performing activity must deposit amounts collected to the appropriate accounts, including the Miscellaneous Receipt Account.

0803 FMS BILLING STATEMENT

080301. General

A. DoD (DD) Form 645, FMS Billing Statement (or automated equivalent), and special billing arrangement statements issued by DSCA represent an official claim for payment by the U.S. Government. The DD 645 is prepared on a quarterly basis as of December, March, June, and September. As an example, the December bill reflects physical deliveries, performance of services, and WIP from October 1 through December 31, and cash collections recorded for the FMS case through the preparation date of the billing statement. It also has a forecast of estimated advance cash requirements through the month of June. A December bill is mailed on or around January 15, with payment due March 15. The March, June, and September statements follow the same basic timeframes.

B. The FMS billing statement furnishes an accounting to the FMS purchaser for all costs incurred under each FMS Trust Fund case. Detail on the face of the billing statement must display the cost elements similar to the line item detail on the LOA. Physical performance

of services and delivery of materiel are shown against the line item detail of the LOA. FMS administrative surcharge, accessorial costs, and WIP are separately listed.

***080302. Billings for Cases With Payment Upon Delivery**

For cases authorized under the AECA, sections 21(d) or 22(b), the IAs must ensure that each case has a delivery schedule, [and ensure its accuracy](#). DFAS SCA [is responsible for billing](#) the FMS purchaser the appropriate charges. Interest must be charged in accordance with the policy found in Volume 16, Chapter 6, section 0604.

080303. Final Statement

DFAS SCA must give the FMS purchaser a case final statement at the end of the calendar quarter in which the case is closed and re-categorized from an active status to inactive status. DFAS SCA must annotate the final statement to notify the FMS purchaser of this reclassification.

080304. FMS Delivery Listing

An FMS Delivery Listing is prepared in support of entries to Current Period Delivery Costs, on the DD 645, using the IA FMS Integrated Control System (FICS). The FMS Delivery Listing is an itemized listing of all items physically delivered and services performed during the reporting period. It is cross-referenced to specific document numbers and allows FMS purchasers to validate receipt of the materiel or services. The FMS Delivery Listing also includes DFAS SCA's computation of charges applied by the organization fulfilling the order in accordance with Chapters 3 and 7.

080305. Computer Output

The FMS purchaser may request that DFAS SCA provide a Compact Disk Read-Only Memory (CD-ROM) or hard copy report to support the FMS Delivery Listing. The billing and FMS Delivery Listing may be electronically transmitted upon request, or the data may be placed on a file server where the FMS purchaser may access it. Security precautions must be taken to assure data confidentiality and appropriate access control.

0804 FMS PURCHASER REQUESTS FOR BILLING AND SUPPLY ADJUSTMENTS

080401. General

A. If, after review of the DD 645 and/or the supporting FMS Delivery Lists, the FMS purchaser identifies that an adjustment is needed, the FMS purchaser must submit a formal request for adjustment. Billing and supply adjustment requests for materiel or service performance and accessorial charges should be submitted to the IA. Adjustment requests dealing only with FMS administrative surcharges should be submitted to DFAS SCA.

B. FMS purchasers must submit all requests for billing and supply adjustments on a [Standard Form \(SF\) 364](#), Report of Discrepancy (ROD), [also referred to as a Supply](#)

Discrepancy Report (SDR), clearly indicating the specific adjustment or billing action requested. The DoD Components must process eligible RODs in accordance with the Defense Logistics Manual 4000.25, “Defense Logistics Management Standards (DLMS).” The form, instructions for completion, and definitions are prescribed in Volume 2, Chapter 17 of the DLMS Manual. After RODs applicable to materiel and services are resolved, the DoD Components must report the action being taken to DFAS SCA using appropriate Adjustment Reply Codes in the delivery transaction (for additional informal concerning delivery transactions, see section 0805).

080402. Adjustment Reply Codes

Adjustment Reply Codes cover most replies to FMS purchaser requests for billing or adjustments. When a situation arises not covered by these codes, a reply by letter is appropriate. Submit requests for codes to cover additional transactions to DFAS SCA at DFAS-JAX/IN, 8899 E. 56th St., Indianapolis, IN 46249.

080403. Reply Listing

DFAS SCA provides a consolidated listing of the actions taken in response to RODs. This listing must be mailed with the DD 645 to the FMS purchaser involved. All responses to RODs must be listed separately for each country and case and have the same data elements as shown on the FMS Delivery Listing. The Reply Listing is prepared in the same basic sequence as the billing statement and FMS Delivery Listing.

0805 IA PERFORMANCE REPORTS OR REQUESTS FOR REIMBURSEMENT

080501. Reporting Deliveries

A. IAs must report the cost of DoD services (inventory items and new procurement to DFAS SCA using delivery reports, or automated equivalents) through the FICS delivery transaction unless the provisions of paragraph 080503 are applicable. It is the IA’s responsibility to ensure that receipt documentation demonstrating proof of shipment, with the appropriate FMS purchaser’s (or the FMS purchaser’s representative, e.g., a freight forwarder) signature, is retained permanently for the record.

B. DFAS SCA must pay earned reimbursements included in such reports within 20 working days from the date of receipt. If a cash flow problem precludes payment, DFAS SCA must issue immediate notification to the Director, DSCA. DSCA will then notify the appropriate country if FMS funding is short, and the Office of the Undersecretary of Defense Comptroller (OUSD(C)) if appropriated funding is short. The Director, DSCA, must notify IAs to suspend further deliveries of DoD stock or performance of DoD services unless a determination has been made that it is in the national interest for billings to be dated and issued upon delivery or performance, with payment due in 60 days.

