

FROM: SDDC-PP SCOTT AFB, IL

TO: WORLDWIDE CODE 3 INTERNATIONAL TRANSPORTATION SERVICE PROVIDERS (TSPS)

DATE: 6 SEPTEMBER 2012

SUBJ: DEFENSE PERSONAL PROPERTY CODE 3 OCEAN COMPENSATION PROCESS AND GUIDELINES

1. THIS MESSAGE PROVIDES CLARIFICATION ON DOD PERSONAL PROPERTY PAYMENT OF OCEAN CHARGES BY APPROVED DOD INTERNATIONAL TRANSPORTATION SERVICE PROVIDERS (TSP) THAT ORDERED AND BOOKED SERVICES CODE 3 SERVICES FROM THE OCEAN CARRIER INDUSTRY IAW THE APPLICABLE INTERNATIONAL TENDER (IT-DPS) AND INTERNATIONAL RATE SOLICITATION (IS-TOPS).

2. PER ITEM 1208 OF THE INTERNATIONAL TENDER AND ITEM 1610 OF THE INTERNATIONAL RATE SOLICITATION, THE INTERNATIONAL TSP ORDERING SERVICES FROM THE OCEAN TSP IS RESPONSIBLE FOR PAYMENT OF OCEAN CHARGES TO THE OCEAN TSP WITHIN 30 DAYS AFTER RECEIPT OF AN INVOICE FROM THE OCEAN TRANSPORTATION SERVICE PROVIDER OR EVIDENCE OF COMPLETION OF SERVICES, WHICHEVER OCCURS LATER. FAILURE TO PAY THE OCEAN TRANSPORTATION SERVICE PROVIDER WITHIN THE REQUIRED TIME MAY LEAD TO THE FOLLOWING:

- A. SUSPENSION AND/OR DISQUALIFICATION PURSUANT TO SDDC REG 15-1 (IT AND INTERNATIONAL RATE SOLICITATION CHAPTER 3/III).
- B. SET-OFF ACTION FOR OCEAN CHARGES, APPLICABLE INTEREST, AND ANY OTHER INCURRED (SEE IT, ITEM 1208 AND INTERNATIONAL RATE SOLICITATION, ITEM 1610).

3. THE ABOVE GUIDANCE APPLIES ONLY TO CODE 3 SHIPMENTS. PER THE DA PAM 55-4, SDDC IS NOT RESPONSIBLE FOR, AND SHALL NOT INTERFERE IN, COMMERCIAL DEALINGS OF TSPS, THEIR SUBCONTRACTORS AND VENDOR AND TSPS, SUBCONTRACTORS AND VENDORS NOR OFFER ACTUAL OR DE FACTO DISPUTE RESOLUTION, MEDIATION OR BILL COLLECTION SERVICES. TSPS AND THEIR VENDORS ARE EXPECTED TO RESOLVE THEIR COMMERCIAL PROBLEMS AND DISPUTES INDEPENDENTLY OF SDDC, PRESUMABLY THROUGH MEASURES AVAILABLE TO ENTITIES INVOLVED IN COMMERCIAL CONTRACTING (E.G., MEDIATION, ARBITRATION, RECOURSE TO THE JUDICIAL SYSTEM, COLLECTION AGENCIES).

4. THIS MESSAGE IS APPROVED FOR RELEASE BY MR. DANIEL MARTINEZ, CHIEF, PERSONAL PROPERTY RATES DIVISION, HQ SDDC.