

## C7 - Transportation

Chapter 7, Transportation, describes transportation responsibilities, requirements, and procedures for delivering security cooperation shipments, including those involving classified, hazardous, or otherwise controlled materials.

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### C7.1. - General

**C7.1.1.** The United States Government and the purchaser's advanced planning for transportation of materiel is critical for case development and execution. It is DoD policy that the purchaser is responsible for transportation and delivery of its purchased materiel. DoD encourages purchasers to be self-sufficient by making informed decisions regarding transportation arrangements. Purchasers can use DoD distribution capabilities on a reimbursable basis at DoD reimbursable rates via the Defense Transportation System (DTS), or employ an agent, known as a Foreign Military Sales (FMS) freight forwarder, to manage transportation and delivery from the point of origin (typically Continental United States (CONUS)) to the purchaser's desired destination. The transportation procedures in this chapter generally apply to all Security Cooperation (SC) materiel, but any requirements specific to Building Partner Capacity (BPC) programs are identified in [Section C15.5.](#) and [Section C15-Legacy.5.5.](#) (for programs as identified in the [Chapter 15](#) introduction).

### C7.2. - Transportation Responsibilities

**Table C7.T1. Transportation Responsibilities**

Organization	Responsibility
Under Secretary of Defense for Acquisition and Sustainment (USD (A&S)), Deputy Assistant Secretary of Defense for Logistics (DASD (LOG)), Transportation Directorate	<ul style="list-style-type: none"><li>Sets policy for the movement of materiel.</li></ul>
Defense Security Cooperation Agency	<ul style="list-style-type: none"><li>Ensures that Foreign Military Sales (FMS) transportation policies are kept current; issues revised policy as needed.</li><li>Interprets transportation policy as requested; requests clarification as needed from source agency.</li><li>Reviews general transportation waivers, which allow 50 percent on grant-origin cargo to be transported on non-U.S. flag carriers.</li><li>Coordinates with the U.S. Department of Transportation (DOT), Maritime Administration (MARAD) on customer requests to use non-U.S. flag ocean vessels due to non-availability.</li></ul>

	<ul style="list-style-type: none"> <li>Reviews or approves security waivers to Cargo Preference (Ocean).</li> <li>Reviews FMS purchaser Delivery Term Codes (DTC) waiver requests to pick up sensitive cargo in the United States; prepares forwarding request to Under Secretary of Defense for Intelligence and Security (USD (I&amp;S)).</li> <li>Chairs the Inter-Service Transportation Working Group.</li> <li>Provides technical assistance and guidance as appropriate.</li> </ul>
Defense Counterintelligence and Security Agency (DCSA)	<ul style="list-style-type: none"> <li>Oversees compliance with Transportation Plans by cleared U.S. commercial entities.</li> <li>Notifies DSCA and Defense Technology Security Administration International Security Directorate (DTSA (IED)), of problems with security aspects of transfers that cannot be resolved with commercial entities or the Implementing Agencies (IA).</li> <li>Provides facility security clearance to and inspection of commercial FMS freight forwarder facilities for the receipt, storage, and handling of appropriate classified materiel. Note: freight forwarders do not require a facility clearance if they do not take custody of classified materiel. When cleared industry is involved, DCSA will review and coordinate the Transportation Plan. Both the U.S. Government and foreign government must concur with the Transportation Plan.</li> </ul>
U.S. Transportation Command (USTRANSCOM)	<ul style="list-style-type: none"> <li>Incorporates Security Cooperation transportation procedures into the <a href="#">Defense Transportation Regulation (DTR) DoD 4500.9-R Part II</a>.</li> <li>Manages movement of Security Cooperation materiel within Defense Transportation System (DTS) in accordance with the DTR.</li> <li>For all channels, ensures that: <ul style="list-style-type: none"> <li>New channels are formally coordinated with the Service HQ through the Combatant Command (CCMD) as the requester of the channel.</li> <li>Changes in existing channels are formally coordinated with the CCMD.</li> <li>Ensures other modes of transportation are available or recommended.</li> </ul> </li> </ul>
CCMDs	<ul style="list-style-type: none"> <li>Develop forecasts with theater Security Cooperation Organizations, IAs, and DSCA for future transportation requirements.</li> <li>Coordinate with TRANSCOM with intra-theater distribution of Security Cooperation materiel.</li> </ul>
IAs	<ul style="list-style-type: none"> <li>FMS Case Management team act as points of contact for purchasers' representatives.</li> <li>Ensures that the supporting Security Office oversees the prescribed security arrangements in coordination with DCSA when commercial entities are involved.</li> <li>Coordinates with purchaser and ensures that a comprehensive Transportation Plan is in place for Classified, Sensitive, and/or Arms, Ammunition, &amp; Explosive (AA&amp;E) materiel with Security Risk Categories I-IV (<a href="#">DoD Manual 5100.76-M</a>).</li> </ul>
Defense Logistics Agency (DLA)	<ul style="list-style-type: none"> <li>Operates as the <a href="#">Military Assistance Program Address Directory (MAPAD)</a> Program Administrator, which contains information and addresses required for shipment of materiel and distribution of documentation.</li> <li>Distributes release and shipment documentation according to current DoD regulations.</li> </ul>
Defense Contract Management Agency (DCMA)	<ul style="list-style-type: none"> <li>Provides vendors with specific shipping instructions at the time the contracted items are ready to ship based on the contract's transportation terms and conditions, transportation priority, and specific commodity requirements on DCMA-administered contracts.</li> <li>Distributes release and shipment documentation according to current DoD regulations.</li> </ul>
MARAD	<ul style="list-style-type: none"> <li>Monitors compliance with cargo preference requirements.</li> <li>Reviews and/or approves purchaser country non-availability waivers.</li> <li>Review and/or coordinate on purchaser country calendar year waivers to 100 percent compliance policy with the cargo preference requirements.</li> </ul>
Purchaser	<ul style="list-style-type: none"> <li>Sends a letter to the Department of State, Bureau of Political-Military Affairs, Directorate of Defense Trade Controls (State (PM/DDTC)) designating a company as its freight forwarder before that company will be permitted to export security assistance-related materiel on the purchaser's behalf. Provides copy of correspondence to applicable IA.</li> <li>Performs export requirements if taking possession of purchases in Continental United States (CONUS) or, contracts with a registered freight forwarder to perform these functions.</li> <li>Provides freight forwarder with copies of Letters of Offer and Acceptance (LOA) and other LOA-related documentation needed to export.</li> <li>Secures appropriate authorizations, referred to as EX-Numbers from the Department of Transportation prior to moving Hazard Class 1 explosive in CONUS by commercial conveyance.</li> <li>Maintains accurate <a href="#">MAPAD</a> addresses.</li> <li>Obtains insurance on shipments (if desired).</li> <li>Handles all import customs actions and pays all customs charges for entry of materiel into purchaser's country.</li> <li>Participates in the preparation of a Transportation Plan, effects coordination with security and customs authorities within its territory, and identifies points of contact.</li> <li>Handles all Customs actions of materiel returning to the United States.</li> </ul>
Freight forwarder (if involved)	<ul style="list-style-type: none"> <li>Registers with the State (PM/DDTC), and is responsible for compliance with all <a href="#">International Traffic in Arms Regulation (ITAR)</a> and U.S. Customs and Border Protection (CBP) requirements.</li> <li>Receives, consolidates, and stages materiel and arranges for its onward movement.</li> <li>In some cases, coordinates export of sensitive AA&amp;E items.</li> <li>Enters the electronic export information into the <a href="#">Automated Commercial Environment (ACE)</a>.</li> <li>Maintains appropriate and current registration with State (PM/DDTC).</li> <li>Obtains insurance on shipments (if desired by customer).</li> </ul>

