

Waianae Public Library, 85-625 Farrington Hwy., Waianae, Hawaii 96792-2406; Waialua Public Library, 67-068 Kealohanui Street, Waialua, Hawaii 96791; and UH Environmental Center, 317 Crawford Hall, 2550 Campus Rd., Honolulu, Hawaii 96822-2217.

The Draft EIS may also be reviewed at the following SBCT Web site: <http://www.SBCTEIS.com>.

Dated: September 22, 2003.

Raymond J. Fatz,

Deputy Assistant Secretary of the Army, (Environment, Safety and Occupational Health), OASA(I&E).

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DEPARTMENT OF DEFENSE

Department of the Army

Proposed Mandatory Use of US Bank's PowerTrack System by Department of Defense Personal Property Transportation Service Providers

AGENCY: Department of the Army, DOD.

ACTION: Notice.

SUMMARY: The Military Traffic Management Command (MTMC), as the Department of Defense (DOD) Traffic Manager for the Household Goods and Personal Property Program, proposes the mandatory use of U.S. Bank's PowerTrack System as the transaction and payment system for all DOD Transportation Service Providers (TSP), beginning with the implementation of Phase I of the Defense Future Personal Property Program, (Families First). Furthermore, the use of MTMC's Centralized Web Application (CWA) will also be mandatory. Implementation of PowerTrack at all Military Services and Coast Guard installations is the goal of Families First, which is the first step in moving toward the reengineered Personal Property Program of the future.

This announcement is being made to provide responses to comments received from the **Federal Register** notice published on June 5, 2003 (68 FR 33683) proposing mandatory use of U.S. Bank's Power Track System by Department of Defense Personal Property Transportation Service Providers. The Electronic Billing and Payment portion of the Families First Web Site is located at <http://www.mtmc.army.mil>, under the Personal Property Program. The site offers industry access to updates on the Business Rules, Concept of Operations (CONOPS), and System Interface Specifications. The initial rollout of

PowerTrack and CWA is proposed to begin October 2003.

ADDRESSES: Headquarters, Military Traffic Management Command, ATTN: MTPP-PD, Room 10N35-58 (George Thomas), Hoffman Building II, 200 Stovall Street, Alexandria, VA 22332-5000.

FOR FURTHER INFORMATION CONTACT: Mr. George Thomas at (703) 428-2237.

SUPPLEMENTARY INFORMATION: In response to the notice published June 5, 2003 we have received three sets of comments, one from an attorney representing a carrier association, one from a senior official representing a carrier association and one from a senior official representing an independent transportation Service Provider, within the 30-day comment period. A synopsis of these comments and responses appear below.

Comment: Application of Prompt Payment Act (PPA) needs to be addressed and clearly defined before implementing PowerTrack.

Response: As indicated in a 15 May 2003 letter from Defense Finance Accounting Services (DFAS) to the three major Industry associations, it is DFAS policy that PPA interest should be paid when a proper invoice, as defined in 5 CFR part 1315, is not paid within 30 days from receipt by the designated billing agency office. The third party billing agent will be the designated billing agency in the reengineered process. If there is a dispute over information on the invoice, to include price, quantity and/or compliance, the carrier will be notified within seven days of invoice receipt. This notification effectively stops the clock for computing PPA interest. Payment will be made within 30 days of receipt of corrected invoice to avoid payment of PPA interest. MTMC is working with DFAS and U.S. Bank to develop business rules which will outline and define the prompt payment process in Phase I.

Comment: Industry raised concerns about the proposed timeframe of Phase I implementation. Specifically, they do not believe October 2003 is a realistic date and believe the date should be moved to early 2003. According to Industry, adequate time was not given them to make computer-programming changes.

Response: According to plans, we are moving forward to implement PowerTrack in the current Personal Property Program in October 2003. Industry has been participating for the past year as members of the Electronic Billing/Payment Team. It has been communicated from the start what our plans were and on one occasion, we

slipped the start date from July 03 to the current target date of October 2003. The initial rollout will be from limited shipping sites with only certain carriers participating.

Comment: Industry does not see the benefit of implementing PowerTrack using the current Military Rate Tariff (MRT) and suggest using the 400N Commercial Tariff during the Phase I Evaluation Period.

Response: Currently, we have a Rates Solicitation Team as part of the Families First program who are receiving the 400N Commercial Tariff. It is the intent of MTMC to negotiate with industry to use a modified version of the 400N Commercial Tariff in the Defense Future Personal Property Program as part of the overall Families First. However in the interim, our goal is to implement PowerTrack as part of the Phase I Evaluation Period using the current MRT. In the interest of time, we do not believe it is feasible to incorporate the 400N in Phase I since we have not completed our analysis of it. Instead, it will be part of our Phase II rollout plan.

Comment: Industry has raised concerns regarding the PPSO workload during Phase 1. Primarily, the PPSO's ability to perform additional workload during a time of downsizing, difficulty in completing their job timely in the current environment, and adequate training and assurance that sufficient resources will be provided TOs to ensure prompt payment.

Response: Presently, we are working with the Military Services to determine if there are additional workload requirements associated with implementing Phase I in the current program. The Services were asked to provide any data they may have to support their concerns. Our recommendation is to move forward with the Phase I Evaluation Period in order to establish the validity of these perceived workload concerns.

Comment: Industry wants to know what type of compensation will be given to those Transportation Providers who volunteer to participate in the Phase I Evaluation Period and how will they be compensated for added cost.