080502. Interfund Transactions

Defense Working Capital Fund (DWCF) items are normally billed under interfund policies and use the Detailed Billing Codes prescribed in DLMS Manual, Volume 4, “Military Standard Billing System – Finance” ([MILSBILLS](#)). To minimize the impact on normal MILSBILLS billing (and still provide IAs or DFAS SCA with the data necessary to assure proper FMS billing), a modified MILSBILLS detailed billing transaction may be used to report FMS shipments. This modified MILSBILLS detailed billing transaction is in place of the FICS delivery transaction. The required modification is to substitute information that normally appears in the unit price field of the MILSBILLS detailed billing transaction. The information required on the modified billings transactions applicable to the FMS program includes the item number, Transportation Bill Code, Delivery Source Code, and when applicable, the DWCF Code.

080503. DFAS SCA Computations

Based on data in delivery transactions, DFAS SCA computes and bills FMS purchasers for the following.

A. Contract Administration Service (CAS) Charge. CAS percentages prescribed in Chapter 7, paragraph 071603 are applied as a percentage of reported payments to contractors, except for cases when CAS has been waived as authorized in Chapter 7, paragraph 071603 or determined to be not applicable and approved by DSCA. DFAS SCA performance and performance reporting feedback reports identify the amount of CAS computed based on delivery or WIP transactions (see section 0809).

B. Packing, Crating, and Handling (PC&H) Charge. The PC&H surcharge applies to shipments of DoD non-Working Capital Fund materiel. For Excess Defense Articles, the IA is responsible for calculating the PC&H based on the acquisition price of the materiel (see Chapter 7, paragraph 070401 or 071503).

C. Transportation Charges. When actual cost is unknown, an estimated transportation charge should be included on the LOA as a “below-the-line” (indirect/accessorial) charge. Estimated costs are collected into the FMS Transportation Account to pay actual transportation costs once bills are received. See “Security Assistance Management Manual” (SAMM), Chapter 9, Table [C9.T4a](#), “Table of Delivery Term Codes and Percentage,” and the SAMM Appendix 2, “[Transportation Cost Look-Up Tables](#),” for the applicable rates. When shipments require containerization, storage in-transit, escorts, or [have](#) any other special transportation accessorial requirements; these special transportation accessories are not included in the standard transportation percentages, nor in the cost provided in the transportation cost look-up table. These charges are to be placed “above-the-line” and adjusted as needed to capture actual cost. See SAMM [Chapter 7](#) for more information on transportation costs, and Volume 11A, Chapter 1, subparagraph 010204.J for more information on accessorial expenses.

D. FMS Administrative Surcharge. The FMS administrative surcharge is assessed on performance reporting, except for the amount collected upon case implementation as prescribed in Chapters 3 and 4. Use the requirements in effect at the time the applicable LOA,

basic documents, or amendments are accepted by the FMS purchaser, or are added via LOA modification. See Chapter 7, paragraph 070501 for the prescribed standard FMS administrative surcharge. The FMS administrative surcharge does not apply to WIP.

E. FMS Logistics Support Charge (LSC). The LSC was applied against items delivered after March 31, 1987, with delivery reported prior to October 1, 2007, on case lines that included specific Military Articles and Service Listings for spares, equipment modifications, maintenance, secondary support equipment, and supplies.

0806 TRANSPORTATION COST LOOK-UP TABLE

The purpose of the Transportation Cost Look-Up table is to provide DoD Components with estimated transportation costs for items normally shipped in the Defense Transportation System (DTS) (e.g., sensitive/hazardous end items) when costs using standard transportation percentages are significantly different from actual charges. This table is located in the SAMM, Appendix 2 and is used to compute an estimate of the actual transportation costs for the items listed.

0807 BILLING FOR SPECIFIC COSTS

Compute billings for specific costs associated with support to FMS as indicated in paragraphs 080701 through 080704.

080701. Actual Administrative Costs

Actual administrative costs are funded by an allotment that is provided based on an approved FMS administrative budget. Documentation that shows the propriety of the obligation must support the obligations and outlays against the allotment. The allotment holder must retain these basic source documents for audit and report the use of allotment through the required Status-of-Allotment reports.

080702. Actual FMS CAS Costs

* A. The DoD Components performing contract administration or audit services must submit a monthly certified [SF 1080](#), Voucher for Transfers Between Appropriations and/or Funds, billing to [their servicing DFAS accounting office](#) for reimbursement of contract administration (quality assurance and contract management) and audit services being performed on FMS cases. Billings must reflect the actual or proportionate share of FMS CAS.

B. The organization performing these services must validate all bills before submitting the SF 1080 and attesting to the validity of the required computation process. The approved DoD reimbursable rate and approved OUSD(C) unfunded civilian retirement rate are available at the [OUSD\(C\) reimbursable rate website](#), “Civilian Personnel Fringe Benefit (TAB D).” If an adjustment or correction is needed, it must be corrected within 30 days from the date of discovery.

C. DoD Components authorized to bill for CAS are listed in subparagraphs 080702.C.1 through 080702.C.7.

1. Department of the Army Ammunition Plants. Allocate contract management and quality assurance efforts based on the ratio of the FMS disbursements to total net disbursements (as defined in the Glossary). Compute the unfunded civilian retirement rate and show it on the monthly billings.

2. Department of the Navy. The Naval Sea Systems Command will submit monthly bills for the Navy Supervisors of Shipbuilding, Conversion, and Repair Activities, and allocate contract management and quality assurance efforts based on actual hours expended. Compute the unfunded civilian retirement rate and show on the monthly billings.

