

**HOW TO DO BUSINESS IN THE  
DEPARTMENT OF DEFENSE  
PERSONAL PROPERTY PROGRAM  
AS OF 19 MARCH 2002**

**HEADQUARTERS  
MILITARY TRAFFIC MANAGEMENT COMMAND  
200 STOVALL STREET  
ALEXANDRIA, VA 22332-5050**

**HOW TO DO BUSINESS IN THE DEPARTMENT OF DEFENSE  
PERSONAL PROPERTY PROGRAM**

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**Carrier Qualification Registration Home Page**

<https://wisedm.eta.mtmc.army.mil/ppq/default.asp>

## CHAPTER 1

### INTRODUCTION

The “How to do Business in the Department of Defense (DOD) Personal Property Program” pamphlet contains procedures for qualifying in the Personal Property Programs and is designed to address questions regarding how to qualify in the programs, we recommend you refer to it often to answer questions.

We also recommend that you read the Tender of Service (TOS) before applying for DOD approval. The TOS is the basic document which specifies the terms and conditions of participation in the DOD personal property program. The Household Goods and Unaccompanied Baggage Tender of Service is provided in the DTR, PART IV. Retain a copy for your records and future reference. The applicable tender must be read carefully and thoroughly, as it provides details concerning qualification procedures, mutual agreements and understandings, service and performance requirements, and certifications.

Before approval can be granted, you must complete the forms (Electronic Tender of Service Signature Sheet and List of Countries and Codes of Service) located at [www.mtmc.army.mil](http://www.mtmc.army.mil) electronically. The remaining (2) two forms (Certificate of Cargo Liability Insurance and Personal Property Performance Bond) must be faxed to MTMC at (703) 428-3321. Manual submission of forms will not be accepted. **It is the carrier’s responsibility to electronically submit updated forms if information in the initial approval package changes.**

The approval process for new carriers (after the moratorium is lifted) will take approximately 72 hours. Upon approval, you will receive a letter forwarded to you electronically welcoming your company into the Personal Property Program.

All carriers doing business with Department of Defense (DOD) must be registered in the Central Contractor Registration (CCR) database. Consideration of carrier for future participation in MTMC procurements of transportation and transportation services, future solicitations, awards, and payments will be based on registration. Carriers register only once, but must update information annually. Registration in the CCR will make it easier for carriers to get paid, will assist in helping carriers get more business; and will make it easier and cheaper to do business with the Government. The process time for CCR registration is approximately 72 hours (if registration is via the Internet). Carriers should register directly via the Internet ([www.ccr.gov](http://www.ccr.gov)). Carriers may also obtain information via facsimile (23 pages) by calling (888) 227-2423, this

method is not recommended, as it takes much longer to register. CCR customer service is available through the CCR Customer Service Center at (616) 961-4725 or (888) 227-2423 or (888) 352-9333, option # 3.

We appreciate your interest in doing business with the DOD. If you have any questions regarding your DOD application for approval to transport personal property, please contact Mrs. Sylvia Walker at 703-428-2982 or email [walkersylvia@mtmc.army.mil](mailto:walkersylvia@mtmc.army.mil).

## **CHAPTER 2**

### **REQUIREMENT FOR DOCUMENTATION** **(CARRIER'S CURRENTLY PARTICIPATING IN THE PROGRAM COMPLYING** **WITH THE NEW PROCEDURES AND GUIDELINES)**

Carriers currently in "The Program" are required to submit 4 qualification forms during April 15-May 15, 2002. All forms must be received no later than midnight (EST) on May 15, 2002.

The forms are as follows:

- (1) Electronic Tender of Service Signature Sheet (ETOSSS)
- (2) Certificate of Cargo Liability Insurance (Form 49-R)
- (3) Performance Bond
- (4) List of Countries and Codes of Service (LOCCS)

These forms must be submitted electronically or by fax to (703) 428-3321. While we prefer carriers have internal capability to access the Internet, we do not mandate this requirement. A carrier may elect to use a third party vendor to submit qualification documentation electronically but assumes all responsibility for it arriving within the established time-frame. You can access the forms by going to [www.mtmc.army.mil](http://www.mtmc.army.mil), click on Personal Property, click on Carrier Approvals, click on Carrier Qualification Home Page, and Carrier Qualification Registration Page. There you will find instructions for completing all the documents. Instructions for accessing the forms will also be included in "The Procedures," which is also located at [www.mtmc.army.mil](http://www.mtmc.army.mil) on MTMC's web site.

Documentation will be reviewed on a first come, first served basis. The submission date will be determined by the electronic date on the Electronic Tender of Service Signature Sheet received in MTMC's database via electronic means. After completing all required documentation, the MTMC computer will send back a dated response saying that we have received all the required documentation. It will be the carrier's responsibility to ensure any electronic or faxed documentation has been submitted to MTMC by the required deadline. MTMC will not accept late submissions after midnight (EST) on May 15, 2002.

During the transition period while applications are being processed, carriers currently participating may continue to do business with DOD. Before filing rates for the IW02/DW02 cycles, carriers should consider the contents of this final Federal Register notice to make sure they meet the new qualification requirements. Upon MTMC's review of each submission, carriers not meeting the qualification requirements will have (21) twenty-one calendar days from the date of notification from MTMC, to provide additional information. If approval is revoked, the carrier's rates will be administratively removed.