### C7.3. - Title Transfer

Title to Foreign Military Sales (FMS) materiel is delivered and passed from the USG to the purchaser at the initial point of shipment unless otherwise specified in the Letter of Offer and Acceptance (LOA). With respect to items procured from a commercial manufacturer, items are typically released for delivery to the purchaser at the manufacturer's loading facility. With respect to items purchased from DoD stocks, items are typically released for delivery to the purchaser at the U.S. depot. The "initial point of shipment" occurs when a defense article is released from U.S. custody for delivery to the purchaser. Items will be packed, crated, or otherwise prepared for shipment. The Implementing Agency (IA) determines when the items will be released for shipment. The timing of the release of

shipment to a purchaser for a line item or a subsystem may be intentionally deferred so that title passes for the line item or subsystem at the same time as title transfers for the end-item. Title transfer may occur prior to transfer of possession. If title transfers prior to the transfer of possession to the purchaser, U.S. Government security responsibility does not cease until the recipient's Designated Government Representative (DGR) assumes control of the consignment. Before transfer, a US Government representative will perform an inspection of visual kind, count, and condition of the packaging, marking, and pallets and maintain appropriate documentation.

**C7.3.1. Procurement Items.** Unless otherwise specified in the LOA, when FMS material is procured directly from a vendor and shipped directly to the purchaser, title passes at the manufacturer's loading facility. FMS transactions are government-to-government sales and the terms of any DoD-administered contract for FMS materiel should be Free-On-Board (FOB) origin, consistent with Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information (PGI) Section 225.7301(c). For more information on FOB origin, reference: Federal Acquisition Regulation (FAR) Section 47.303-1 F.O.B. Origin. See Section C15.5.9.1. for guidance on title transfer for defense articles procured under Building Partner Capacity (BPC) authority. For materiel requiring a Notice of Availability (NOA) (Department of Defense (DD) Form 1348-5), costs associated with storage and insurance will begin as soon as the NOA is sent to the address in the Military Assistance Program Address Directory (MAPAD). See Section C7.11. for more information on NOAs.

**C7.3.2. Stock Items.** If items are supplied from a DoD depot, title passes at the depot's loading facility.

**C7.3.3. Excess Defense Articles.** Title to Excess Defense Articles (EDA) items transfers at the point of origin except for items located in Germany. For EDA items located in Germany, unless Germany is the recipient, title transfers at the nearest Port of Debarkation (POD) outside of Germany.

**C7.3.4. Postal Service Deliveries.** Title to defense articles transported via parcel post passes to the purchaser on the date of shipment. Title passage is at the postal facility at a DoD depot or at the nearest post office if depot personnel take the materiel to the post office in depot-furnished transportation.

