

SDDC Regulation 55-4

Transportation and Travel:

Transportation Service Provider (TSP) Qualifications

**Headquarters, Military Surface
Deployment and Distribution Command
1 Soldier Way
Scott AFB IL 62225-5006
18 May 2016**

UNCLASSIFIED

SUMMARY of CHANGE

SDDCR 55-4

Transportation Service Provider (TSP) Qualifications

This revision:--

- Updates the format to comply with Army Materiel Command standards.
- Converts pamphlet into a regulation

DEPARTMENT OF THE ARMY
HEADQUARTERS, MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND
1 SOLDIER WAY, SCOTT AIR FORCE BASE IL 62225-5006

SDDC REGULATION
NO. 55-4

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TRANSPORTATION SERVICE PROVIDER (TSP) QUALIFICATIONS

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1. Introduction:

a. This publication provides guidance on DoD qualifications for personal property movement to any TSP currently approved or seeking approval to become a new entrant into the Defense Personal Property Program (DODI 4500.34). This publication does not apply to TSPs seeking to conduct business with the DoD for the Non-Temporary Storage, the Direct Procurement Method, or the Privately Owned Vehicle programs. In the case of any conflict with applicable laws or regulations, the provisions in the law or regulations are authoritative.

b. Open Seasons will be conducted where additional capacity is needed as determined by SDDC.

c. Applications for new entrants will only be accepted by SDDC for evaluation during a declared open season. SDDC reserves the right to adjust timelines, channels and other parameters for each open season based on the needs of the program. Any additions to the requirements in this

*This regulation supersedes SDDC Pam 55-4, dated 2 July 2013

regulation will be included in the Open Season announcement. Open seasons will be announced via our SDDC homepage (www.sddc.army.mil/pp/default.aspx) and will outline dates that must be met to be considered for entry into the DP3 program. The term “New Entrants” as used in this publication shall be defined as both new TSPs requesting initial approval and previously approved TSPs requesting re-qualification of prior approval.

d. TSPs are advised that the cost of financial statements, performance bonds, certificates of cargo liability insurance, and other costs incurred by TSPs to obtain DoD approval is the sole responsibility of the TSP. Once qualified, a TSP’s approval to participate in the program shall remain valid unless the TSP fails to maintain all SDDC program requirements. TSPs are advised that there is a continuing obligation during the period of participation to update, correct, modify, and accurately maintain their qualifications. Approved TSPs are required to fully comply with all applicable federal and state laws and regulations.

e. SDDC reserves the right to revoke TSP’s approval at any time. If a TSP fails to maintain any of the requirements set forth within this publication, SDDC may immediately put them in non-use for a minimum of 30 days while determining their DoD approval status. TSPs wishing to no longer participate in DP3 may request to voluntarily withdraw by sending their request to usarmy.scott.sddc.mbx.pp-quality@mail.mil.

2. Qualification Requirements.

a. Standard Carrier Alpha Code (SCAC). TSPs must obtain and continuously maintain a unique valid four-digit alpha code from the National Motor Freight Traffic Association, Inc. (NMFTA), 1001 N. Fairfax Street, Suite 600, Alexandria, Virginia 22314, (703) 838-1831. Their web site is: www.NMFTA.org. Each TSP doing business as a motor carrier or freight forwarder must have a separate identifiable SCAC. The SCAC is required on all correspondence to the government for identification purposes.

b. Third Party Payment System (TPPS). All TSPs wishing to perform transportation related services for the DoD must have and maintain a trading partner agreement with the TPPS provider designated by DoD for the electronic billing and payment of commercial transportation services prior to applying for DoD approval.

c. System for Award Management (SAM). All TSPs doing business with DoD must be registered in the SAM database. Consideration of TSP for future participation in SDDC procurements of transportation and transportation services, future solicitations, awards, and payments will be based on SAM registration. TSPs register only once, but must update information annually. TSPs should register directly via the Internet at <https://www.sam.gov/portal/public/SAM/>. SAM customer service is available through the SAM Federal Desk at <https://www.fsd.gov/> or (866) 606-8220.

d. Unified Carrier Registration (UCR). TSPs doing business with DoD that meet the UCR requirements must be registered in the appropriate UCR database. TSPs must register annually via the Internet at <https://www.ucrin.gov/ucrHome.html> or with the office designated by the state to complete registration. UCR customer service is available by using [https://www.ucr.in.gov/MCS/State contactList.pdf](https://www.ucr.in.gov/MCS/State%20contactList.pdf).

e. State Requirements. TSPs doing business with the DoD that meet individual state requirements must be registered with the Secretary of State or with the office designated by each state and register when required to remain active.