Note: MTMC imposed a moratorium on accepting new carrier qualification applications that was announced in the Federal Register, Vol 66, No 215, Pages 56084-56087, November 6, 2001.

**If a carrier currently participating in “The Program” does not meet the new requirements, and approval is revoked, the carrier may re-apply as a “new” carrier only after the moratorium is lifted.**

## CHAPTER 3

### DEFINITIONS

The Department of Defense Personal Property Program contains terminology and acronyms, which are unique to the DOD programs. The following definitions are provided to give you a basic understanding of the terms used:

**Agent, Carrier's:** A business firm, corporation, or individual acting for or in behalf of a carrier. A bona fide agent of a personal property carrier, as distinguished from a broker, is a person who or a business enterprise which represents and acts for a motor carrier or freight forwarder and performs its duties under the direction of the carrier pursuant to a pre-existing agreement with the carrier, providing for a continuing relationship between them.

- a. **Booking Agent:** An agent designated on the Letter of Intent (LOI) by a carrier as the single point of contact to act in its behalf.
- b. **General Agent:** A general agent is a business entity employed as a carrier's representative in a country or specified geographic area. A general agent cannot act as a local agent unless so designated on the carrier's LOI. The carrier, not the general agent is responsible for all payments, rating filings and control of shipments.

**Area of Responsibility (AOR):** A defined geographic area in which responsibility is specifically assigned to the commander of the area for development and maintenance of installations, control of movement, the conduct of tactical operations involving troops under the commander's control, along with parallel authority to exercise these functions; and /or acquisition of transportation, storage and related personal property movement services.

**Boat One Time Only (BOTO):** Boat rates solicited by HQ MTMC from individual carriers for the one-time movement over a specific origin-destination channel for which rates are not otherwise published.

**Cargo Liability Insurance (form 49-R):** Compensation for loss and/or damage to all property belonging to shippers or consignees and coming into the possession of the carrier in connection with its transportation service performed for the account of the Department of Defense, 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.

**Carrier:** Any individual, company, or corporation commercially engaged in transporting cargo, passengers, or household goods. A business entity that holds appropriate state of federal permits or certificate for the movement of personal property and/or mobile homes.

Carriers are further defined in the International Through Government Bill of lading (ITGBL) programs as follows:

**a. Primary Carrier:** The carrier who establishes the low rate for an incentive traffic channel during the traffic distribution period is the primary carrier. A primary carrier is also referred to as a rate setter.

**b. Equalization Carrier:** Any carrier meeting the low rate for an incentive traffic channel becomes an equalization carrier. Equalization carriers share the remaining traffic not tendered to the primary carrier

**c. Other Participating Carrier:** A carrier that neither sets nor equalizes the low rate but instead files a higher rate is a participating carrier

**Carrier, DOD-Approved:** A carrier that has met the established requirements and has received an official notice of approval to participate in the DOD Personal Property Program from the Military Traffic Management Command (MTMC).

**Codes of Service:** The following are definable types of service under the Through Government Bill Lading (TGBL) method:

**a. Domestic Motor Van (Code 1).** Movement of household goods in a motor van from origin residence in CONUS to destination residence in CONUS. Automated systems will use Code 1A for interstate movements and Code 1B for intrastate movements.

**b. Domestic Containers (Code 2).** Movement of household goods in containers from origin residence in CONUS to destination residence in CONUS. Automated systems will use Code 2A for interstate movement and Code 2B for intrastate movement.

**c. International Door-to-Door Containers (Code 3).** International door-to-door container service. Carriers provide origin service, line-haul service from origin residence to a commercial ocean terminal, ocean transportation (using Joint Traffic Management Office Universal Service Contract (USC 03) rates for over ocean portion to commercial port of discharge), line-haul to destination residence, and destination services.

**d. International Door-to-Door Containers (Code 4).** Movement of household goods in MTMC-approved door-to-door shipping containers (wooden boxes) whereby a carrier provides line haul service from origin residence to ocean terminal, ocean transportation to port of discharge, and line haul service to destination residence, all without re-handling of containers contents.

**e. International Door-to-Door Container Government Ocean Transportation (Code 5).** Movement of household goods in MTMC-approved door-to-door shipping containers (wooden boxes) whereby a carrier provides line-haul service form origin residence to military ocean terminal, the government provides ocean (MSC) transportation to designated port of discharge, and the carrier provides line-haul service to destination residence, all without re-handling of container contents.

**f. International Door-to-Door Air Containers (Code 6).** Movement of household goods whereby the carrier provides containerization at the origin residence, surface transportation to the airport nearest origin that can provide required services, air transportation to the airport nearest destination that can provide required services, and transportation to the destination residence.

**g. International Land-Water-Land Baggage (Code 7).** Movement of unaccompanied baggage whereby the carrier provides packing and pickup at origin, surface transportation to destination, and cutting of the banding and opening of the boxes at the destination residence.

