MEMORANDUM FOR ALL CARRIERS

FROM: USTRANSCOM/TCAQ-P
508 Scott Drive
Scott AFB IL 62225-5357


1. We are now in our final year of the MOU and have begun working on the follow-on FY18-FY22 MOU. Attached is a draft, in Word redline format, for your review and comment. The redline format highlights all proposed changes from the current MOU. Please provide comments either by letter to USTRANSCOM/TCAQ-P, 508 Scott Drive, Scott AFB IL 62225-5357 or email to scott.e.rader.civ@mail.mil by 18 Nov 16. Negative responses are requested.

2. The current MOU (FY13-FY17) included a high level of effort and collaboration between industry and TCAQ’s Pricing branch prior to finalizing. This effort included several group meetings, individual carrier meetings and conference calls over a 12 month period. We do not foresee significant changes being required for the FY18-FY22 MOU and our proposed revisions are primarily administrative in nature. Two items to note as you review – Paragraph one of the MOU entitled “Full Rate of Return” has been deleted in its entirety since the calculation has been superseded by the Weighted Guidelines. Paragraph 4.1 entitled “Travel Cost Data” has also been deleted as it is now obsolete.

3. Since the changes are minimal or administrative in nature, we plan to conduct letter negotiations. However, if your preference is to have phone or face-to-face discussions, please indicate in your comments and we will accommodate.

4. The tentative scheduled way ahead includes providing comments received to all carriers on/about 1 Dec 2016. We will then accommodate any request for phone or face-to-face discussions during the first two weeks of December. In January 2017, we will provide our responses to all carrier comments and a proposed final version of the FY18-FY22 MOU. We will continue to work closely with the carriers to ensure all input is addressed and offer additional discussions, if necessary, during the January/February 2017 timeframe.

5. Please direct any questions or concerns to me at scott.e.rader.civ@mail.mil or 618-220-6711.

//SIGNED//

SCOTT E. RADER
Chief, Cost & Pricing Branch
Attachment:
Proposed FY18-FY22 MOU for CRAF Ratemaking for International Service