**C7.3.5. Retention of Title.** The USG may retain title for shipments of FMS materiel if required by operational circumstances. Designation of a point of title transfer other than the point of origin must be specified in the LOA. Title retention by the USG is not a standard practice, but may provide an option to allow materiel to transit through nations with restrictive Customs requirements. Requests for use of this limited exception should be directed by the IA to DSCA (Strategy, Plans, and Policy Directorate (SPP)) for approval in advance of case development. A specific LOA note for these circumstances is included in Appendix 6.

#### **C7.3.5.1. Information Security /Communications Security Products.**

**C7.3.5.1.1. North Atlantic Treaty Organization.** North Atlantic Treaty Organization (NATO) member nations, Australia and New Zealand. Communications Security (COMSEC) products procured through FMS transfers are titled to those nations.

**C7.3.5.1.2. Australia, Canada, New Zealand, and the United Kingdom.** Select COMSEC products as defined by National Security Agency (NSA) may be procured through Direct Commercial Sales (DCS) for those nations. Through International Traffic in Arms Regulations (ITAR) export licensing processes, NSA will authorize the U.S. vendor to sell select COMSEC products. ITAR temporary import licensing applies for repair services under a DCS. See Section C3.3. for ITAR licensing and exemption authorities. FMS support for repair and return allowable, See Section C5.2.1.

**C7.3.5.1.3. International Organizations Other Than North Atlantic Treaty Organization, and Non-North Atlantic Treaty Organization Member Nations Except Australia and New Zealand.** Prior to physically receiving any U.S. Information Security (INFOSEC) / COMSEC products or services, the FMS purchaser or recipient must have entered into a bilateral Communications Interoperability and Security Memorandum of Agreement (CISMOA) or other INFOSEC agreement with the USG via the Combatant Command (CCMD). It's recommended that this agreement be initiated before or parallel to LOA development to avoid future shipment delays. The USG retains title to transferred COMSEC equipment in accordance with the bilateral agreement(s) and Committee on National Security Systems (CNSS) release authorization.

**C7.3.6. Ferrying of Aircraft.** When ferrying aircraft, the USG may accept title to the aircraft from the contractor. In this case, title will remain with the USG until arrival at the point of delivery. The LOA contains a prescribed indemnification and assumption of risk clause, See Appendix 6. for the applicable LOA note. The FMS purchaser must advise whether the aircraft will be delivered by commercial ferry service (arranged by the purchaser), DoD ferry, or surface transportation.

### **C7.4. - Delivery Term Codes**

**C7.4.1. Delivery Term Code.** The Delivery Term Code (DTC) is a logistical code that indicates how far, from the source of supply to the final destination, that the DoD is responsible to transport a shipment. The DTC does not determine the mode of transportation or how it is financed. A purchaser may specify a preferred DTC in the Letter of Request (LOR). See Table C9.T4a, for a complete list of DTCs and their assigned points of delivery. The DTC is also used to determine transportation costs. If a DoD contract has been accepted and awarded to a contractor at a Continental United States (CONUS) location and the contractor further subcontracts the work to an Outside the Contiguous United States (OCONUS) party, the original DoD contractor is still responsible for movement of the materiel from the OCONUS location to the CONUS location so it can be properly exported from the United States.

**C7.4.2.** During case development, the Implementing Agency's (IA) role in determining and assigning the proper DTC to each line on the Letter of Offer and Acceptance (LOA) is critical to successful materiel shipment. In cases when sensitive or classified materials are being transported, IAs should conduct a pre-case transportation assessment to determine transportation and distribution requirements following receipt of a LOR and before issuance of a LOA. Coordination with United States Transportation Command (USTRANSCOM) J3 at [transcom.scott.tcj3.mbx.fms@mail.mil](mailto:transcom.scott.tcj3.mbx.fms@mail.mil) may be necessary. Each DTC must be feasible and actionable. Following case implementation assigned DTCs should be updated through an Amendment as required in coordination with the purchaser.

### **C7.5. - Foreign Military Sales Freight Forwarders**

**C7.5.1. Definition.** A Foreign Military Sales (FMS) freight forwarder is a private company under contract to the FMS purchaser to coordinate, receive, consolidate, stage materiel, and arrange for onward movement to a final destination. The contract should describe the specific functions to be performed by the freight forwarder. A FMS freight forwarder's responsibilities may vary under the terms of the contract with the purchaser, but in all cases, a FMS freight forwarder acts as an agent of the purchaser, but cannot act on behalf of the government as a Designated Government Representative (DGR).

**C7.5.2. Selection of a Foreign Military Sales Freight Forwarder.** Selection of a FMS freight forwarder must be made by the FMS purchaser. Department of Defense personnel must remain impartial and cannot recommend a FMS freight forwarder to a purchaser or direct a FMS freight forwarder how to conduct operations.

### C7.5.3. Requirements for FMS Freight Forwarders.

C7.5.3.1. FMS freight forwarders must maintain a valid registration as an exporter with the Department of State's Directorate of Defense Trade Controls (PM/DDTC) consistent with the International Traffic in Arms Regulations (ITAR).

C7.5.3.2. A FMS freight forwarder must be identified to State (PM/DDTC) in writing by the purchaser's U.S.-based embassy as its authorized FMS freight forwarder.