**h. International Land-Air-Land Baggage (Code 8).** Movement of unaccompanied baggage whereby the carrier provides packing and pickup at origin, transportation to the origin airport, air transportation to the destination airport, surface transportation to destination and cutting of the banding and opening of the boxes at the destination residence.

**i. International Door-to-Door Container – Air Mobility Command (AMC) (Code T).** Movement of household goods where by the carrier provides containerization at the origin residence and transportation to the designated AMC terminal. AMC provides terminal services at both origin and destination and air transportation to the designated AMC destination terminal. The carrier provides transportation to the destination residence.

**j. International Land-Air (AMC)-Land Baggage (Code J).** Movement of unaccompanied baggage where by the carrier provides packing and pickup at the origin and transportation to the designated AMC terminal. AMC provides terminal services at both origin and destination and air transportation to the designated AMC destination terminal. The carrier provides transportation to destination from ASMC terminal and cutting of the banding and opening of the boxes at destination residence.

**Common Financial and/or Administrative Control (CFAC):**

The term “common financial and/or administrative control” means the power, actual as well as legal, to influence the management, direction, or functioning of any other carrier(s) or forwarder(s).

**Continental United States (CONUS):** All 48 contiguous states, and the District of Columbia.

**Department of Defense (DOD) Components:** The Office of the Secretary of Defense (OSD) and activities administratively supported by the OSD; Military Departments; the Chairman, Joint Chiefs of Staff; the Unified Commands; the Defense Agencies, and Coast Guard and Marine Corps for personal property.

**Domestic Boat Program:** Movement of privately owned boats, property of uniformed members only. Definition of boats is included in JFTR, Para. U5310F. For the movement of self-propelled boats see JFTR, Para U5510. For movement of boats used as a primary residence, see JFTR, Para U5500, JTR Para C10000, and procedures in 407 of Defense Transportation Regulation (DOD 4500.9R) Part IV Personal Property.

**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 Tender of Service Signature Sheet (ETOSSS):** Completion of this form certifies that you have read the Tender of Service (Appendix AZ), and agree to provide service in accordance with the provisions contained therein. The carrier 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, etc.

**Financial Statements:** The presentation of financial data, including accompanying notes derived from accounting records and intended to communicate an entity's economic resources or obligations at a point in time, or the changes therein for a period of time, in accordance with a comprehensive basis of accounting.

**Installation:** A post, camp, station, air base, naval base, yard, base complex, or port.

**International Through Government Bill of Lading (ITGBL):** Terminology used to identify international Personal Property shipments.

**Interstate Shipment:** Any personal property or mobile home shipment originating in a state or the District of Columbia and destined for another state or the District of Columbia.

**Intertheater:** Between theaters or between the continental US and theaters.

**Intertheater Traffic:** Traffic between theaters exclusive of that between the continental US and Theaters.

**Intrastate shipment:** Any personal property or mobile home shipment originating in a state destined for the same state.

**Joint Personal Property Shipping Office (JPPSO):** A JPPSO is an activity staffed and operated by members from two or more military services, in support of all military service components for acquisition of transportation, storage, and related services within a specified area for responsibility for movement of personal property for DOD members. Support is provided on a common service, non-reimbursable basis.

**Key Personnel:** Two managing officers of a company (excluding Treasurer and Secretary) that must have at least (3) three years Personal Property experience.

**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 towed.

**Mobile Home One Time Only (MOTO):** Mobile Home shipments offered to a DOD approved mobile home carrier participating in the One Time Only program. Rates are not on file, and shipments are solicited individually and are bid on and awarded on an individual basis.

**One-Time-Only (OTO) Rates:** Rates solicited by HQ MTMC from individual carriers for the one-time movement of personal property over a specific origin-destination channel for which rates are not otherwise published.

**Operating Authority:** An authorization issued by the appropriate regulatory body for a commercial carrier to perform transportation service, sometimes within specific limitations.

**Performance Bond:** To obtain and maintain DOD approval in the Personal Property program, carriers must provide a performance bond. The bond is required to protect the Government against potential interference with the Government's mission to effect timely delivery of all household goods shipments. This bond must be submitted 1 month before the rate cycle in which the carrier will participate. **It is continuous until canceled by the Surety Company or carrier; however, a 30-day written notice is required if the bond is canceled by either party.** If the carrier does not replace the canceled bond, DOD carrier approval is automatically revoked. The bond is provided at no cost to the Government.

**Personal Property Shipping Office (PPSO):** An activity designed to provide traffic management, counseling and application processing within a designated area of responsibility, which includes acquisition of transportation, storage and related services.

**Small Business Certification:** Criteria for eligibility as a small business for the purpose of transportation service acquisition. Self-certification to determine whether a company is a small business. This document is used for statistical purposes only.

**Standard Carrier Alpha Code (SCAC):** A four-digit alpha code that is assigned to each carrier by the National Motor Freight Traffic Association to identify that carrier in the various procedures and documents used in the DOD personal Property Shipment and Storage Program.

**Tender of Service (TOS):** The basic document which specifies the terms and conditions of participation in the DOD personal property program. The Household Goods and Unaccompanied Baggage Tender of Service is provided in Appendix AZ to the DTR, PART IV. Retain a copy for your records and future reference. The applicable tender must be read carefully and thoroughly, as it provides details concerning qualification procedures, mutual agreements and understandings, service and performance requirements, and certifications.