f. Company Experience Requirements. This requirement pertains to new entrants seeking initial approval. TSPs must have 5 consecutive years of government and/or commercial experience (national account or COD) in each requested market immediately prior to the date of the application for program admission. To establish experience requirements, SDDC will use the date on the Department of Transportation (DOT) Federal Motor Carrier Safety Administration (FMCSA) operating authority i.e., FMCSA Motor Carrier Certificate or Freight Forwarder Permit, copies of commercial invoices or bills of lading and references from accounts or customers serviced and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe. If applying for Intrastate only, SDDC will use the effective date from documents used to establish the TSPs (e.g., Articles of Incorporation, Limited Liability Company, etc.) and copies of commercial invoices or bills of lading. For intrastate authority in states which registration is required, state permits, Certificate of Public Convenience and Necessity or similar document must be submitted for approval.

g. Company Operating Authority. TSPs must maintain valid household goods operating authority and mandatory levels of insurance at all times. Approved TSPs have a continuing obligation during any period of performance to immediately disclose any change in circumstances concerning the necessary requirements under federal and state law to participate in DP3. In the event that the lawful authority of a TSP is revoked, or a change in circumstances would result in the operating authority being deemed invalid, the TSP has a legal obligation to immediately contact SDDC to report these developments.

h. Outsourcing TSP Responsibilities:

(1) DoD-approved TSPs are solely responsible for any shipment awarded to them regardless of what shipment function they outsource. TSPs must file their own rates and CIP/COR certifications or other compliance type items which are never outsourced. Current acceptable outsourcing practices are for claims processing, billing and invoicing and customer service. Outsourcing of all TSP functions (e.g., brokering) is not allowed in the DP3.

(2) For International TSPs the following services must be performed at the offices of the TSP independent of any other person, firm, or corporation: 1) shipment management; 2) coordinating operational functions; 3) selecting and executing necessary agreements with origin and destination agents, port agents and general agents overseas; and, 4) paying origin/destination agents, underlying carriers, port agents, and general agents overseas for services rendered.

i. Digital Identity Certificate Requirement:

(1) A digital identity certificate is the digital equivalent of an ID card. For commercial users, the digital identity certificate is a file that resides on an individual's PC. When an

authorized user accesses a DoD automated system, the system will check the user's PC for a digital identity certificate. If the certificate is valid, it will verify the user's information and permit the user to access the system for the application(s) the user is approved to access.

(2) DoD requires that all users use digital certificates to access DoD automated systems. Commercial users (TSP, TSP's Bond Representative, TSP's Insurance Representative and TSP's independent Financial Representative) must obtain individual digital certificates from one of the approved External Certificate Authority vendors. A list of approved companies to provide this capability are listed on the ETA home page
<https://eta.sddc.army.mil/ETASSOPortal/default.aspx>

(3) At a minimum, commercial users shall be required to obtain a valid "identity" certificate. Some commercial vendors also offer "encryption" certificates for use with e-mail, but that certificate is not currently required for use with ETA. Each ETA user ID may have only one unique certificate. Commercial users will be directed on the procedures necessary to link the digital certificate to an ETA user ID (i.e., TSP) on the ETA home page. SDDC does not endorse any of the approved companies providing valid "identity" certificates or other companies that may be certified in the future to provide this technology.

j. Electronic Transportation Acquisition Registration:

(1) Authentication General. TSPs and their representatives (independent financial, bond, and insurance) are required to obtain an ETA account in order to access DPS to submit applicable web forms. To apply for an ETA account, go to <https://eta.sddc.army.mil/ETASSOPortal/default.aspx>. Once you complete your application, you will get an email confirmation with your user ID within 24 hours and notification of account approval 10-14 business days later. If no confirmation is received, email ETA at usarmy.scott.sddc.mbx-g6-src-eta-hd@mail.mil.

(2) Trusted Agents. Trusted Agents serve as the single point of contact for the ETA Administrator in the processing of account requests. The President/CEO must designate the name of the Trusted Agent when registering with ETA. The Trusted Agent is an individual within the TSP's company who has the confidence of the president and other company officers and who can easily be contacted by the ETA Administrator. The ETA Administrator will contact the appropriate Trusted Agent for access approval.

k. TSP Submission Requirements for DPS Web Forms:

(1) All qualification documentation must be submitted by the President/CEO except insurance, performance bonds and financials. Submission of all documents shall constitute an official representation and verification by the President/CEO of the TSP that the authorized individual, on behalf of the TSP, verifies, affirms, agrees, and represents the contents of that document are accurate, true, and correct, and based upon their first-hand knowledge. By submitting the qualification documents below, you legally bind your company to the representations contained therein and you agree to be bound by the rules and regulations stated in the Tender of Service and applicable international tender and domestic tariff.