C7.5.3.3. If the FMS freight forwarder is expected to handle classified materials, it must maintain appropriate security clearances and facility authorizations with the Defense Counterintelligence and Security Agency (DCSA). Only FMS freight forwarders that have a valid facility clearance and approved storage capabilities at the appropriate level are eligible to take custody of classified material for delivery as freight. FMS freight forwarders that only process unclassified paperwork and make arrangements for the delivery of classified material do not require a facility clearance.

## C7.6. - Defense Transportation System

C7.6.1. **Definition.** The Defense transportation System (DTS) is the portion of the worldwide transportation infrastructure that supports DoD transportation needs in peace and war Department of Defense Directive 4500.09. DTS consists of two major elements: military (organic) and commercial resources. These resources include assets, services, and systems organic to, contracted for, or controlled by DoD. The DTS infrastructure, including ports, airlift, sealift, railway, highway, in-transit visibility systems, information management systems, Customs, and traffic management that DoD maintains is a vital element of DoD's capability to project power worldwide. DTS shipments must comply with the Defense Transportation Regulation (DTR) 4500.9-R. Use of the DTS may offer purchasers transportation alternatives to freight forwarders.

### C7.6.2. Methods of Defense transportation System Use in Security Cooperation.

C7.6.2.1. **Military (Organic).** DoD-owned or operated assets, such as trucks, rail cars, ships, aircraft, or other modes of transportation. These assets are under the control of the Service Components of United States Transportation Command (USTRANSCOM): Air Mobility Command (AMC), United States Army Transportation Command (ARTRANS), or Military Sealift Command (MSC).

C7.6.2.1.1. **Air Mobility Command Channel.** AMC Channel airlift provides regularly scheduled movement of cargo over validated routes depending on volume of materiel. Shipping activities must clear air shipments with Service's Airlift Clearance Authority (ACA) prior to movement in accordance with the DTR. Unless the channel is supporting a location with little or no commercial business options, 25 short tons is the minimum monthly volume required.

C7.6.2.1.2. **Special Assignment Airlift Mission (SAAM) Flights.** A Special Assignment Airlift Mission (SAAM) is an assigned airlift requirement for special pickup or delivery by AMC. Costs are billed by the hour from the time the aircraft leaves its home station until it returns to its home station. It is billed as a line item on the Letter of Offer and Acceptance (LOA). If a SAAM is not routed back to its home station on the return leg, charges will be incurred only up to the point the mission was changed. SAAMs may be used for cargo that requires special considerations because of its weight or size, the urgency or sensitivity of movement, or other special factors, See DTR Chapter 202 - Routing for procedures.

C7.6.2.1.3. **U.S. Navy Vessels and Charter Vessels.** Use of U.S. Navy or vessels chartered by ARTRANS are considered part of DTS.

C7.6.2.2. **Department of Defense-Contracted Commercial.** DTS is not limited to organic assets and includes commercial carriers under contract to DoD that move materiel via trucks, rail cars, ships, aircraft or other modes of transportation.

C7.6.2.3. **Ocean Liner Service.** Liner service is regularly scheduled ocean transportation service where DoD pays on a piece-by-piece basis. Containerized and non-containerized cargo (break bulk cargo) are charged different rates. Ocean liner service is provided through two contracts administered by USTRANSCOM: 1) Universal Services Contract, and 2) Regional Domestic Contract. It also includes the use of trucks, railroads, barges, convoys, and/or pipelines for overland movement.

C7.6.2.4. **Small Parcel Shipments.** Small parcel releases use commercial small parcel carriers, U.S. Postal Service (USPS), or methods that allow for shipments to be traced and tracked. Overseas movement via the Military Postal Service (Army or Air Force Post Office (APO) or Fleet Post Office (FPO)) is used if certain conditions are met. First, use of an APO or FPO must be specifically authorized in an LOA. Second, the APO or FPO addressees must give written approval that they accept responsibility for receiving SC shipments. An APO or FPO might be recommended if a shipment is classified and the purchaser does not have approved facilities to receive classified items in the United States, though not all Military Postal Service addresses handle classified materiel. An APO or FPO may not have the capacity or manpower to handle a large volume of Security Cooperation (SC) shipments and may require above-the-line charges for the increased volume over an extended period of time. The purchaser must bear the cost of such shipments. For transmission outside of the United States, and its territorial areas, SECRET and CONFIDENTIAL materiel may only be transmitted by cleared U.S. contractors in accordance with National Industrial Security Program Operating Manual (NISOPM), or by DoD entities in accordance with DoD Manual 5200.01, Volume 3, enclosure 4. TOP SECRET material may only be transmitted by Defense Courier Service (DCS), Department of State Courier System, or the written authorization of the Government Contracting Authority.

C7.6.2.5. **Next Generation Delivery Services.** Next Generation Delivery Services (NGDS) is a USG-wide contract for domestic and international express small package delivery services, and domestic ground small package delivery services. NGDS provides international commercial express delivery for unclassified shipments up to and including 300lbs with time-definite, door-to-door pick-up and delivery, and accurate in-transit visibility service for DOD and USG Civil agencies. U.S. Government shippers must establish an account and arrange individual shipments. For additional guidance on the use of NGDS, See Chapter 202 of the DTR. All questions related to NGDS should be directed to the USTRANSCOM J4-L.