**Transportation Officer (TO):** Person(s) designated or appointed to perform traffic management functions.

**Trading Partner Agreement (TPA):** The binding agreement to send or receive electronic data between DOD transportation components and commercial trading partners.

**Trip Leasing:** I (as the primary carrier and leaser) will be fully responsible for the shipment (including all loss and damage claims, and but not limited to any missed pickups and missed required delivery dates (RDDs)). Under this rule, HHG carriers will only be allowed to trip lease with other DOD approved household goods carriers. Regulation and rules governing trip leasing, as set forth by the Federal Highway Administration and in the 49 CFR part 1057 will apply. Failure to comply with the regulatory requirements will result in nonuse or revocation of your DOD household goods/unaccompanied baggage approval.

**Truck – Away Service:** A method of transporting vehicles, including other that self-propelled vehicles, whereby the vehicles are loaded into or upon carrier's equipment.

**United States Armed Forces:** Used to denote collectively only the regular components of the Army, Navy, Air Force, Marines Corps, and Coast Guard.

## CHAPTER 4

### GENERAL INFORMATION

This section discusses some general information on the Personal Property Programs. The programs are as follows:

**1. Domestic Personal Property Programs:** There are two domestic codes of service Code 1 and Code 2. A carrier must be DOD approved to compete in one or both of the below:

**a. Personal Property Intrastate Program:** Service within a state.

**b. Personal Property Interstate Program:** Service between 2 or more states.

**2. Boat Programs:** These programs pertain to the movement of boats within CONUS. Both of these methods listed below are moved under MTMC's One Time Only (OTO) Program. A carrier must be DOD approved to compete in one or both of the below:

**a. Personal Property Boat Tow-away:** Domestic boats are generally 14 feet and over or any size boat on a trailer (trailer must be road worthy).

**b. Commercial Boat Haulers:** Commercial boat haulers are permitted to bid on shipments, which are usually picked up at a marina and delivered to a marina where a crane can be utilized to load and off load the boat. Their authority is normally granted under the Surface Transportation Board and they normally have insurance, which far exceeds any DOD specified amounts.

**3. Personal Property Mobile Home Program :** Movement of mobile homes from origin to destination within CONUS is referred to as the Mobile Home Program. These moves are solicited and awarded via MTMC's OTO program. The rates will be solicited by MTMC from individual carriers for the one-time movement of mobile homes.

**4. International Personal Property Program:** The International Through Government Bill of Lading (ITGBL) Program is the program under which movement of household goods (HHG), unaccompanied baggage (UB), and boats are accomplished to, from, or between overseas areas. This is referred to as the international program. A carrier must be DOD approved to compete in the ITGBL Program.

### GENERAL INFORMATION

**Approval Timeframe.** As stated previously, before approval can be granted, you must complete and submit the four documents (Electronic Tender of Service Signature Sheet (ETOSSS), List of Countries and Code of Service (LOCCS), Certificate of Cargo Liability and a Performance Bond), listed on the Carrier Qualification Homepage located at [www.mtmc.army.mil](http://www.mtmc.army.mil). The ETOSSS and LOCCS will be completed online and submitted

electronically. The Certificate of Cargo Liability Insurance (completed and signed by the insurance company representative) and the Performance Bond (completed and signed by the surety company representative) must be submitted electronically or by fax to (703) 428-3321. It will take approximately 72 hours for an application to go through the approval process. A carrier not filing rates for (3) three consecutive rate cycles will be removed from the list of DOD approved carriers (intrastate, interstate and/or international).

**Key Changes.** As a condition of doing business, carriers approved to participate in the DOD Personal Property must agree to notify MTMC of any change in corporate ownership, change of corporate name and change of key personnel within 45 days of those changes. When notified, MTMC will review the carrier's status as changed to ensure compliance with carrier qualification criteria. Upon completion of its review, MTMC will affirm the carrier's eligibility to continue participation in the Personal Property Program. A carriers' failure to notify MTMC of changes in ownership, corporate name one key personnel may results in the convening of a Carrier Review Board to determine whether the carrier should be disqualified from the Program.

**Standard Carrier Alpha Code (SCAC).** It is required that you obtain and maintain a valid four-digit alpha code from the National Motor Freight Traffic Association (NMFTA), 2200 Mill Road, Alexandria, Virginia 22314, phone (703) 838-1831. It is also required that you annotate your SCAC on all military correspondence, for identification purposes. NMFTA charges an annual fee to maintain SCACs. You are required to maintain a valid SCAC at all times, or you will be removed from the program.

**Electronic Data Interchange (EDI)/Trading Partner Agreement (TPA).** While this is not a mandatory requirement, we would encourage you to participate in the EDI/TPA process. Government activities can use EDI in lieu of paper-based transactions. The EDI TPA applies to the electronic exchange of transportation data and other transportation related information between DOD components and DOD Finance Centers for transportation services payment, and their trading partners.