(2) The “Document Status Screen” in DPS provides links to all of the blank qualifications forms required to be submitted by the TSP or by the TSP representative. This screen reflects the status of the submitted web forms. All forms must be successfully submitted through DPS before the TSP’s request for approval is reviewed and processed.

(3) TSP Presidents/CEOs seeking approval must submit the following forms via DPS within the timeframe specified during the open season:

- (a) Electronic Tender of Service Signature Sheet (first document to be submitted).
- (b) Certificate of Responsibility (COR).
- (c) Certificate of Independent Pricing (CIP).
- (d) Certificate of Cargo Liability Insurance (submitted by insurance representative).
- (e) Performance Bond (submitted by bond representative).
- (f) Reviewed or audited financial data/statements (submitted by independent financial representative).

1. Electronic Tender of Service Signature Sheet Requirement (ETOSSS):

(1) The TSPs President/CEO must certify under penalty of perjury that all information in the ETOSSS is true and correct and the TSP agrees to provide service as set forth in the TOS, Domestic 400NG Tariff and/or International Tender. The ETOSSS contains important ownership information which includes:

(a) Key Personnel. TSPs shall accurately disclose their officials (i.e., CEO, CFO, President, Vice President, Trusted Agent, Claims Manager and Operations Manager). TSPs must continually have two key personnel involved in the management of the company that have a minimum of 5 years of experience in the movement of personal property shipments. Experience from employment with an international freight forwarder, van line, household goods agent, or relocation move management company are examples of acceptable forms of occupational training for purposes of meeting this requirement. SDDC may request specific evidence (e.g., resumes or references) to prove that key personnel possess the required experience levels in transporting personal property for at least two of the key employees named above.

(b) Common Financial and/or Administrative Control (CFAC): TSPs must declare CFAC on their ETOSSS and fully comply with all applicable state and federal antitrust laws. TSPs declaring CFAC cannot compete in the same rate channel in the same code of service in the International program. Domestic TSPs must declare CFAC on the ETOSSS. While there is no restriction in the domestic program on TSPs participating in the same rate channel in the same code of service, they must declare CFAC.

(2) TSPs are required to immediately update their ETOSSS in the event of any change to the disclosure requirements set forth above. Each TSP must identify and continuously maintain a company telephone number, a company facsimile number, and a company e-mail address.

m. Certificate of Responsibility (COR). In order to qualify for shipment awards, the COR must be submitted/resubmitted by the TSP's President/CEO during each qualification period, open season or prior to annual rate filing and/or as required by SDDC. By submission of this document, the President/CEO is certifying that the information therein is true and accurate.

n. Certificate of Independent Pricing (CIP). The CIP must be submitted/resubmitted by the TSP's President/CEO during each qualification period, open season or prior to annual rate filing and/or as required by SDDC. By submission of this document, the President/CEO is certifying that the information therein is true and correct, and verifies that rates filed are the result of independent pricing determinations. TSPs shall always comply with all applicable state and federal antitrust laws.

o. Certificate of Cargo Liability Insurance:

(1) For domestic and international programs, the minimum cargo liability insurance coverage per shipment is \$50,000. The aggregate amount is \$150,000. For mobile home/boat programs, the cargo liability insurance coverage minimum amount per shipment is \$50,000. The Certificate of Cargo Liability Insurance form located in DPS must be submitted by the TSP's insurance representative. The certificate of cargo liability must be executed by an insurer with a rating of "A-" or better in the Best Key Rating Guide (<http://www.ambest.com>).

(2) TSP's insurance representatives must update the insurance policy annually using the effective date block in DPS upon renewal. SDDC will verify insurance annually to ensure the policy is active.

p. Performance Bonds:

(1) Separate Performance Bonds are required in the international and domestic interstate programs but do not apply to domestic intrastate or Mobile Home/Boat program. Performance Bonds must be executed by an insurer listed on the Circular 570.

(2) The bond requirement for the international program is a minimum of \$150,000.

(3) The bond requirement for the domestic interstate program is a minimum of \$50,000.

(4) TSP's bond representatives must update their bond policy annually using the effective date block in DPS upon renewal. SDDC will verify bonds annually in order to ensure the policy is active and for the proper amount.

q. Changes in Insurance/Bond Notification. The Certificate of Cargo Liability/Mobile Home/Boat Insurance and the Performance Bond forms contain a statement that the insurance/surety companies will give a 30-day notice of any changes, expiration, or cancellations

of the policies. The insurance/surety company must submit the notices of cancellation via DPS. The 30-day notice period begins from the date the notification is actually received by SDDC.

r. Financial Data/Statements/Ratios. SDDC expects the TSPs to meet specific requirements at the time of application and maintain acceptable ratios while participating in the DoD program. All TSPs must have their Independent Financial Representative submit their most current audited or reviewed financial data annually to usarmy.scott.sddc.mbx.pp-quality@mail.mil.