3. Department of the Air Force. The Air Force Security Assistance Training and Air Force Installation Contracting Agency will submit monthly bills and allocate contract management and quality assurance efforts based on actual hours expended. Compute the unfunded civilian retirement rate and show on the monthly billings.

4. Defense Contract Management Agency (DCMA) Continental United States (CONUS) FMS CAS

a. DCMA establishes an annual command rate by August 1 of each year for the following fiscal year (FY). The rate must be determined based on the ratio of FMS net contract disbursements to total DoD net contract disbursements. The ratio will reflect actual net FMS (Trust Fund appropriation, 11X8242) disbursement data for the prior 12 months (using January of the prior FY to December of the current FY, e.g., January 2010 to December 2010). The annual command rate must apply to the next FY budgetary estimates and billing period. For example, the January 2010 to December 2010 data will be used for the budgetary estimate and billing period for FY 2012 and the rate due by August 1, 2011. The annual command rates methodology is further defined by the following factors.

(1) Numerator. Twelve months of monthly Defense Integrated Financial System FMS (11X8242) net contract disbursement amounts reported for the Mechanization of Contract Administration Services disbursing stations will be used as the numerator for calculating the annual command rate for DCMA. These amounts will exclude FMS (11X8242) disbursements and apply to contract administration reciprocal agreements, all other types of FMS CAS waivers reflected in the SAMM, subsection 9.6.2, and other FMS disbursements that are not FMS contract costs, e.g., in-house services performed by civil servants and financed by the FMS Administrative Surcharge account.

(2) Denominator. Twelve months of total DoD net contract disbursements as reported on the SF 1219, Statement of Accountability, Part A, Line 4.1 will be used as the denominator for calculating the annual command rate for DCMA.

b. Quarterly, DCMA will update the Functional Work Force (FWF) to include full-time equivalents that perform CONUS FMS CAS efforts (quality assurance

or contract management) in the work sections. Use the updated FWF number derived in the third month of that quarter for the FWF number in the next quarter's billings (SF 1080). In the computation process, round all hours and FWF amounts to whole numbers. Round all dollars and percentages to the second decimal point.

c. Monthly, DCMA will prepare the DCMA CONUS FMS CAS monthly earnings computation sheet and certification memorandum.

(1) CONUS FMS CAS earnings and unfunded civilian retirement for the month are computed using the DCMA annual command rate and the data sources listed in this chapter. The unfunded civilian retirement factor is listed with the Annual DoD Reimbursement Rates issued by OUSD(C). The approved FY reimbursable rates are available at the OUSD(C) reimbursable rate website.

(2) Overtime is listed as a separate charge on the DCMA CONUS FMS CAS monthly earnings computation sheet or, if the overtime factor was not included, in the Annual DoD Reimbursable Rate in accordance with Volume 11A, Chapter 6. The unfunded civilian retirement factor is not computed on overtime hours since unfunded civilian retirement applies to salaries (basic pay) only (see [5 U.S.C., section 8331\(3\)](#) for an explanation of what is not included in basic pay).

(3) The DCMA CONUS FMS CAS monthly earnings computation analysis, computed using unfunded civilian retirement and overtime earnings, is certified and forwarded to [the servicing DFAS accounting office](#) for billing preparation. Certification must be based on, and consistent with, the provisions of Volume 5, Chapter 5. The certification statement must be as follows:

“I certify that DCMA is entitled to \$____ in FMS CAS reimbursements, excluding unfunded civilian retirement, for contract services performed during the period from _____ to _____, in accordance with applicable regulations, and that this entitlement is supported by the attached documentation. All disbursements applying to all FMS CAS waivers have been removed and are not included in this bill.”

Signed: “_____”

5. DCMA International

a. DCMA International FMS CAS must be reimbursed on actual costs incurred based on net disbursements processed by DFAS. The unfunded civilian retirement rate will be computed on salaries (basic pay) only. Military pay will also be computed and reimbursed.

* b. Since the FMS CAS Surcharge Account pays for all costs associated with FMS full-time employees, including equipment, vehicles, and housing, these reimbursements (monthly billings) must be based on total actual costs. Employees working part-

time FMS CAS are reimbursed using the DoD FMS CAS hourly rate and the unfunded civilian retirement rate listed in the Annual DoD Reimbursable Rates Table issued by the OUSD(C). No additional support costs are reimbursed for part-time employees except for overseas Temporary Duty costs. See the OUSD(C) reimbursable rate website.

c. Billings must exclude all costs associated with countries that have FMS CAS waivers and/or reciprocal agreements.

6. Defense Contract Audit Agency (DCAA), All Offices Except DCAA Headquarters Offices. Allocate the FMS contract audit based on actual hours expended on FMS requirements. Compute the unfunded civilian retirement rate and show the results on the monthly billings.

7. Any other Activity Performing Contract Management Services as Approved by OUSD(C). When OUSD(C) grants this exception, the exception will identify the cost recoupment method.

D. The SF 1080 bills for actual costs must be supported with a schedule containing the following data:

1. Organization;
2. Type of CAS effort incurred:
 - a. Contract audit,
 - b. Quality assurance and inspection, or
 - c. Other CAS efforts;
3. Cost recoupment basis;
4. Annual hourly rates prescribed by OUSD(C) for CAS, plus unfunded civilian retirement costs (including costs for post-retirement health benefits). See the OUSD(C) reimbursable rate website for approved unfunded civilian retirement rate and hourly rates; and
5. The authority or directive requesting work to be performed and justification for why the normal FMS CAS procedures and billing arrangements for the current authorized DoD Components performing CAS cannot be used.