## CHAPTER 5

### REQUIRED DOCUMENTS

There are several forms that are required to be completed to obtain approval in all Personal Property Programs; they are listed below stating the specific minimum requirements for each:

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

By completion and electronic submission of the ETOSSS, the President of the company certifies that the information in the application is true and correct. The President of the company also agrees to provide service as set forth in the Tender of Service (TOS), (Appendix AZ) to the Defense Transportation Regulation, Part IV, Personal Property (DOD 4500.9R). **We suggest you print off a copy of the TOS and retain it for your review. Carriers must continually have two (2) key employees (i.e. Key Personnel involved in the management of the company) with at least three (3) years experience.** The names of these individuals are required to be included on the ETOSSS. Each employee must have a minimum of three years of prior experience in the movement of personal property shipments. Experience from employment with an international freight forwarder, van line, or agent is considered an acceptable form of occupational training for purposes of meeting this requirement. **Common Financial and/or Administrative Control (CFAC) is addressed in Part I of the ETOSSS. CFAC means the power, actual as well as legal, to influence the management, direction or functioning of a business organization. CFAC must be declared in accordance with the Tender of Service.** Carriers declaring Common Financial and/or administrative Control cannot compete in the same rate channel in the same code of service in the International Program. Domestic carriers must declare CFAC on the ETOSSS. While there is no restriction in the domestic program on carriers participating in the same lane of traffic, same code of service, they must declare CFAC. A carrier failing to disclose CFAC may be removed from the DOD Personal Property Program for a period of up to two years and may be prosecuted for filing a false official statement in violation of 18 USC 1001. Provided herein is a link to the Electronic Tender of Service Signature Sheet [https://wisedm.eta.mtmc.army.mil/ppq/TOS\\_open.asp](https://wisedm.eta.mtmc.army.mil/ppq/TOS_open.asp)

#### **2. Financial Ratios:**

**A Quick Ratio of 1:1 or better and a Debt to Equity Ratio of 4:1 or less are required.** Carriers currently participating should maintain these ratios. New carriers must meet these standards at the time of application. The following definitions are provided for clarification purposes only. If there are further questions on the definitions, or how to best present financial data, carriers should consult their own accountants.

**Quick Ratio (1:1).** The quick ratio, measures the ability of a business to meet their current bills. Quick ratio is cash plus receivables divided by current liabilities. This is similar to current ratio with the exception that inventory and prepaids are subtracted from the total current assets prior to making the computation. These items are deleted prior to computing the ratio because inventory

and prepaids are not easily converted to cash to pay debts. Further, if a company needs to liquidate inventory or prepaids to pay bills, they are in liquidation process and not really a going concern. MTMC recognizes the industry's uniqueness in that many transportation related costs are incurred and paid after the military shipment is picked-up from the member and prior to delivery or placement in SIT. 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, MTMC will consider them in the Quick Ratio analysis.

**Debt to Equity Ratio (4:1).** Debt to equity is total liabilities divided by the company's equity. We realize that at times companies will borrow funds to expand their business opportunities. In such cases, the ratio might exceed our goal. MTMC does not plan to use failure to maintain the goal of 4:1 as a "pass or fail" standard. Rather, carriers falling below these goals will be asked to submit more frequent financial data until their ratios meet or exceed these goals. However, we would expect subsequent financial trends to be moving in the direction of the 4 to 1 goal. Carriers currently participating that have a quick ratio below 1:1 or a debt to equity ratio exceeding 4: 1 will not be automatically removed from MTMC's program. Rather, companies will need to provide quarterly interim financial statements showing progress in meeting these financial goals.

### **3. Financial Statement Requirements:**

Annually, carriers must provide audited financial statements with an auditor's report, or reviewed financial statements with an accountant review report. Financial statements must be prepared according to generally accepted accounting principles using the accrual basis, including balance sheets and profit/loss statements. Financial statements, audit, or review memorandums must include all referenced footnotes. A carrier may voluntarily provide company tax returns in addition to the financial statements, if they so desire. Interim statements must be transmitted electronically or via fax to (703) 428-3321, reflecting the signature of the company's executive stating that they are correct to best of their knowledge. These statements and other factors will be evaluated by MTMC to determine the need for any additional actions. During periods that interim financials are being submitted, annual audit reports or reviews will still be required.

Annual statements must be submitted within 120-calendar days, of year-end, normally defined as Dec 31, 20XX (current year). Under this scenario, the financial statements would be submitted no later than May 1, 20XX. If a company closes their books on a fiscal year basis (or other than Dec 31, 20XX), then financial statements and reports should be submitted within 120-calendar days of that date.

For example a carrier currently participating in the program closing out their books October 31, 20XX, would be required to submit the financial statements no later than March 1, 20XX. Companies desiring to change their report dates must coordinate this with the Chief of MTMC's Internal Review Office at (703) 428-3205.

Once the moratorium is lifted, new carriers applying for initial approval must submit their most recent financial statements to MTMC at the time of application. These statements must meet at

least our minimum requirements. Upon approval, these new carriers must submit annual financial statements electronically or by fax, in accordance with when they close their books (as stated in the previous paragraph).