(1) Annual Financial Data/Statement Requirements.

(2) Approved TSPs must have their Independent Financial Representative provide data from audited or reviewed financial statements to SDDC annually. No pro forma statements will be accepted in lieu of actual financial statements. This information may be used to assist in the determination of financial risk to the government. TSPs are responsible to assure that any financial data submitted via DPS has been reviewed and submitted by an independent Financial Representative.

(3) Financial statements must be prepared according to generally accepted accounting principles using the accrual basis of accounting. Annual financial statements must be submitted within 150 calendar days of year-end, normally defined as December 31st. If a company closes its books on a fiscal year basis (other than December 31st), then financial statements should be submitted within 150 calendar days of the date it closes its books. Companies desiring to change their report date must coordinate with SDDC's Financial Analyst usarmy.scott.sddc.mbx.pp-quality@mail.mil. Requests to change reporting periods must be received not later than 90 days before the intended start of changed reporting period. SDDC will approve or reject the requested change not later than 30 days prior to the start of the change period.

(4) TSPs must submit financial data that documents the business operations of the single TSP seeking to qualify or to continue to do business with the DoD. SDDC will not accept combined or consolidated reports where there is no separation from one TSP to another. Letters of guarantee from a parent company will not be accepted. Data will be submitted annually via the web using the Financial Statement web form.

(5) A copy of the balance sheet and statement of cash flows from the most recent fiscal year-end reviewed or audited financial statements must be provided to the qualifications organizational box within 150 days of fiscal year-end. SDDC may request a hard copy of the TSP's full audited financial statements.

(6) All DoD approved TSPs must meet and maintain a quick ratio of 1-to-1 or greater and a positive debt-to-equity ratio of 4-to-1 or less. Data will be submitted via DPS using the Financial Statement form.

(a) Quick Ratio (1-to-1 or greater): Cash and cash equivalents plus trade receivables divided by current liabilities. Cash and cash equivalents includes currency, coins, checks received but not yet deposited, checking accounts, petty cash, savings accounts, money market accounts, and short-term, highly liquid investments with a maturity of 3 months or less at the

time of purchase such as U.S. treasury bills and commercial paper. The items included as cash and cash equivalents must also be unrestricted. Revolving credit facilities or other line of credit financing arrangements are not considered cash or cash equivalents and should not be included in the quick ratio calculation. Trade receivables are amounts billed by a business to its customers when it delivers goods or services to them in the ordinary course of business. Trade receivables differ from non-trade receivables in that non-trade receivables are for amounts owed to the company that fall outside the normal course of business, such as employee advances or insurance reimbursements. SDDC recognizes the industry's uniqueness in that many transportation-related costs are incurred and paid by the TSP after the military shipment is picked-up from the member and before delivery or placement in Storage in Transit. This lag time causes a mismatch between revenues and expenses. If the expenses are included in the financial statements and identified separately as prepaid transportation expenses or unbilled receivables, SDDC will consider them in the Quick Ratio analysis. If a TSP elects to include prepaid transportation expenses or unbilled receivables in the quick ratio calculation, the TSP's certifying CPA must divulge this fact in the comments section of the financial qualifications tab in DPS and be prepared to provide a subsidiary ledger detailing the specific expenses and amounts comprising the prepaid transportation expenses or unbilled receivables to SDDC financial analyst upon request. SDDC does not recognize amounts due from stockholders, affiliated companies or related parties as current assets for the purpose of computing the quick ratio. Accordingly SDDC will compute the quick ratio by adding cash, cash equivalents, and trade receivables to determine quick assets and dividing by current liabilities. Since amounts due from stockholders, related parties, and affiliates are excluded from this computation, similar amounts payable to these classes of accounts will be subtracted from current liabilities before computing the quick ratio. Details of the quick ratio calculation must be provided in the comments section of Part I (Financial Certification) of the Financial Statement Web Form. Alternatively, independent financial representative can provide a spreadsheet or other suitable form that depicts the details of the quick ratio calculation to the SDDC financial qualifications email organizational box. In either case, all accounts and account data used in the calculation must be resident in Part III of the submission. Specifically, the cash and trade accounts receivable amounts must be clearly identifiable in the accounts data in Part III.