E. Billings for non-FMS CAS must be charged in accordance with Volume 11A, Chapter 6, Appendix D, Contract Administration Services.

080703. Actual Transportation Cost

Bill actual transportation costs of delivering defense articles on SF 1080s or Government bills of lading (GBLs); pay from the transportation surcharge account. Transportation costs to FMS purchaser freight forwarders from DWCFs are included in the cost of the article reported to DFAS SCA. Bill inventory shipments from the DWCF beyond the freight forwarders as a “below-the-line” charge in accordance with Table 8-1 and Chapter 3, Table 3-1, Cost Elements. Bill all other shipments according to Table 8-2 and Chapter 3, Table 3-1. Reimburse costs for transportation billed as a “below-the-line” cost to transportation activities based on the SF 1080 bills. The bills must be supported by a valid case identifier comprised of Country Code, IA Code, case designator, date of shipment, and certification that the billed amount was not included in the article’s cost.

A. Carrier Costs1. Commercial and Industrially Funded or DWCF Organizations.

Support billings for other-than-inland CONUS DWCF materiel by electronic media, listing, or computer tapes detailing the transaction control numbers and case designators or articles transported for FMS purchasers. “Carrier” means commercial carriers and/or the industrially-funded or DWCF part of Air Mobility Command (AMC) and Military Sealift Command (MSC). The following exceptions apply.

a. Include the cost of transporting Government furnished materiel (GFM) to a contractor’s plant in the price of the GFM, reported in the delivery transactions, and not in the SF 1080 billings.

b. Include the cost of transportation for repair and return cases in the cost of the repair service, reported via the delivery transaction, and not in the SF 1080 billings.

c. Report “above-the-line” discrete transportation costs, such as high flight or special airlift, as a case charge via the delivery transaction, and not in the SF 1080 billings.

d. Do not include in the SF 1080 billings the inland CONUS transportation cost for DWCF materiel from point of origin to point of FMS purchaser pickup (freight forwarder, FMS purchaser, or FMS purchaser-designated CONUS delivery point); it is borne by the DWCF.

2. DWCF and GBLs. Do not cite the FMS Trust Fund on GBLs for transportation of DWCF materiel. The cost of such transportation is included in the standard price of DWCF materiel. GBL processing activities must not accept GBLs citing the FMS Trust Fund for transporting DWCF materiel.

3. U.S. Postal Service. Directly reimburse all postal service costs collected by DFAS SCA as surcharge costs on FMS purchaser billings to the applicable IA's designated administrative headquarters organization.

4. Defense Courier Service. Base the SF 1080 billings to recoup the cost of support provided by the Defense Courier Service on a prorated share of FMS shipments to total shipments. Apply the resulting percentage to payments to the Defense Courier Service to determine FMS billings.

5. Air/Army Postal Office (APO), Fleet Postal Office (FPO). Base the SF 1080 billings to recoup the cost of support provided by APOs and FPOs on a prorated share of FMS shipments to total shipments. Apply the resulting percentage to payments to the armed services operating these offices.

6. Commercial Package Carriers. All costs collected by the DFAS SCA as surcharges on FMS purchaser billings for commercial package carriers are directly reimbursed back to the reporting DoD Components and not reimbursed from the FMS Transportation Account as a direct cite disbursement.

B. Recoupment of the Cost of DoD Organizations Which Support Carrier Movement

1. AMC Headquarters. Allocate non-industrially funded/DWCF headquarters cost based on the ratio of FMS billings to the total dollar value of industrial fund/DWCF billings. The billing for headquarters cost must include a proportionate share of all costs funded by the Operations & Maintenance (O&M) appropriation, Military Pay appropriation, and those unfunded costs identified in subparagraph 080702.D.

2. MSC Headquarters. Allocate non-industrially funded headquarters cost based on the ratio of FMS billings to the total dollar value of industrial fund/DWCF billings. The billing for headquarters cost must include a proportionate share of all costs funded by the O&M appropriation, Military Pay appropriation, and those unfunded costs identified in subparagraph 080702.D.

3. Organizations Responsible for Routing of Materiel, Preparation of GBLs, and Carrier Selection. Organizations responsible for the routing of materiel, preparation of GBLs, and carrier selection include the Surface Deployment and Distribution Command and subsidiary organizations, the Navy Materiel Transportation Office (NAVMTO), and installation transportation offices. Base billings on level of effort estimates of FMS tonnage as a percentage of total tonnage moved. For this calculation, costs of FMS tonnage must include movement of materiel processed through both DTS and commercial bills paid directly by foreign countries. Apply the resulting percentage of tonnage moved to the total actual obligations incurred by routing organizations to determine the base charge. The billing must include the base charge, military labor, and unfunded costs determined in accordance with subparagraph 080702.D.

4. Organizations Responsible for Accounting, Audit, and Payment of Transportation Bills. Organizations responsible for accounting, audit, and payment of transportation bills are DFAS - Indianapolis Center, for Army, Air Force, and Defense Agency shipments; NAVMTO, Norfolk, Virginia, for Navy shipments; and the Marine Corps Logistics Base, Albany, Georgia, for Marine Corps shipments. Base billings on the use of level of effort estimates, on the number of FMS GBLs processed as a percentage of the total number of GBLs processed. Then apply the percentage to obligations incurred by cost centers responsible for processing GBLs, and those unfunded costs identified in subparagraph 080702.D.

