

Supporting Statement
DoD Standard Tender of Freight Services

A. JUSTIFICATION

1. Need for Information Collection

The Department of Defense (DoD) spends more than one billion dollars annually for domestic freight shipments moving on Bills of Lading. According to 49 USC 13712, 10721, and 15504, carriers electing to file rates at reduced rates on Government traffic must file the tendered rates with the Government agency for which the proposed transportation is to be provided. Carriers presently use the DoD Standard Tender of Freight Services, SDDC Form 364-R, to offer rates and services to DoD.

As the DoD traffic manager, SDDC uses the Standard Tender of Freight Services to discipline the collection of standardized data in a uniform format. The tender allows the carrier information to be gathered and categorized by the following: commodity, places served, accessorial and protective security services, special types of equipment offered, and rate structures. This is used to enhance the domestic transportation of DoD freight traffic in peacetime, wartime, and periods of emergency response. The DoD tender is the only source of rate and service data that commits carrier offerings to uniform service requirements. The tender provides an audit path for post shipment audits.

2. Use of Information

The information derived from the DoD tenders on file with SDDC is used by SDDC subordinate commands and DoD shippers to select the best value carrier to transport over one million surface freight shipments annually. This information is also used to develop about 14,400 cost estimate quotes annually. Additionally, DoD tender rates and other pertinent tender data are noted on the Bill of Lading at the time of shipment. The DoD tender is also the source document for the General Services Administration post-shipment audit of carrier freight bills.

3. Improved Information Technology

The DoD tender format was developed to take advantage of improved information collection technology and to connect with ongoing initiatives to implement automated systems to file tenders, select carriers, quote rates, and audit. The disciplined data fields of the tender will facilitate the Electronic Data Interchange of tender data between carriers and SDDC, also between SDDC subordinate commands and DoD shippers. This initiative has permitted electronic filing of the tender and eliminated the mailing of paper documents, which were manually processed. Currently approximately 97% of all commercial carriers submit their tender electronically. The remaining 3% are entered manually due to unique requirements that SDDC Form 364-R cannot accommodate.

4. Efforts to Identify Duplication

No other DOD form duplicates the tender form.

5. Methods Used to Minimize Burden on Small Entities

The collection of information does not have a significant impact on small businesses or other entities: this method of collections is less burdensome for small businesses or other small entities. Compared to tenders, the only other source of information is commercial freight tenders that are voluminous, more costly, and often incompatible with DoD shipping requirements.

6. Consequences of Not Collecting the Information

If the DoD tender was not used to collect information, DoD shippers and SDDC subordinate commands would be forced to randomly select transportation cost data from individual carrier freight tariffs the commercial sector uses. Carriers would be left without a disciplined format to submit their rates and services to DoD if the tender were not used.

Significantly, the motor carriers with operating authority for the transportation of military traffic would also be affected if the tender data were not collected. Similarly, DoD rail traffic in boxcars and trailer/container-on-flat car shipments, including prior or subsequent over-the-highway shipments, are completely deregulated. Tariffs for these services are not published by railroads either for the Government or the commercial sector.

7. Special Circumstances

There are no special circumstances. The collection of information will be conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d) (2).

8. Agency 60-Day Federal Register Notice and Consultations Outside of the Agency

The 60-day Federal Register notice was published on February 25, 2009, Vol.74 No.36/Wednesday, pages 8513 & 8514.

The DoD Standard Tender is still evolving to encompass more transportation modes and services, such as domestic small package air and international small package air. Freight Traffic Workshops attended by shippers and carriers provide information for the continued improvement of the tender.

9. Payments to Respondents

No payments or gifts will be made to respondents.

10. Assurance of Confidentiality

No element of confidentiality exists for the accepted filing of carrier tender rates. Carrier tenders are a matter of public record after acceptance.

11. Sensitive Questions

DoD tenders contain no requirements for information commonly considered sensitive.

12. Estimates of Response Burden and Annual Cost to the Respondent

a. Respondent Burden:

SDDC Form 364-R

Estimated costs to carriers: \$21,563 (5,391 hours x \$14.37/hour

*Estimated \$14.37 hour for employee comparable to Transportation Clerk, GS-5.

21,563 responses x .25 hours = 5,391

Average time to complete tender: 20 minutes

13. Estimates of Cost Burden to the Respondent for Collection of Information

Estimate of the Total Annual Cost Burden Per Form

a. Total capital and start-up cost component: There are no capital or start-up costs associated with this information collection.

b. Total average annual operational and maintenance cost

Cost of Reproduction = \$0.00

Cost of Mailing = \$0.00

TOTAL ANNUAL O&M COST = \$0.00

14. Estimated Annual Cost to the Federal Government

a. 21,563 responses x .10 hours x 0 (GS-11) = \$0.00

b. Average time required to review and accept negotiated tender: 30 minutes

TOTAL ANNUAL COST: \$0.00

Tender instructions and tender format are no longer being printed and mailed. Both documents are found on SDDC website.

Carriers can reproduce the tender found on the SDDC website.

15. Changes in Burden

Extension of an approved collection.

16. Publication Plans/Time Schedule

Results will not be published for statistical purposes.

17. Approval Not to Display Expiration Date

Approval not to display the expiration date is not being sought.

18. Exceptions to the Certification Statement

No exceptions to the certification statement are being sought.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of data does not employ statistical methods.