(2) Debt-to-Equity Ratio (4-to-1 or less): Total liabilities divided by the company's equity. A negative debt ratio is unacceptable. A negative debt ratio occurs strictly as a result of a negative equity situation. Negative equity exists when total liabilities exceed total assets. This situation is referred to as balance sheet insolvency. In such cases of balance sheet insolvency, SDDC reserves the right to solicit a full set of audited financial statements from the TSP's independent financial representative. Details of the debt to equity ratio calculation must be provided in the comments section of Part I (Financial Certification) of the Financial Statement Web Form. Alternatively, independent financial representative can provide a spreadsheet or other suitable form that depicts the details of the debt to equity ratio calculation to the SDDC financial qualifications email organizational box. In either case, all accounts and account data used in the calculation must be resident in Part III of the submission. Specifically, total liabilities and total equity must be clearly identifiable.

s. Federal and State Regulatory Compliance. TSPs are required to comply at all times with all applicable federal, state and local requirements for the movement and storage of personal property. TSPs must:

(1) Annotate on the ETOSSS their DOT FMCSA Motor Carrier or DOT FMCSA Freight Forwarder number assigned by the DOT and annotate their applicable DOT number.

(2) SDDC will use the FMCSA's DOT's Licensing and Insurance System to verify a TSP's valid household goods operating authority.

t. Submission Requirements of Other Electronically Submitted Documents. The following documents must be submitted to SDDC.

(1) Proof of State Regulatory Compliance for the Intrastate Market. When applying for the intrastate market you must include the required operating authority applicable to that state such as renewal letter, household goods permit, motor carrier certificate of registration, certificate of public convenience and necessity, intrastate household goods certificate, etc. If no operating authority is required for the requested state(s), TSPs must still submit a request for those state(s). Each state must have HQ SDDC approval regardless of state operating authority requirement. All approvals will be confirmed to TSPs via email.

(2) Key Personnel Resumes or References (only upon SDDC's request).

(3) Copies of Commercial Invoices or Bills of Lading to verify 5 consecutive years of experience for each requested market and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe.

(4) TSPs are responsible to ensure documents are received by SDDC within the prescribed deadlines.

u. Qualification Correction Timeline:

(1) Upon SDDC's review of each submission, TSPs not meeting the qualification requirements will have 7 calendar days from the date of notification from SDDC (which may come by telephone or email) to provide additional or corrected information. Incomplete packages, such as missing documents, TPPS certification, or not providing evidence of operating authority within the original filing deadline will not be afforded a 7 calendar day correction period as such submissions are considered to be non-responsive. The 7-day correction period is for incomplete documents, or to provide additional information to correct minor deficiencies or clarify ambiguities when requested by SDDC.

(2) All corrections filed beyond the 7-day correction period will not be considered and the TSP will not be granted approval. However, SDDC may consider extenuating or mitigating circumstances beyond the control of the TSP that was the direct cause for failure to meet the correction filing deadline. TSPs not approved in DP3 may re-apply during the next open season.

A TSP assumes all responsibility for all documents arriving within the established timeframe and the accuracy of each submitted document submitted by themselves or by their representatives.

3. Additional DoD Participation Requirements:

a. Approved DoD TSPs seeking additional market approval: Applicable to approved TSPs seeking approval to do business in an additional market (e.g., domestic interstate, intrastate, mobile home/boats, international household goods, international unaccompanied baggage). TSPs are required to meet the company experience requirements below to demonstrate the required experience to enter a new market before approval is granted. TSPs seeking approval to participate in additional markets may only do so during open season except for the OTO/BOTO market.

b. Approved DoD Interstate Domestic TSPs Seeking Additional Intrastate Approval: TSPs must update their ETOSSS in DPS indicating they wish to expand their market to include intrastate approval. They must provide copies of commercial invoices or bill of lading to verify 5 consecutive years of intrastate experience and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe. For intrastate authority in states which registration is required, state permits, Certificate or Public Convenience and Necessity or similar document must be submitted for approval. Approved DoD interstate domestic TSPs seeking initial intrastate approval must apply during an open season.

c. Approved DoD Intrastate Domestic TSPs Seeking Additional Intrastate Approval: Approved DoD intrastate domestic TSPs seeking additional state approval must apply during an open season. For intrastate authority in states which registration is required, state permits, Certificate or Public Convenience and Necessity or similar document must be submitted for approval.

d. Approved DoD Intrastate Domestic TSPs Seeking Additional Interstate Approval: TSPs must update their ETOSSS in DPS indicating their desire to expand their DoD participation to include Interstate approval. They must provide copies of Commercial Invoices or Bills of Lading to verify 5 consecutive years of Interstate experience and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe. The TSP's Surety Company must submit the Performance Bond in the minimum amount of \$50,000 within 10 business days from date the ETOSSS is approved.

e. Approved DoD Interstate/Intrastate Domestic TSPs Seeking Additional International Approval: TSPs must update their ETOSSS in DPS indicating their desire to expand their DoD participation to include international approval. They must provide copies of Commercial Invoices or Bills of Lading to verify 5 consecutive years of International experience and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe. The TSP must have their insurance provider submit a new Certificate of Cargo Liability Insurance to reflect the additional international coverage and have their Surety Company submit a Performance Bond in the minimum amount of \$150,000 within 10 business days from date the ETOSSS is approved. In no event shall TSPs use the same Certificate of