5. Organizations Providing Physical Security. Shipments that involve sensitive conventional arms, ammunition, and explosives in transit are to be processed in accordance with DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)." DoD civilian and military personnel involved in providing personnel services in connection with these types of shipments are to be priced in accordance with the provisions of Chapter 7, paragraphs 072001 and 072002.

C. Billings for Organic Transportation and Troop Labor

1. Troop Labor. Activities utilizing troop labor for the loading or unloading of vessels, trains, vans, or other conveyances are responsible for billing applicable costs. FMS cost may be based on a prorated share of the total cargo manifest, or a similar document.

2. Use of Organic Vehicles. Base billings for the use of organic vehicles on motor pool records that disclose DoD vehicles were used to move FMS materiel. Determine the number of miles and bill at the rate of \$4.00 per mile. This rate includes the labor cost of drivers assigned by the motor pool. Consolidate motor pool billings by major commands.

080704. Actual PC&H

SF 1080 billings for actual PC&H costs are normally not submitted. Instead, earned reimbursements are transferred to the shipping depot when DFAS SCA applies the applicable surcharge. DWCF items are not reimbursed for PC&H because that charge is included in the standard price.

0808 SUPPORTING DOD COMPONENT PERFORMANCE REPORTS/REQUESTS FOR REIMBURSEMENTS

080801. General

DoD Components must support FMS cases at the request of the applicable IA. Such requests must be in the form of requisitions or formal orders that place a dollar value on the support to be provided, the appropriation/fund that will pay the resulting billings, the appropriation/fund that will bill and record earned reimbursements, and the address (symbol) of the IA or equivalent. Pursuant to a formal order, billings by the supporting DoD Component to the IA must be submitted on an SF 1080 supported by delivery transactions to the paying office identified in the order. The disbursing officer must include the delivery transactions in a consolidated submission to DFAS

SCA and reimburse any amounts due for inventory items or services when reimbursement is received from DFAS SCA. Only make payments to contractors subject to expenditure authority (EA) issued by DFAS SCA. A non-reimbursable delivery transaction applicable to such costs should be included in the submission.

080802. Processing Requisitions

A. If requisitions are received from the IA with a fund and signal code signifying direct citation of the FMS Trust Fund (not an allotment of direct cite authority), the delivery transaction must be submitted to the requisitioning activity. Process requisitions containing such fund and signal codes on a prompt delivery basis (within 30 days). Obligations must be recorded after the funding authorization has been received and upon release of the requisition to the supply source. Record disbursements against the applicable case once the interfund bill transactions have been validated and accepted in the IA database. The IA reports the initial obligation transaction, obligation adjustment transaction, and related disbursement transaction to DFAS SCA. EA must be approved for all requisitions submitted to non-DoD supplying activities.

B. Within the DoD, the interfund billing activity must get necessary self-reimbursement authority for interfund requisitions. If stocked items are not available for prompt delivery and new procurement is necessary, follow Military Interdepartmental Purchase Request procedures, direct cite procurement procedures, or commercial buying services procedures. If the requisition is submitted to a non-DoD organization, the summary billing transaction and the supporting unmodified MILSBILLS detailed billed transactions must be submitted to the IA. The IA must convert MILSBILLS detailed delivery transactions to FMS detail delivery transactions and forward the billing information to DFAS SCA within five working days. DFAS SCA must use the FMS detail delivery transactions to prepare delivery reports to the FMS purchasers and provide a copy of the report, or automated system equivalent, to the implementing DoD Components for use in posting to supply performance files.

0809 PERFORMANCE AND DELIVERY REPORTING

080901. Reports

A. FMS Command Pay List. DFAS provides reporting activities with a monthly FMS Command Pay List that identifies the total amount of WIP or deliveries charged to FMS cases in the current reporting period, excluding accounts payable (see subparagraph 080901.D). The amount includes the delivery transactions submitted by the reporting activity, less accounts payable and rejected items (see subparagraph 080901.C), and additional charges mechanically computed by DFAS. The last line of the Command Pay List, "Total Reimbursable to This Payee," should equal the amount received by the payee. DFAS computed charges may or may not be reimbursable to the reporting activity. The following are DFAS computed charges:

1. FMS Administrative Surcharge are non-reimbursable costs;
2. PC&H are reimbursable charges not applicable to DWCF items;
3. “Below-the-line” Transportation Charges;

a. Reimbursable and non-reimbursable costs (reimbursable costs are not applicable to DWCF items if the ship date is October 1, 1991 or later). The Inland CONUS rate of 2.75 percent is not applicable to stock fund items effective October 1, 1990,

b. Transportation Bill Codes (TBCs) are used to bill FMS purchasers for “below-the-line” transportation costs if the actual method of transportation is different from that identified by the Delivery Term Code. Report the return of repaired materiel using TBC “L.” TBCs are in Table 8-3; and

4. CAS charges are non-reimbursable.

B. FMS Detail Delivery Feedback List. The FMS Detail Delivery Feedback List is attached to the Command Pay List and identifies the delivery transactions submitted by reporting activities and processed by DFAS for reimbursement or reporting to the FMS purchaser. It also identifies add-on amounts mechanically computed by DFAS for each processed delivery transaction. This listing does not provide summary totals of deliveries reported. It is used to compare deliveries reported with deliveries processed when reconciling amounts reimbursed to the reporting activity. When reconciling reimbursements received from DFAS to reporting activity records, the following columns of the FMS Detailed Delivery Feedback list should be used:

1. The Voucher Amount Paid (VOU AMT PD) column, which identifies the amount of reimbursement to the reporting activity;
2. The Extended Value (EXT VAL) column, which identifies the total amount reported to DFAS;
3. The Stock Fund Add-On (STK FUND ADD-ON) column, which identifies the amount of LSC or stock fund add-on charges computed by DFAS. After accounting date March 1987, this field identifies the LSC;
4. The Contract Administration Surcharge Add-On (CAS ADD-ON) column, which identifies CAS computed by DFAS. The CAS applied to procurement Delivery Source Codes (non-reimbursable to the reporting activity). Items procured and associated costs charged may include DWCF listed items, GFM, and nonrecurring charges;
5. The Date of Transaction (DT TRAN) column, which identifies the date of transaction; and

6. The Accessorial Administrative Costs (ACSRL ADM COST) column, which identifies administrative charges applied against the FMS case. These charges are applied against total deliveries reported for each case during the month and not identified to the individual deliveries.

C. FMS IA Performance Report Transaction Register (PRTR). The FMS IA PRTR has five parts. These parts are detailed in the following subparagraphs.

1. The IA-Initiated Performance Reports Rejected Not Processed section includes all delivery transactions that could not be processed by DFAS. The reasons for not processing are listed immediately under each transaction. A corrected transaction should be resubmitted to DFAS. This part must be used in reconciling reported deliveries, to deliveries processed by DFAS. Rejected transactions should be corrected and resubmitted within 30 days.

2. The IA-Initiated Performance Reports Processed with Management Alerts section includes all delivery transactions processed with the possible problem areas identified by DFAS processing. Review these transactions to determine if each transaction was properly prepared. If the transaction was properly prepared, no further action is required.

3. The DFAS-Initiated Performance Reports Processed section includes those transactions computed and applied by DFAS for the IA. DFAS reports these transactions for posting to the IA's records.

4. The DFAS-Initiated Corrections to Initial IA Performance Reports section provides information on delivery transactions subsequently modified by DFAS. Data appears with the IA delivery transaction first, followed by the corrective action taken by DFAS.

5. The DFAS Deletions from IA-Initiated Performance Reports section provides the delivery transactions that have been subsequently deleted by DFAS.

D. FMS Accounts Payable List

1. The FMS Accounts Payable List indicates reimbursable delivery transactions for which payment is not being made. Reasons for non-payment include:

- a. The country's funds are frozen (not available to disburse),
- b. The country does not have enough cash available, or
- c. The case provides for payment 60 days after delivery.

2. The list has a total of all transactions that are reimbursable and have not been paid to the reporting activity.

E. FMS Voucher Backup for Payment of Accounts Payable. The FMS Voucher Backup for Payment of Accounts Payable listing represents the amount paid to the

reporting activity per the Command Pay List (see subparagraph 080901.A) by country, IA, and reporting activity.

* F. FMS Accounts Payable. Detailed payable records are only maintained in installation-level systems and, therefore, can only be aged at the installation level. Monitoring payables and assuring specific vendors are paid promptly is a function of the installation-level accounting activity. IAs should validate general ledger account balances to payables reported to the Defense Integrated Financial System on a monthly basis.

080902. Reject Codes

The FMS IA PRTR contains Reject Codes for the delivery transactions that did not process to the FMS Command Pay List. Research reports with Reject Codes and process delivery transactions within 30 days. DFAS will maintain a control file of outstanding rejected transactions and will update the file once corrected transactions are resubmitted and reprocessed. DFAS will send copies of the control file to the respective IAs.

080903. Reconciling Reports

Reconcile reimbursable delivery transactions to the amounts reimbursed. Verify that the voucher backup equals the amount on the check and the FMS Command Pay List. If amounts are not equal, contact DFAS to reconcile differences.

*Table 8-1. Transportation Charges Based on TBC for Inventory Items Shipped by DWCF

TBC	Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
A	L1D	0.0 ^{1,2}	0.0
B	L1E	0.0 ^{1,2}	0.0
C	L1A	0.0 ²	6.0, 8.5/7.5, 9.5
	L2B	2.5	
	L1B /L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
	L2C	1.0	
D	N/A	0.0	0.0
E	L1A	0.0 ²	0.0
F	L1A	0.0 ²	5.0, 7.5/6.5, 8.5
	L2B	2.5	
	L1B/L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
G	L1A	0.0 ²	9.0, 11.5/10.5, 12.5
	L2B	2.5	
	L1B/L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
	L2C	1.0	
	L1F	3.0	
H	L1A	0.0 ²	2.5
	L2B	2.5	
J	L2B	2.5	7.5/9.5
	L1C	4.0/6.0 ⁵	
	L2C	1.0	
K	L1C	N/A	Actual amount billed by AMC
L	As applicable	N/A	Actual amount computed by shipper
M	L4O	3.0 ¹	3.0
N	L1A	0.0 ²	3.0
	L4O	3.0 ¹	
P	L1A	0.0 ²	5.75
	L4O	3.0 ¹	
	L1A	2.75 ²	
Q	L1A	0.0 ²	10.75, 13.25/12.25, 14.25
	L4O	3.0 ¹	
	L1A	2.75 ²	
	L2B	2.5	
	L1B/L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	

Table 8-1. Transportation Charges Based on TBC for Inventory Items Shipped by DWCF
(Continued)