Response: All Transportation Providers participating as volunteers during the Phase I Evaluation Period will receive compensation. This will come in the form of a percentage adjustment similar in kind to the fuel surcharge. Participating TPs will apply the percentage adjustment on a shipment by shipment basis.

Comment: Industry believes that GSA request for hard copy documentation is a duplication of effort and TPs required to submit duplicates should be

compensated. They feel this is inconsistent with the Paperwork Reduction Act.

Response: MTMC's goal is to eliminate hard copy documentation that TPs are required to submit for processing invoices. We are working with the Services and GSA to come up with a solution that is amendable to all parties involved. To that end, we are moving forward to begin automation of the hard copy documentation in Phase I.

Comment: Industry believes the concept of pre-authorizing accessorial is a bad idea and wants to know if local agents will have access to CWA. They want to reserve the right to comment on CWA until more is known.

Response: The idea of pre-authorizing accessorials in CWA is to streamline the pre-approval process and make it more manageable and efficient for PPSOs and Transportation Providers. The current process of notes and sticky papers is cumbersome, tedious and unorganized. Due to the limited scope and functionality of CWA, local agents will have not have access to CWA during the Phase I process. However, they will have access during Phase II and implementation of DPS. We held several demonstrations of CWA and PowerTrack for Industry to preview. We will continue this process as we move forward with Phase II.

Comment: PowerTrack is an electronic billing and payment system that was designed for general freight shipments, not personal property shipments. The key difference between the two is the number of line items on an invoice, as personal property shipments have numerous accessorial charges that all need to match up accurately under PowerTrack's "matching" model. It is not an oversimplification to observe that it is much easier to "match" an invoice when only a handful of data points need to match than when there are hundreds of line items that must match.

Response: The process designed for the Families First program recognizes the differences between freight shipments and personal property shipments. For personal property shipments, the TP invoice will first be processed by PowerTrack to add a unique line item identifier code which will then be provided to CWA and returned with the corresponding line item of the BOL/GBL. The line item identifier code will allow for accurate matching of line items. Changes have been made to incorporate personal property business processes.

Comment: There have also been some reports that PowerTrack may offer

carriers a reduced fee if they meet certain data transmission requirements. If this is true, the requirements for the discount need to be released publicly so all carriers can make plans to comply. The requirements also need to be reviewed to ensure that they do not discriminate against small businesses, which may not have access to the same equipment as larger companies.

Response: U.S. Bank makes available to Sellers two pricing options as fully described in the PowerTrack Seller Agreement. Preferred Pricing provides lower processing fees and requires the Seller to meet certain qualifications. Namely, transaction data must be provided to U.S. Bank either through the PowerTrack Web site or through an EDI—formatted electronic transmission over the Internet complying with PowerTrack's data format and protocol standards. The two methods allow any seller, regardless of size or technical capabilities, to qualify for the preferred pricing. In addition to providing transaction data to PowerTrack through one of the two methods, the seller must also agree to process payment requests within the PowerTrack System for any PowerTrack-capable buyer as requested by such buyer. For sellers who do not comply with the terms and conditions of Preferred Pricing, U.S. Bank makes Basic Pricing options available.

Comment: PowerTrack states that they will only hold payment data online for 13 to 16 months. The Statute of Limitations allows both the TP and the DoD/GSA the right to bill or deduct up to three years after a transaction; keeping data online for only 13–16 months invites more problems. PowerTrack should hold data online for the three years required.

Response: PowerTrack provides all customers, Buyers and Sellers, with 16 months of online transaction access. Each PowerTrack customer must decide what they want PowerTrack to do with the data after this point. Each PowerTrack customer has the option of paying PowerTrack to provide the long-term archival storage or receiving an archival extract and taking responsibility for their own archival storage and retrieval. PowerTrack's standard Archival Extract Files have been designed to provide each customer with 100% of the data PowerTrack has captured on their behalf for every type of document managed by PowerTrack in which the customer participates as either a Buyer or a Seller.

Comment: There is to be a new user interface from PowerTrack, their interface number 3.0, that is not yet been shown to TPs. It is stated to be ready in September, far too late for

enough time for all 'Volunteer' TPs staff to be trained properly before the proposed start date.

Response: PowerTrack's Release 3.0 has been in production since January 2002. Enhancements and additional capabilities are being developed to support Personal Property shipments but much of the existing functionality, available today, will be utilized. PowerTrack along with MTMC are working to provide training to all TPs prior to them processing payments in the Families First Program. Training will include a Families First program overview, along with CWA and PowerTrack training. Training will be conducted prior to implementation.

Comment: We believe that there is a serious deficiency when PowerTrack only allows the Origin PPSO access to the shipment information. If there is a problem that can only be resolved in PowerTrack involving Destination PPSO charges, then the Destination PPSO must contact the Origin PPSO and ask them to work with the TP

Response: Functionality within PowerTrack and CWA has been designed to support the Origin PPSO role. Under the current Phase I process, audit exceptions will primarily be managed through CWA where both Origin and Destination PPSO's have access. This will minimize the number of problems that can only be resolved in PowerTrack involving Destination PPSO charges. However, MTMC and PowerTrack understands the concern regarding this design and is exploring new capabilities and the technical feasibility to allow Destination PPSO access to PowerTrack.

Regulatory Flexibility Act

This action is not considered rule making within the meaning the Regulatory Flexibility Act, 5 USC 601–612.

Paperwork Reduction Act

The Paperwork Reduction Act, 44 USC 3051 et seq., does not apply because no information collection or record keeping requirements are imposed on contractors, offerors or members of the public.

Thomas Hicks,

Chief, Personal Property Division.

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