Cargo Liability Insurance policy for both domestic HHG shipments and international HHG shipments.

f. Approved DoD International TSPs seeking Additional International Household Goods or Unaccompanied Baggage Approval: TSPs must update their ETOSSS in DPS indicating they wish to expand their DoD participation to include international household goods or international unaccompanied baggage approval. They must provide copies of Commercial Invoices or Bills of Lading to verify 5 consecutive years of International experience and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe.

g. Approved DoD International TSPs Seeking Additional Inter/Intrastate: Approved TSPs must update their ETOSSS in DPS indicating their desire to expand their DoD participation to include either or both interstate/intrastate approval. They must provide copies of commercial invoices or bills of lading to verify 5 consecutive years of interstate/intrastate experience and a spreadsheet to include all shipments moved under their own authority within the 5-year timeframe. The TSP must have their insurance provider submit a new Certificate of Cargo Liability Insurance to reflect their additional domestic coverage, separate and apart from any insurance policy for international shipments. The TSP's Surety Company must submit a Performance Bond in the minimum amount of \$50,000 if the approval is for interstate. No performance bond is required for intrastate approval. In states which registration is required for intrastate approval, state permits, Certificate of Public Convenience and Necessity or similar documents must be submitted for approval.

h. Approved DoD TSPs Seeking Additional Domestic Boat or Mobile Home Approval: TSPs must update their ETOSSS in DPS indicating they wish to expand their market to include boat and/or mobile home approval. The TSP must have their insurance provider submit an independent Certificate of Cargo Liability Insurance for Mobile Home/Boat. For the Mobile Home/Boat Program, the cargo liability insurance coverage minimum amount per shipment is \$50,000. The TSP Insurance Representative must enter the Certificate of Cargo Liability Insurance policy information into DPS. No other form of insurance information will be accepted. No performance bond is required for Mobile Home/Boat approval.

i. Approved DoD TSPs Seeking Additional OTO Approval:

(1) Domestic Boat and/or Mobile Home: TSPs must update their ETOSSS in DPS indicating they wish to expand their market to include boat and/or mobile home approval. TSPs must have their insurance provider submit an independent Certificate of Cargo Liability Insurance for Boat/Mobile Home. The minimum coverage amount per shipment is \$50,000. No other form of insurance information will be accepted. No performance bond is required for boat/mobile home approval.

(2) International Household Goods, Unaccompanied Baggage and/or Boat: TSPs must update their ETOSSS in DPS indicating they wish to expand their market to include boat, household goods and/or unaccompanied baggage. TSP's must have at least 1 year of continuous service as a DoD-approved international TSP and have accepted rates on file. TSPs must also have a satisfactory performance score within the INTL iHHG and/or iUB markets during the

current annual (12-month) rate cycle. TSPs must have their insurance provider submit an independent Certificate of Cargo Liability Insurance for Boats. The minimum coverage amount per shipment is \$50,000. No other form of insurance information will be accepted. No performance bond is required for Boat approval.

4. Removal of DoD Approval. This applies to approved TSPs seeking to withdraw from a particular market. TSP must submit an e-mail to usarmy.scott.sddc.mbx.pp-quality@mail.mil stating their request and also update their ETOSSS in conjunction with the e-mail request.

5. Changes in Required Administrative TSP Information:

a. All DoD approved TSPs are required to notify SDDC within 45 calendar days of the date of a change of ownership, a change of company name, change of SCAC or change of key personnel.

(1) Change of Ownership: When a company changes ownership, the company must fill out a "Change of Ownership Novation" in DPS found under the Qualifications tab. Additionally, a signed copy of the Novation agreement must be printed from DPS and submitted to SDDC. Approval will be based on a review of the sales agreement and evidence to show that the new TSP complies with all qualification requirements and program needs. The new asset owner (transferee) must assume all obligations of the transferor. SDDC may, at their discretion, request current reviewed or audited financials. In addition, the seller/transferor (i.e., former owner) guarantees the performance of the contract or bill of lading by signing the Seller/Transferor Certification. SDDC may require additional supporting documentation to substantiate the Change of Ownership in the program, including (but not limited to), the reason for the change, notarized/certified bills of sale, stock purchase agreements, reviewed or audited financials, asset purchase agreements, wills, tax identification numbers, or other documentation requested by SDDC. SDDC will provide detailed guidance upon receipt of novation request as applicable.

(2) Change of Company Name and/or Change of SCAC: When a company changes its name they fill out a "Name Change Notification" in DPS found under the Qualifications tab. Additionally, a signed copy of the Novation agreement must be printed from DPS and submitted to SDDC. When a company changes its SCAC the new SCAC has to be manually entered into DPS and the TSP will have to submit a new ETOSSS for approval by SDDC. TSP should contact DPS Help Desk for further assistance.

b. Change of Key Personnel: When a company changes key personnel they must update their ETOSSS in DPS.

c. If the certifying official leaves the company or that position, new Certificates of Independent Pricing and Responsibility must be certified and submitted by the higher ranking of the new President or Chief Executive Officer.