TBC	Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
R	L1A	0.0 ²	14.75, 17.25/16.25, 18.25
	L4O	3.0 ¹	
	L1A	2.75 ²	
	L2B	2.5	
	L1B/L1C	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
	L2C	1.0	
	L1F	3.0	
S	L1A	0.0 ²	8.25
	L4O	3.0 ¹	
	L1A	2.75 ²	
	L2B	2.5	
U	L1D	0.0 ^{1,2}	2.5
	L2B	2.5	
V	L1D	0.0 ^{1,2}	6.0, 8.5/7.5, 9.5
	L2B	2.5	
	L1B/L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
	L2C	1.0	
W	L1O	N/A	Transportation Cost Look-Up Table
X	L1D	0.0 ^{1,2}	5.0, 7.5/6.5, 8.5
	L2B	2.5	
	L1B/L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
Y	L1D	0.0 ^{1,2}	9.0, 11.5/10.5, 12.5
	L2B	2.5	
	L1B/L1C ³	2.5, 5.0 ⁴ /4.0, 6.0 ⁵	
	L2C	1.0	
	L1F	3.0	

1. The costs of L1D, L1E, and L4O are included in the DWCF item price when being directly shipped to the customer. If the item is shipped to a staging location, the rate listed must be charged.

2. L1A does not apply to DWCF shipments with shipping dates after September 30, 1990. Computation for L1D and L1E for DWCF items was discontinued on items with shipping dates after September 30, 1991. L1A is computed once on DWCF items shipped to a CONUS staging or aggregation area and then on to the CONUS water or aerial port. The first CONUS movement is included in the DWCF item price. The second movement TBCs (P, Q, R, or S) are charged at the normal rate.

Table 8-1. Transportation Charges Based on TBC for Inventory Items Shipped by DWCF
(Continued)

3. Wherever “L1B/L1C” appears, if the Port of Embarkation (POE) code is “A,” L1C is computed; otherwise, L1B is computed.
4. L1B is computed at 2.5 percent for rate area one or 5.0 percent for rate area two. See Chapter 3, Table 3-1 “Cost Elements.”
5. L1C is computed at 4.0 percent for rate area one or 6.0 percent for rate area two. See Chapter 3, Table 3-1 “Cost Elements.”
6. L1A is computed once on DWCF items shipped to a CONUS staging or aggregation area and then on to the CONUS water or aerial port. The first CONUS movement is included in the DWCF item price.

*Table 8-2. Transportation Charges Based on TBC for Inventory Items Not Shipped by DWCF

TBC	Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
A	L1D	3.75 ¹	3.75
B	L1E	3.75 ¹	3.75
C	L1A	2.75	8.75, 11.25/10.25, 12.25
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ /4.0, 6.0 ⁴	
	L2C	1.0	
D	N/A	0.0	0.0
E	L1A	2.75	2.75
F	L1A	2.75	7.75, 10.25 /9.25, 11.25
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ /4.0, 6.0 ⁴	
G	L1A	2.75	11.75, 14.25/13.25, 15.25
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ /4.0, 6.0 ⁴	
	L2C	1.0	
	L1F	3.0	
H	L1A	2.75	5.25
	L2B	2.5	
J	L2B	2.5	7.5/9.5
	L1C	4.0/6.0 ²	
	L2C	1.0	
K	L1C	N/A	Actual amount billed by AMC
L	As applicable	N/A	Actual amount computed by shipper
M	L4O	3.0 ¹	3.0
N	L1A	2.75	5.75
	L4O	3.0 ¹	
P	L1A	2.75 ⁵	8.50
	L4O	3.0 ¹	
	L1A	2.75 ⁵	
Q	L1A	2.75 ⁵	13.0, 16.0/15.0, 17.0
	L4O	3.0 ¹	
	L1A	2.75 ⁵	
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ /4.0, 6.0 ⁴	

Table 8-2. Transportation Charges Based on TBC for Inventory Items Not Shipped by DWCF (Continued)

TBC	Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
R	L1A	2.75 ⁵	17.5, 20.0/19.0, 21.0
	L4O	3.0 ¹	
	L1A	2.75 ⁵	
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ /4.0,6.0 ⁴	
	L2C	1.0	
	L1F	3.0	
S	L1A	2.75 ⁵	11.0
	L4O	3.0 ¹	
	L1A	2.75 ⁵	
	L2B	2.5	
U	L1D	3.75 ¹	6.25
	L2B	2.5	
V	L1D	3.75 ¹	9.75, 12.25/11.25, 13.25
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ / 4.0,6.0 ⁴	
	L2C	1.0	
W	L1O	N/A	Transportation Cost Look-Up Table
X	L1D	3.75 ¹	8.75, 11.25/10.25, 12.25
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ / 4.0,6.0 ⁴	
Y	L1D	3.75 ¹	12.75, 15.25/ 14.25,16.25
	L2B	2.5	
	L1B/L1C ²	2.5, 5.0 ³ / 4.0,6.0 ⁴	
	L2C	1.0	
	L1F	3.0	
Z	L1A	2.75	(Charge may not exceed \$25.00)

1. Amounts collected for L1D, L1E, and L4O must be reimbursed to the shipping depot shown in the delivery transaction. SF 1080 billings for actual costs are not required.

2. Wherever “L1B/L1C” appears, if the POE Code is “A,” L1C is computed; otherwise, L1B is computed.

3. L1B is computed at 2.5 percent for rate area one or 5.0 percent for rate area two. See Chapter 3, Table 3-1 “Cost Elements.”

Table 8-2. Transportation Charges Based on TBC for Inventory Items Not Shipped by DWCF
(Continued)

4. L1C is computed at 4.0 percent for rate area one or 6.0 percent for rate area two. See Chapter 3, Table 3-1 “Cost Elements.”
5. L1A is computed twice on non-DWCF items shipped to a CONUS staging or aggregation area and then on to the CONUS water or aerial port for TBCs P, Q, R, and S.