The financial statements must document the business operations of the single business entity or organization that seeks to qualify to do business with the DOD. Combined or consolidated statements that embed the finances of other companies will not be accepted. Letters of guarantee from a parent company will also not be accepted. However, for reporting purposes, a carrier may submit one document that reflects several companies separate financial information, as long as the financial information is reported in each individual company's name and reflects that company's account information. Each individual company must meet the required ratio minimums. In other words, we want to see the health of the individual companies. MTMC will not accept truly consolidated reports where there is no separation from one company to another.

**Additional Information: If MTMC does not receive financial statements within the 120-calendar day time-frame, the company may be placed in nonuse due to non-compliance with program requirements.**

No *pro forma* statements will be accepted in lieu of actual financial statements. Additionally, MTMC reserves the right to obtain services from an independent third party source to conduct financial risk analysis of carrier's financials. This analysis will compare the company with appropriate industry norms. This information may be used in a carrier review board action to assist in the determination of financial risk to the government.

#### **4. Certificate of Cargo Liability Insurance (MTHQ Form 49R).**

For Domestic and International programs, the cargo liability minimum amount per shipment is \$22,500. The aggregate amount will remain \$150,000. The Certificate of Cargo Liability Insurance form (MTHQ Form 49R) located on MTMC's website, must reflect a signature of the insurance representative as proof of insurance. No other forms will be accepted. Provided herein is a link to the Certificate of Cargo Liability Insurance <https://wisedm.eta.mtmc.army.mil/ppq/04.pdf>.

For Mobile Home/Boat programs, the cargo liability minimum amount per shipment is \$40,000. The Mobile Home/Boat Certificate of Cargo Liability Insurance form located on MTMC's website, must reflect a signature of the insurance representative as proof of insurance. No other forms will be accepted. Provided herein is a link to the Mobile Home/Boat Certificate of Cargo Liability Insurance <https://wisedm.eta.mtmc.army.mil/ppq/25.pdf>

**The certificates of cargo liability must be executed by an insurer with a rating of "A" in the Best Key Rating Guide. The certificates contain a statement, that the insurance company will give HQMTMC, ATTN: MTPP-HQ, a 30-day written notice of any changes, expiration, or cancellations of the insurance policy. Such notice will commence to run from date notification is actually received at HQMTMC. Deductibles are not permitted in the policy and are not a valid defense for claims filed by shipper, consignees, or the Department of Defense.**

## **5. Performance Bond.**

Performance Bonds are required in both the international and domestic interstate programs. The performance bond must be issued by a surety company listed in the Treasury Department Circular No. 570. A letter on your company's stationary indicating your intent to submit a bond will be accepted if you are applying months before the cycle begins that you wish to participate. The bond requirement does not apply to domestic intrastate carriers at this time.

**For the International program,** the bond requirement will remain at \$100,000 or 2.5%, of the international revenue based on previous year revenue; whichever is greater. International carriers must submit (electronically or by fax) a "continuous, until cancelled," bond, that reflects signatures of the surety representative and a carrier representative listed on the ETOSSS. MTMC will review the international bond amount semi-annually. If it is determined the bond needs to be increased, the carrier will be notified in writing and provided 30-days to submit a bond or a rider to the bond on file reflecting the updated amount. MTMC will entertain written requests for an additional 30-days to increase the bond amount on a case-by-case basis. International carriers must have the bond in place one month before the cycle in which the carrier will begin receiving shipments (March 1 or September 1), with an effective date of April 1 or October 1.

**For the Domestic Interstate program,** the Domestic interstate carriers wanting to participate in the interstate program must submit a "continuous until cancelled" bond that reflects signatures of the surety representative and a carrier representative listed on the ETOSSS, electronically or by fax, in the amount of \$50,000. The bond will be 2.5% of your domestic interstate personal property revenue based on the previous year or \$50,000; whichever is greater. MTMC will review this annually. If it is determined the bond needs to be increased, the carrier will be notified in writing and provided 30-days to submit a bond or a rider to the bond on file reflecting the updated amount. MTMC will entertain written requests for an additional 30-days to increase the bond amount on a case-by-case basis. Domestic interstate carriers must have the bond in place one month before the cycle in which they wish to participate, begins. Provided herein is a link to the Performance Bond form <https://wisedm.eta.mtmc.army.mil/ppq/23.pdf>.

**6. Experience Requirements:** The company must have three (3) three years Government and/or commercial experience in the movement of Personal Property. MTMC will use the date on the operating authority, or if the state is deregulated, the date on the state's Articles of Incorporation for determining the 3-year experience. MTMC will require proof at time of application of the (3) three years experience (such as, bills of lading, letters of reference, etc.) of personal property movement. **Carriers currently participating in the program are exempt from this requirement.** However, new carriers must comply with the 3-year experience rule.

**7. Notification Requirements:** All carriers are required to notify MTMC within 45 calendar days of a change of ownership, a change of corporate name or change of key employees/key personnel. The completed Notification form must be faxed to (703) 428-3321.