6. Administrative Decisions of SDDC. SDDC's decisions are guided by what SDDC, in its discretion, determines to be in the best interest of the government.

7. TSP Appeals of Administrative Decisions:

a. TSPs or potential TSPs may appeal SDDC administrative decisions that deny qualification approval or denial of acceptance of updates or modifications of qualification documentation. All appeals will be based only upon the documentation that was timely submitted to SDDC. It must state the specific reason(s) why the appellant believes that SDDC's decision was arbitrary and capricious in its administrative determination. SDDC will not consider appeals that lack specificity or merely seek to have SDDC reconsider its administrative determination.

b. All appeals must be:

(1) Submitted on company letterhead.

(2) Signed by the TSP's president or CEO, whomever is more senior.

(3) Include in detail all factual and legal bases for the appeal.

(4) Mailed to:

HQ SDDC
ATTN: AMSSD-PPQ-E
1 Soldier Way
Scott AFB IL 62225-5006

(5) Faxed to (618)220-5258 or scanned and emailed to usarmy.scott.sddc.mbx.pp-quality@mail.mil.

8. Disputes between TSPs and Agents:

a. SDDC is not responsible for and shall not interfere with any commercial, private contracts or contractual negotiations concerning the decision of a TSP to engage purely private commercial dealings by and between themselves, their household goods agents, or other private commercial entities that elect to enter into a private contract between two private parties.

b. SDDC will not offer or otherwise assume any actual or de facto dispute resolution, mediation or bill collection services.

c. TSPs shall be solely responsible for the acts and omissions of any third parties/outsourcing that the TSP elects to enter into a private contract with. TSPs, household goods agents, or other vendors shall be responsible for conducting their own due diligence when making private commercial decisions, whether to contract commercially, concerning the performance of service under a particular bill of lading. TSPs, subcontractors and vendors are required 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).

9. Contact Information:

- a. Before emailing SDDC with your questions, please take the time to review this regulation.
- b. All qualification and financial questions should be directed to SDDC Operational Support and Quality Team at usarmy.scott.sddc.mbx.pp-quality@mail.mil. Your Standard Carrier Alpha Code and telephone number must be included in the email.
- c. All required documents should be scanned/mailed to usarmy.scott.sddc.mbx.pp-quality@mail.mil or faxed to (618) 220-5258.
- d. Questions referring to Electronic Transportation Acquisition (ETA) should be directed to the ETA administrator at usarmy.scott.sddc.mbx-g6-src-eta-hd@mail.mil, then click on Contact ETA under the support tab or calling the help desk at (800) 462-2176, Option 6. Please include your Request ID/User ID in all correspondence with ETA administrators.

Supplementation of this regulation is prohibited. The proponent of this regulation is the DCS for Personal Property. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to HQ SDDC PP, Attn: AMSSD-PP, 1 Soldier Way, Scott AFB IL 62225-5006.



SUSAN A. DAVIDSON
Major General, USA
Commanding

Appendix A
References

Section I
Required Publications

DoD 4500.9-R-Part IV
Defense Transportation Regulation

Section II
Related Publications

DODI 4500.34
DoD Personal Property Shipment and Storage Program

Section III
Prescribed Forms

This section contains no entries.

Section IV
Referenced Forms

This section contains no entries.

Glossary

Section I Abbreviations

This section contains no entries

Section II Terms

This section contains no entries

Section III Special Terms and Abbreviations

Boat

Movement of privately owned boats belonging to DoD personnel. See the Domestic 400NG Tariff and International Tender for further guidance.

Cargo Liability Insurance

Insurance required by a TSP to cover compensation for loss and/or damage to all property belonging to shippers or consignees and coming into the possession of the TSP in connection with its transportation service performed for the account of the DoD, regardless of whether the motor vehicles, terminals, warehouses, and other facilities used in connection with the transportation of such property are specifically described in the policy or not.

Common Financial and/or Administrative Control

The power, actual as well as legal, to influence the management, direction or functioning of any other TSP or Freight Forwarder. Circumstances surrounding organization or operation, which may, but do not always result in a common financial and/or administrative control relationship, include the following:

1. Majority or Minority Ownership
2. Familial Relationships
3. Voting Securities
4. Common Director, Officers, and/or Stockholders
5. Voting or Holding Trusts
6. Associated Companies
7. Contract or Debt Relationships

Continental United States (CONUS)

All 48 contiguous states and the District of Columbia.