C7.6.2.6. **Defense Courier Service.** DCS provides secure, timely, and efficient end-to-end global distribution of classified and sensitive material for the United States and its Partners and Allies. It is an established courier network to transport qualified materiel. DCS is recommended primarily for circumstances where the USG retains title to the materiel during transit. For additional information on the use of DCS, contact USTRANSCOM's Defense Courier Division and Chapter 205 of the DTR - Transportation Protective Service (TPS) Shipments.

C7.6.2.7. **Shipments by the U.S. Government to a Freight Forwarder or Embassy (DTC 5).** USG Shipments to U.S.-located Foreign Military Sales (FMS) freight forwarders or country representatives located at embassies in the United States are DTS shipments until the consignee unloads the materiel from the carrier.

C7.6.2.8. **Delivery on Board a Purchaser-Controlled Ship or Aircraft at a Department of Defense Port of Embarkation (DTC 8).** Shipments to a DoD-controlled Port of Embarkation (POE) in the United States are DTS shipments until the materiel is loaded into a purchaser's ship or aircraft. The purchaser is responsible for all onward movement and documentation.

**C7.6.3. Defense Transportation System Documentation Requirements.** The following paragraphs outline general and mode-specific documentation requirements.

**C7.6.3.1.** If a shipment is released from a depot, an Issue Release Receipt Document (Defense Department (DD) Form 1348-1A) identifies materiel as DoD-supplied and provides the details (document number, case designator, National Stock Number (NSN), etc.) that link the materiel to a case. If a shipment is released from a vendor under a DoD contract, a Invoicing, Receipt, Acceptance, and Property Transfer (iRAPT) Receiving Report (formerly Wide Area Work Flow Receiving Report and DD-250) serves the same purposes and provides the same data. MIL-STD-129 requires that shippers attach at least one copy of these documents to the exterior of the shipment units in waterproof envelopes. One copy must be inside the container. Commercial invoices and certificates of origin may be required for in-country customs clearance.

**C7.6.3.2. Bills of Lading.** A Bills of Lading (BL) is a contract document between the USG and the carrier, and provides a means to pay the carrier for the service performed and should be delivered before arrival of the cargo. If a commercial BL is used, copies must be forwarded to the Security Cooperation Organization (SCO). Original Ocean BLs are used by foreign Customs officials to clear cargo and should be forwarded to the SCO by expedited delivery service. ARTRANS Operations ensures that these notices and documentation are transmitted by carriers within time standards established in the [DTR](#).

**C7.6.3.3. Annotation of Transportation Documents When Department of Defense Retains Custody.** When DoD retains custody and transportation responsibility of FMS shipments its arrival at the Port of Debarkation (POD) in the destination country, the BLs for these DTS shipments are annotated with statements to comply with U.S. Customs requirements. See Section C7.6.3.3.1, and Section C7.6.3.3.2. The signature of the issuing officer on the BL serves as certification of these statements. Neither of these statements is annotated on BL for FMS materiel moved to a purchaser's U.S. located facilities, commercial agent, or FMS freight forwarder.

**C7.6.3.3.1.** An additional statement must be placed with the shipping documentation that will accompany the shipment to the port. Information must be presented to the Customs and Border Protection (CBP) officers by the transportation provider as follows: "This shipment is authorized for export pursuant to [22 CFR 126.6\(c\)](#), under FMS Case [insert case identification]. The USG point of contact is \_\_\_, telephone number \_\_\_\_." The USG point of contact must be someone who has knowledge of the materiel included in the shipment, such as the Case Manager at the implementing Agency (IA).

**C7.6.3.3.2.** The following must be annotated in BLs, Commercial Invoices, and other transportation documents: "(Applicable Military Department (MILDEP))-Sponsored Foreign Military Sales Shipment–No Export License Required. [22 CFR 126.6\(a\)](#) applicable."

**C7.6.3.4. Ocean Cargo.** If the ocean delivery is moving by ARTRANS or MSC arranged shipments, the SCO or Defense Attaché will arrange for a husbanding agent, a contractor who serves as the USG agent in making all official logistics arrangements prior to and during a ship's visit, to meet the vessel at the designated port.

**C7.6.3.4.1. Addressing of Documentation.** SCOs should receive documentation as much in advance of a ship's arrival as possible. ARTRANS uses the applicable Type Address Code (TAC) address for the manifest information and BLs. TAC addresses are identified in the [Military Assistance Program Address Directory \(MAPAD\)](#). SCOs should contact ARTRANS whenever DTS ocean delivery of cargo is anticipated. ARTRANS can be reached at the ARTRANS 24-Hour Operations Center at Defense Switched Network (DSN) 770-4262, Commercial 618-220-4262, or via email [usarmy.scott.ARTRANS.mbx.hqsoc@army.mil](mailto:usarmy.scott.ARTRANS.mbx.hqsoc@army.mil). At a minimum the following information should be provided: name, email address, telephone number, Transportation Control Number (TCN), and any other information the SCO might have about the shipment. Documentation Addresses are reflected by the TAC 5 and 6 addresses in the [MAPAD](#), depending on the mode of shipment delivery selected, See Section C7.7. The [MAPAD](#) should also include an email address to expedite delivery of the advanced shipment documentation so that receipt is made prior to the freight's delivery. In addition, shippers must enter Advance Transportation Control and Movement Documents in the designated shipper systems in advance of the freight's arrival at the designated ports.