(1) **Change of Ownership:** When a company changes ownership, a notification agreement must be submitted to MTMC. Approval will be based on a review of the sales agreement and evidence to show that the carrier complies with all carrier qualification requirements. The new asset owner (transferee) must assume all obligations of the carrier as if they were the original owner. When notified, MTMC will review the carrier's status as changed to ensure compliance with carrier qualification criteria. Upon completion of its review, MTMC will affirm the carrier's eligibility to continue participation in the Personal Property Program. A carrier's failure to notify MTMC of changes in ownership, corporate name or key personnel may result in the convening of a Carrier Review Board to determine whether the carrier should be disqualified from the Program.

**Change of Ownership Novation Agreement:** Carriers reporting a change of ownership will be required to show that performance bond, cargo loss and damage insurance, financial status and operating authorities remain in compliance with MTMC carrier qualification criteria. The new owners will be required to certify that it has assumed all the obligations and liabilities of the carrier and that it is in a position to perform all obligations that exist in the name of the carrier. The new carrier must ratify all previous actions taken by the carrier with respect to DOD-sponsored HHG/UB shipments.

(2) **Change of Name:** When a company changes their name, they must submit a change of name notification. Carriers changing corporate name will be required to submit evidence of its name change and endorsement to its performance bond and cargo loss and damage insurance showing coverage in the carrier's new name. The carrier will also have to certify that the carrier meets financial and all the other carrier qualification requirements.

(3) **Change of Key Personnel:** When a company changes key personnel or employees, they must submit an updated ETOSSS.

**CHANGE OF OWNERSHIP NOVATION AGREEMENT**

Notice is hereby given that ownership of (enter Carrier's Name)(enter Standard Carrier Alpha Code), a DOD-approved personal property carrier, has changed as a result of sale/transfer effective (enter date). A copy of the document transferring ownership is enclosed. As an authorized official of the new owner, I certify that new owner has:

- a. Enclosed a true and correct copy of the sales agreement (or other transfer document). (Some information may have been redacted to protect sensitive information.)
- b. Acquired certain assets of the Carrier and is performing the GBL-based transportation and related service contracts by virtue of the above transfer.
- c. Assumed all the obligations and liabilities of the Carrier as to contracts previously performed or tendered.
- d. The capability to perform all obligations that exist under current GBL-based contracts and those that may be tendered in the future.
- e. Ratified all previous actions taken by the prior owner with respect to GBL-based contracts, with the same force and effect as if the prior owner had taken the action.
- f. Agreed to be bound by the terms and conditions applicable to carriers participating in the DOD Personal Property Program.
- g. Maintained compliance with carrier qualification requirements to include performance bond, cargo loss and damage insurance, operating authority and financial status as is evidenced by attached bond, insurance certificate and certified financial statement.

**CARRIER CERTIFICATION**

I certify that I am the (Corporate Officer's Title—individual must be listed on the Electronic Tender of Service Signature Sheet) of (Carrier's Name (SCAC)) and that I am authorized to represent (Carrier's Name). I further certify that statements and documents submitted herewith are true and correct.

Witness my hand and seal this \_\_\_ day of \_\_\_\_\_ 20\_\_.

BY: \_\_\_\_\_ (SEAL)  
Signature Block

**REVIEW AND ACCEPTANCE BY MILITARY TRAFFIC MANAGEMENT COMMAND**

I, \_\_\_\_\_, (Chief, Carrier Personal Property Division), have reviewed the above certifications and supporting documents and find that (enter Carrier's Name) remains in compliance with the carrier qualification program and is authorized to continue participation in the DOD Personal Property Program.

All payments and reimbursements previously made by the Government to the previous owner under GBL-based contracts shall be considered to have discharged the Government's obligations under those contracts. All payments and reimbursements made by the Government after the date

of this Agreement in the name of or to the new owner shall have the same force and effect as if made to the previous owner and shall constitute a complete discharge of the Government's obligations under the contracts, to the extent of the amount paid or reimbursed.

Military Traffic Management Command,

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**CHANGE OF COMPANY NAME NOTIFICATION**

Notice is hereby given that (enter Carrier’s Name) (enter SCAC), a DOD-approved personal property carrier has, by amendment to its certificate of incorporation, changed its corporate name to (New Carrier Name) effective (enter date).

This amendment accomplishes a change of corporate name only and all rights and obligations of the Carrier and of the Government under the International/ Domestic DOD Personal Property Program are unaffected by this change.

As an authorized official of the Carrier (individual must be listed on the Electronic Tender of Service Signature Sheet), I certify that:

- a. Documentary evidence of the change of corporate name is attached.
- b. The change of corporate name was properly effected under applicable law.
- c. The Carrier continues to comply with carrier qualification requirements to include performance bond, cargo loss and damage insurance, operating authority and financial status as is evidenced by attached bond, insurance certificate and certified financial statement submitted in the Carrier's new name.
- d. The continued use of the Carrier SCAC is authorized by The National Motor Freight Traffic Association.

**CARRIER CERTIFICATION**

I certify that I am the (Corporate Officer's Title, must be listed on the Electronic Tender of Service Signature Sheet) of (Carrier's Name (SCAC)) and that I am authorized to represent (Carrier's Name). I further certify that statements and documents submitted herewith are true and correct. .

Witness my hand and seal this \_\_\_ day of \_\_\_\_\_ 20\_\_.