Defense Personal Property Program (DP3)

The worldwide movement and storage of Department of Defense personal property through a Best Value process managed by the Military Surface Deployment and Distribution Command (SDDC).

Defense Personal Property System (DPS)

The web based system that supports DP3 in the qualifications, rate filing, shipment management, invoicing, claims and quality assurance of Department of Defense personal property shipments.

Digital (Identity) Certificate

A digital identity certificate is the digital equivalent of an ID card. Using digital identity certificates provides a tighter security environment.

Electronic Data Interchange (EDI)

The computer to computer exchange of business data using standards jointly developed by standards groups such as American National Standards Institute (ANSI) or Electronic Data Interchange Agency.

Electronic Transportation Acquisition (ETA)

ETA is a system that provides a single point of entry to the transportation community through the use of the Worldwide Web. The SDDC ETA system provides access to SDDC transportation systems as well as links to other transportation sites.

Electronic Tender of Service Signature Sheet (ETOSSS)

Completion of this form certifies that you have read the Tender of Service and agree to provide service in accordance with the provisions contained therein. The TSP is responsible for submitting a new ETOSSS when changes occur concerning one or more of the following: company name, address, telephone number, e-mail address, company officers.

Financial Statements

Statements reviewed or audited by an independent Financial Representative which communicate a TSPs economic resources and obligations at a point in time.

Federal Motor Carrier Safety Administration (FMCSA)

FMCSA offers company safety data and related services to industry and the public over the Internet.

Interstate Shipment

Any personal property originating in CONUS states, Alaska, and the District of Columbia and destined for another CONUS state, Alaska and the District of Columbia.

International Shipment

The movement of household goods or unaccompanied baggage between a point in CONUS and a point in an overseas area and between two overseas points.

Intrastate shipment

Any personal property shipment originating in a state destined for the same state.

Market

Programs listed in this document which define areas where a TSP can move DP3 shipments, including domestic interstate, intrastate, mobile home/boats, international household goods, and international unaccompanied baggage.

Mobile Home

A mobile dwelling constructed or converted and intended for use as a permanent residence and designed to be moved, either self-propelled or by towing. It includes a house trailer, a privately owned railcar converted for use as a residence, a boat an employee/member uses as the place of principal residence, as well as all HHG and PBP&E contained in the mobile home and owned or intended for use by the employee/member, or dependents.

Open Season

A specified time period when applications are accepted for new entrants in any given portion(s) of the Defense Personal Property Program. The timelines, channels, and other parameters for each open season will be announced by SDDC.

Operating Authority

An authorization issued by the Department of Transportation (DOT) or individual state regulatory body for a commercial TSP to perform transportation services.

Performance Bond

Serves to protect the Government in the event the TSP to whom the actual bill of lading contract is issued fails to effect delivery of the shipment set forth on the bill of lading. The Surety underwrites and assumes the Principal's TSP liability to the Government for overcharges related administrative costs, and re-procurement costs when due to the Principal's failure to complete delivery of a shipment, and when the Military Surface Deployment and Distribution Command deems it necessary to re-procure transportation services from an alternate TSP. The Government is the sole beneficiary in the event the Principal defaults and is unable to perform for whatever reason, including that of filing a petition in bankruptcy or an involuntary bankruptcy.

Prepaid Transportation Expenses

Payments for transportation of shipments for which the revenue has not yet been recorded.

Revocation

The process of removing a TSP from the Defense Personal Property Program. SDDC has the authority to revoke DoD Personal Property Transportation Service Provider's (TSP) approval for any reason deemed necessary. The TSP may re-apply for DoD approval again during the next open season.

Small Business Certification

For the purpose of transportation acquisition, small business certification means that a business is certified to the current U.S Small Business Administration Table of Small Business Size Standards. Self-certification is required on the ETOSSS.

Standard Carrier Alpha Code (SCAC)

A four-digit alpha code that is assigned to each TSP by the National Motor Freight Traffic Association to identify that TSP in the various procedures and documents used in the DP3.

Tender of Service (TOS)

The basic document which specifies the terms and conditions of participation in DP3. The TOS is found in DTR Part IV, Appendix B, and provides details concerning mutual agreements and understandings, service and performance requirements.

Transportation Service Provider (TSP)

TSPs are an authorized for-hire motor carrier or freight forwarder that transports household goods for the general public in exchange for payment that is based on published tariff rates.

Trading Partner Agreement (TPA)

The binding agreement setting forth terms and conditions governing the sending or receiving of electronic data between TSPs and the Third Party Payment System (TPPS).

Third Party Payment System (TPPS)

The electronic billing and payment transaction system for all DoD TSPs who provide transportation and storage of DoD personal property shipments.

Web Forms (forms)

Includes data captured in DPS for population of any/all TSP Qualifications forms/documents.