**C7.6.3.4.2. Ocean Manifests.** A manifest is a detailed listing of all Shipment Units picked up by a ship and identified by a TCN. The lead TCN may not identify all articles if more than one has been packed in the Shipment Unit at the point of origin. Shipping activities attach two packing lists to each Shipment Unit to identify the exact contents. Packing lists, normally in the form of a [DD Form 1348-1A](#) for depot releases or iRAPT Receiving Reports for vendor supplied shipments serve as certificates of origin. If an ocean carrier splits a shipment for convenience, the original documentation becomes invalid and the ocean carrier must inform the ARTRANS Booking Office of these changes for proper In-Transit Visibility. The ocean carrier should also revise the documentation to reflect such changes.

#### **C7.6.3.5. Air Cargo Documentation.**

**C7.6.3.5.1. Air Manifests.** For SAAMs and channels, manifests are prepared by the aerial POD for each aircraft involved in a mission and include all materiel loaded in the aircraft. The manifest travels with the aircraft. The SCO should maintain contact with the aerial POD that services the country or Combatant Command (CCMD) to remain aware of upcoming missions. USTRANSCOM's Integrated Data Environment/Global Transportation Network Convergence (IGC) and the Enhanced Freight Tracking System (EFTS) can be used to extract an itemized list of the cargo being shipped.

**C7.6.3.5.2. Air Waybill.** For commercial deliveries, an Air waybill is prepared by the air carrier for shipments received from USG shipping activities and describes the cargo. The Air Waybill contains a listing of the Shipment Units, which are identified by TCN, received for delivery. For tracer or tracking requests, the TCN should be referenced.

#### **C7.6.4. Reception of DTS Cargo at Overseas Locations.**

**C7.6.4.1. Preparing for Purchaser Receipt.** SCOs ensure successful transfer of DTS-routed shipments to the purchaser's Designated Government Representative. Receiving procedures are the responsibility of the purchaser and SCOs should ensure that the purchaser is prepared to receive its materiel. Receiving procedures include: checking the materiel against manifests and shipping documents; signing receipts for ocean or air carriers; clearing the shipments through the purchaser's Customs (and if necessary clearing a third country's Customs); reporting discrepancies as appropriate; and having the proper equipment in-place/on-contract to handle the cargo as may be required. Any delays in moving the materiel from the POD to the purchaser's storage facility could result in storage fees and/or unsecure cargo. The purchaser pays all Customs charges. SCOs should not be involved in overseas Customs matters for FMS shipments, to include payment for release of cargo.

**C7.6.4.2. U.S. Military Terminal Units or Support Activities.** If U.S. Military Forces are positioned or deployed in the area receiving the FMS materiel, these forces may be supported by U.S. Military Terminal Units or Support Activities. SCOs may request to ARTRANS that these units perform all or some of the transportation functions on a not-to-interfere basis normally performed by the SCO.

### **C7.7. - Military Assistance Programs Address Directory**

**C7.7.1. Definition.** The Military Assistance Program Address Directory (MAPAD) contains information and addresses required for shipment of materiel and distribution of related documentation under Foreign Military Sales (FMS) or grant aid programs. It includes addresses of FMS freight forwarders, country representatives, and purchasers. The MAPAD is available for use by DoD activities, the General Services Administration (GSA), commercial firms, foreign governments, and international organizations participating in FMS or grant aid programs. The MAPAD can also include Continental United States (CONUS) locations.

**C7.7.2. Military Assistance Program Address Directory Contents.** The MAPAD includes:

- ship-to addresses for materiel;
- addresses for receipt of Notices of Availability (NOA);
- addresses for forwarding shipping documentation;
- addresses for supply and shipment status;
- and mark-for addresses for in-country destinations or ultimate consignees.

**C7.7.2.1. Type Address Code.** The Type Address Code (TAC) is a one-position alpha or numeric code designating the use of the address; See Table C7.T2. for explanation of the TAC in the MAPAD.

**C7.7.2.2. Special Instructions.** Each purchaser has Special Instructions in the MAPAD that identify customer preferences such as clear-text addresses and shipping instructions. Special instructions may identify the name and location of commercial airports to be used for commercial Defense Transportation System air freight, a preference for specific surface carriers, or restrictions for certain types of freight. TAC M addresses must be used as the shipping address on all documentation. Organizational emails and Point of Contact information should be included for the addresses.

**C7.7.3. Military Assistance Program Address Directory Address Changes.** Correct MAPAD addresses are essential for accurate routing of cargo and documentation and will also ensure the FMS purchasers are charged the correct transportation rate. Purchasers are responsible for ensuring MAPAD addresses are current and maintaining accurate contact information. It is strongly recommended each Combatant Command (CCMD) ensure that assigned Security Cooperation Organizations (SCOs) meet on an established basis, not less than annually, with the respective FMS purchaser country MAPAD POC to conduct a review of all MAPAD addresses. The MAPAD review should validate each existing MAPAD address and content, and determine which MAPAD addresses are no longer valid. The MAPAD review findings need to be passed to each Implementing Agency (IA) to delete MAPAD addresses that are no longer required and to update existing MAPAD addresses as required. If there is a change in FMS freight forwarder, the purchaser is responsible for adjusting its MAPAD listing through the IA focal point and reconciling shipments received by its former FMS freight forwarder. A failure to update the MAPAD may result in storage charges for the purchaser at the former FMS freight forwarder's facility or at a DoD vendor's facility.