BY: \_\_\_\_\_ (SEAL)  
Signature Block

**REVIEW AND ACCEPTANCE BY MILITARY TRAFFIC MANGEMENT COMMAND**

I, \_\_\_\_\_, (Chief, Carrier Personal Property Division), have reviewed the above certifications and supporting documents and find that (Carrier's Name) has been changed to (Carrier's New Name). I further find that (Carrier's Name) remains in compliance with the carrier qualification program and is authorized to continue participation in the DOD Personal Property Program under its new corporate name.

All documents and records on file will be changed to reflect the change of corporate name. GBL-based contracts, rates, payments and other actions made in the name of (Carrier's Name) will be considered to be made in the new corporate name.

Military Traffic Management Command,

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**8. SAFER System.** MTMC will use the Department of Transportation (DOT) SAFER system to obtain a carrier's safety rating, verify operating authority, and note any safety infractions. The safety rating may be used when carriers are seeking initial/additional approval or in Carrier Review Board actions. Carrier must have authority granted by the Interstate Commerce Commission (ICC), Federal Highway Administration Permit, and/or state permit(s) certificate(s). Carriers with exception clauses for household goods are not eligible to transport personal property. Carriers with temporary or decision operating authorities are not permitted to move personal property until they receive their actual authority.

**9. List of Countries and Codes of Service (LOCCS).** The List of Countries and Codes of Service form addresses which program and what codes of service your company would like authorization from the DOD to perform. Provided herein is a link to the List of Countries and Codes of Service [https://wisedm.eta.mtmc.army.mil/ppq/LOCCS\\_open.asp](https://wisedm.eta.mtmc.army.mil/ppq/LOCCS_open.asp)

**Provided is a link to the Personal Property Carrier Qualification Registration Page**  
<https://wisedm.eta.mtmc.army.mil/ppq/default.asp>

## **CHAPTER 6**

### **HAVE YOU FORGOTTEN ANYTHING?**

Provided below is a listing of information you must have documented or obtained in order to complete the approval process or documentation.

Central Contractor Registration

<http://www.ccr.gov>

Electronic Data Interchange Agreement/Trading Partner Agreement

<http://www.mtmc.army.mil/CONTENT/2494/TPA.pdf>

Electronic Tender of Service Signature Sheet

Performance Bonds

List of Countries and Codes of Service

Standard Carrier Alpha Code

<http://www.nmfta.org/>

Operating Authorities

Certificate of Cargo Liability Insurance

Financial Statements

## **CHAPTER 7**

### **RECOMMENDED PUBLICATIONS**

- \* Defense Transportation Regulation (Part IV) Personal Property  
<http://public.transcom.mil/J4/j4lt/dtr.html>
  - Letter of Intent (LOI) Personal Property and Unaccompanied Baggage  
[http://public.transcom.mil/J4/j4lt/appendix\\_ay-bd.pdf](http://public.transcom.mil/J4/j4lt/appendix_ay-bd.pdf)
  - Tender of Service  
[http://public.transcom.mil/J4/j4lt/appendix\\_ay-bd.pdf](http://public.transcom.mil/J4/j4lt/appendix_ay-bd.pdf)
  - Total Quality Assurance Program (TQAP)  
[http://public.transcom.mil/J4/j4lt/appendix\\_bk-bo.pdf](http://public.transcom.mil/J4/j4lt/appendix_bk-bo.pdf)
  - Pre-award Survey Guidelines  
[http://public.transcom.mil/J4/j4lt/appendix\\_ay-bd.pdf](http://public.transcom.mil/J4/j4lt/appendix_ay-bd.pdf)
  - Multi-Service Publications for DOD Personal Property Shipment and Storage Program  
[http://public.transcom.mil/J4/j4lt/appendix\\_bf-bj.pdf](http://public.transcom.mil/J4/j4lt/appendix_bf-bj.pdf)
  - Transit Times for Domestic Household Goods Shipments Including Alaska  
[http://public.transcom.mil/J4/j4lt/appendix\\_bf-bj.pdf](http://public.transcom.mil/J4/j4lt/appendix_bf-bj.pdf)
  - Transit Times for International and DPM Household Goods and Unaccompanied Baggage Shipments between CONUS and Overseas  
[http://public.transcom.mil/J4/j4lt/appendix\\_bk-bo.pdf](http://public.transcom.mil/J4/j4lt/appendix_bk-bo.pdf)
- International Personal Property Rate Solicitation  
<http://www.mtmc.army.mil/frontDoor/0,1383,OID=4--24-127--127,00.html>
- Domestic Personal Property Rate Solicitation  
<http://www.mtmc.army.mil/frontDoor/0,1383,OID=4--23-114--114,00.html>
- Personal Property Consignment Instruction Guide
- Domestic [http://pweb.eta.mtmc.army.mil/pls/ppcig\\_camp/state\\_lookup](http://pweb.eta.mtmc.army.mil/pls/ppcig_camp/state_lookup)
  - International [http://pweb.eta.mtmc.army.mil/pls/ppcig\\_camp/country\\_listing](http://pweb.eta.mtmc.army.mil/pls/ppcig_camp/country_listing)
- Department of the Treasury (Circular no. 570)  
<http://www.fms.treas.gov/c570/c570.html>