Table 8-3. TBC

TBC	Description
A	Materiel moved by parcel post to an inland CONUS/Canada (except Newfoundland and Labrador) destination or freight forwarder, or to an overseas destination through the APO or international mail. The FMS purchaser makes all subsequent arrangements.
B	Materiel moved by commercial package carrier to an inland CONUS/Canada (except Newfoundland and Labrador) destination or freight forwarder, when all subsequent arrangements are made by the FMS purchaser. However, see TBC "Z."
C	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, and combinations thereof, to an overseas port of debarkation (POD) in rate area one or two, including overseas carrier discharge. The FMS purchaser makes all subsequent arrangements.
D	Any form of materiel for which the FMS purchaser is totally responsible, such as materiel moved by a collect commercial bill of lading to an inland CONUS destination, free alongside ship (FAS), an overseas carrier at a CONUS POE, freight forwarder, a CONUS POE, or an inland overseas destination. Also used if transportation costs are not applicable.
E	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, and combinations thereof, to an inland CONUS destination, FAS an overseas carrier at a CONUS POE, a freight forwarder, or a CONUS POE when all subsequent arrangements are made by the FMS purchaser.
F	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, when overseas carrier discharge and all subsequent arrangements are made by the FMS purchaser.
G	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, Defense Courier Service, Military Ordinary Mail, Weapons System Pouch Service, and combinations thereof, to the ultimate FMS consignee at an overseas inland destination in rate area one or two.
H	Materiel moved by GBL, AMC channel airlift, USAF organizational airlift, MSC sealift, and combinations thereof, to a CONUS POE when all arrangements subsequent to loading the vessel are made by the FMS purchaser.
J	Materiel moved by AMC channel airlift to an overseas aerial POD (APOD) in rate area one or two when the use of inland CONUS transportation is not required in effecting delivery to the CONUS POE. The FMS purchaser makes all arrangements subsequent to carrier discharge.
K	Materiel moved by AMC Special Assignment Airlift Mission (SAAM) within CONUS to an overseas APOD or inland FMS consignee base within an overseas area or between overseas areas. The FMS purchaser makes any arrangements subsequent to carrier discharge.
L	Substitute for any other standard codes whenever actual transportation costs will be reported in accordance with Chapter 7.
M	Materiel moved by FMS country-owned aircraft from a U.S. /DoD staging area.

Table 8-3. TBC (Continued)

TBC	Description
N	Materiel moved by GBL “or other CONUS inland mode” to a CONUS staging or aggregation area, staging or aggregation of the materiel, and onward movement of the materiel to a freight forwarder by a collect commercial bill of lading or country-owned or provided aircraft, or by AMC or by commercial SAAM.
P	Materiel moved by GBL “or other CONUS inland mode” to a CONUS staging or aggregation area, staging or aggregation of the materiel, and onward movement of materiel by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE, FAS an overseas carrier at a CONUS POE, or arrangements are made by the FMS purchaser.
Q	Materiel moved by GBL “or other CONUS inland mode” to a CONUS staging or aggregation area, staging or aggregation of the materiel; out movement of the materiel from the staging area by GBL, or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; port handling of the materiel, and onward movement by GBL, AMC channel airlift, Air Force organizational aircraft, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, when overseas carrier discharge and all subsequent arrangements are made by the FMS purchaser.
R	Materiel moved by GBL “or other CONUS inland mode” to a CONUS staging or aggregation area, staging or aggregation of the materiel; and out movement of the materiel from the staging area by GBL, or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; port handling of the materiel, and onward movement by GBL, AMC channel airlift, Air Force organizational aircraft, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two; overseas port handling of the materiel; and onward overseas inland movement to the ultimate FMS consignee at an overseas, inland destination rate area one or two.
S	Materiel moved by GBL “or other CONUS inland mode” to a CONUS staging or aggregation area, staging or aggregation of the materiel, out movement of the materiel from the staging area by GBL, or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; and loading of the materiel aboard a country-owned or provided aircraft or vessel, when all arrangements subsequent to loading the aircraft or vessel are made by the FMS purchaser.
U	Materiel moved by parcel post or commercial package carrier to CONUS POD when all arrangements subsequent to loading the vessel are made by the FMS purchaser (Mode of shipment determines whether parcel post or commercial package carrier is used.)
V	Materiel moved by parcel post or commercial package carrier to an overseas POD in rate areas one or two, including overseas carrier discharge, when arrangements subsequent to loading the vessel are made by the FMS purchaser (The mode of shipment determines whether parcel post or a commercial package carrier is used.)
W	Materiel movement charged according to rates listed in the transportation cost look-up table (see section 0806).
X	Materiel moved by parcel post or commercial package carrier to an overseas POD in rate areas one or two, when the FMS purchaser makes overseas carrier discharge and subsequent arrangements (The mode of shipment determines whether parcel post or commercial package carrier is used.)

Table 8-3. TBC (Continued)

Y	Materiel moved by parcel post or commercial package carrier to the ultimate FMS consignee at an overseas inland destination in rate areas one or two (The mode of shipment determines whether parcel post or commercial package carrier is used.)
Z	Materiel moved within the CONUS by commercial carrier with a published maximum rate of \$25.00 (for example, as published by United Parcel Service).

Note: Rate Area 1 includes Europe, Central America, Mediterranean Ports, Alaska, and Hawaii. Rate Area 2 includes Newfoundland, Labrador, Thule, Iceland, South America (East & West Coasts), Far East, African Ports (other than Mediterranean) and Near East.