**C7.7.4. Electronic Distribution.** A Communication Routing Identifier Code (CRIC) can be used for electronic transmission of supply and shipping status to the TAC 4 MAPAD address. A CRIC is a seven-character code that uniquely identifies an International Logistics Communication System (ILCS) account, established with the DLA Transaction Services, to electronically transmit and receive supply and shipment status (TAC 4) data between the FMS purchaser and DoD supply systems. There is a subscription fee for an ILCS account. There may be other hardware, software, training, and installation costs associated with initial establishment of ILCS connectivity. These costs can be paid through a FMS case. For more information, contact the Defense Logistics Agency (DLA) Transaction Services helpdesk at [itoc@dla.mil](mailto:itoc@dla.mil).

Table C7.T2. Type of Address Codes

	Purpose	Explanation
1	Materiel	UNCLASSIFIED materiel moving by small parcel carrier.
A	Materiel	Materiel classified SECRET or CONFIDENTIAL moving by small parcel carrier.
C	Materiel	Materiel classified CONFIDENTIAL moving by small parcel.
2	Materiel	UNCLASSIFIED materiel moving by surface or air freight.
B	Materiel	Materiel classified SECRET or CONFIDENTIAL moving by surface or air freight.
D	Materiel	Materiel classified CONFIDENTIAL moving by surface or air freight.
3	Materiel	Sending a NOA for UNCLASSIFIED shipments only.
4	Status	For sending supply and shipment status.
5	Materiel	For sending copies of the FMS release documents on TAC 1 shipments. No entry in the MAPAD if identical to the TAC 1 address.
6	Materiel	For sending copies of the FMS release documents on TAC 2 shipments. No entry in the MAPAD if identical to the TAC 2 address.

7	Other	Identifies address to receive billing from carrier if other than from ship-to addressee upon delivery of materiel. Used only for shipments that qualify for collect delivery.
9	Other	Identifies deleted MAPAD and cross-references to the MAPAD to be used in its place.
M	Mark-for	Used to identify a clear text mark-for address for freight shipments. Identifies ultimate consignee on shipping papers and bills of lading. This is also the default ship-to address for DTC 7 shipments.

## C7.8. - Packaging And Marking

**C7.8.1. Packaging.** Packaging includes packing, preservation, and other procedures designed to protect materiel from damage or deterioration while in transit or in storage. Foreign Military Sales (FMS) shipments are packed to not less than Military Level A/B as defined in [Military Standard \(MILSTD\)-129](#) or in accordance with best commercial practices based on the mode of shipment selected for the purchased items (i.e. water, air, motor, rail). The DoD contractor is responsible to package the freight in accordance with the mode of shipment selected to its ultimate destination.

**C7.8.1.1. Wood Packaging Materiel.** [DoD Manual 4140.65-M, "Compliance for Defense Packaging: Phytosanitary Requirements for Wood Packaging Materiel \(WPM\)"](#) describes DoD's procedures and standards for compliance with [International Standards for Phytosanitary Measures \(IPSM\): Guidelines for Regulating Wood Packaging Materiel in International Trade number 15](#).

**C7.8.1.1.1. Exports.** International requirements are enforced by individual ISPM 15 member countries. If the member nation inspection procedures are published or documented, these should be included in the appropriate section (by theater or individual country) of the [Defense Transportation Regulations \(DTR\)](#). In exceptional circumstances when old, noncompliant wood was used to pack an item being shipped under a FMS case to an ISPM 15 participating country and it cannot be remediated or repacked without additional cost (e.g. ammunition containers), the purchaser should be given the option to wait for a new procurement packed in ISPM 15 compliant WPM, to waive the ISPM 15 requirement for that case only, or to pay for remediation or repacking costs. Shipments to non-ISPM 15 participating countries will be certified using the "DoD Pest Free" certification as directed in [Enclosure 3 in DoDM 4140.65-M](#).

**C7.8.2. Marking.** Marking identifies the contents along with the shipper and consignee. FMS shipments are marked and labeled with a military shipping label in accordance with [MIL-STD-129](#). As a minimum, these publications require the data shown in [Table C7.T3.](#) on a FMS shipment.

**Table C7.T3. FMS Shipment Marking**

#	FMS Shipment Marking Requirements
1	FMS case identifier
2	Transportation Control Number (TCN)
3	Transportation Priority
4	Project Code, if applicable
5	Consignor's Name and Ship From Address, Phone Number
6	Consignee's Ship To Address, Phone Number
7	Ultimate consignee/Mark For Address (MAPAD address code and clear text address, if applicable)
8	Military Shipping Labels for each piece of equipment. All boxes containing multiple items (whether related or unrelated) will be marked as "multipacks."

## C7.9. - Cargo Preference

### C7.9.1. Cargo Preference (Ocean).

**C7.9.1.1. Legal Requirements.** Section 901(a) of the Merchant Marine Act of 1936, as amended by the Cargo Preference Act of 1954 (as codified under [46 U.S.C. 55305](#) and further amended by Section 3511 National Defense Appropriations Act (NDAA) for Fiscal Year 2009 (Public Law 110-417)), requires at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) of grant, credit, or guarantee-funded cargo, that is transported in ocean vessels, be transported in privately-owned U.S. Flag commercial vessels to the extent such vessels are available at fair and reasonable rates for privately owned U.S. Flag vessels, as determined by the [U.S. Department of Transportation \(DOT\), Maritime Administration \(MARAD\)](#).

**C7.9.1.2. Policy Requirements.** DSCA, in support of the U.S. maritime industry, requires 100 percent of applicable cargo to be carried by U.S. Flag vessels unless a Determination of Non-Availability (DNA) is granted by DSCA, in coordination with MARAD. These rules apply to materiel procured with grant funding provided under the Arms Export Control Act (AECA) and the Foreign Assistance Act (FAA) of 1961, as amended, including shipments of Excess Defense Articles (EDA) and defense articles provided by loan or [Lease](#). Shipments of defense articles under specific Title 10 and Title 22 Building Partner Capacity

(BPC) authorities listed in [Appendix 8](#), that utilize the BPC Letter of Offer and Acceptance (LOA) process must be shipped through the Defense Transportation System (DTS) and comply with DoD policies. See [Department of Defense Directive \(DoDD\) 4500.09, "Transportation and Traffic Management"](#) for further detail regarding the use of foreign-flag shipping and DoD policy.

**C7.9.1.3. Types of Service.** Service on U.S.-Flag vessels from the origin port to the destination port, known as P1, is the default mechanism for meeting the requirements of [Section C7.9.1.2](#). Other types of service are P2 (combination of U.S.-Flag and non-U.S. Flag vessels) and P3 (entirely foreign-flag service). P2 and P3 services shall only be used when P1 is not available and a DNA has been granted from DSCA and MARAD - see [Section C7.9.1.4](#) below. U.S.-Flag vessels likely can accommodate a cargo parcel upon identifying the cargo availability dates, pick up and drop off ports, etc. For a list of current U.S.-Flag carriers and Point of Contact (POCs), please see [MARAD](#).

**C7.9.1.4. Determinations of Non-Availability.** In general, USG-appropriated funds cannot be used to pay for any portion of the shipment that is not occurring on a U.S. Flagged-vessel, unless a DNA is granted or some other provision of U.S. law applies. DNAs for utilizing services other than P1 transportation fall into two categories: non-availability and security (this does not include those statutory waivers authorized under [46 U.S.C. 55305](#) in the case of national emergencies). Partner countries must request DNAs on a case-by-case basis. DSCA will coordinate with MARAD prior to issuance of a DNA. DNA requests should be submitted to DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) with a copy to MARAD at least 21 days before the shipping date.

**C7.9.1.4.1. Determination of Non-Availability Applications.** DNA applications must demonstrate that a reasonable, timely, and bona fide effort to arrange P1 service has been made and such vessels are not available. Applications must also show all comparative rates. Partner countries should submit DNA requests to DSCA with a copy to MARAD. DNA applications, submitted on a shipment-by-shipment basis, should include the information shown in [Table C7.T4](#).

**Table C7.T4. Required DNA Application Information**

<b>MARAD Control #:</b>	To be obtained from MARAD
<b>Shipper:</b>	
<b>USG agency:</b>	
<b>FMS Case Identifier:</b>	
<b>Freight forwarder:</b>	
<b>Shipping Line Booking #:</b>	
<b>Vessel Name:</b>	
<b>IMO#:</b>	
<b>Country of Registry:</b>	
<b>Carrier:</b>	
<b>Load Port:</b>	
<b>Load Date:</b>	
<b>Transship port #1:</b>	
<b>Vessel:</b>	
<b>IMO#:</b>	
<b>Country of Registry:</b>	
<b>Carrier:</b>	
<b>Arrival date:</b>	

<b>Departure date:</b>	
<b>Discharge Port:</b>	
<b>Discharge Date:</b>	
<b>Ultimate Consignee:</b>	
<b>Commodity:</b>	
<b>Equipment:</b>	
<b>Cargo Value:</b>	
<b>Weight: in Kgs.</b>	
<b>Revenue Tons:</b>	
<b>Ocean Freight for the U.S. - Flag portion: (in USD) (approx.)</b>	
<b>Ocean Freight for the non-U.S. - Flag portion: (in USD) (approx.)</b>	

**C7.9.1.4.2. Security Waivers.** Security waivers may be requested to avoid unsafe or unsecure transportation conditions, such as the transshipment of classified and/or sensitive materiel, or Arms, Ammunition, and Explosives (AA&E). Partner countries must provide a justification to demonstrate the necessity of the waiver. The waiver request should be submitted by partner countries to DSCA (SPP/EPA) with a copy provided to MARAD and should include the information shown in [Table C7.T4](#).

**C7.9.1.5. Defense Transportation System.** Impelled cargo offered and moved within the DTS or cargo that is moving as a direct result of Federal Government involvement, indirectly through financial sponsorship of a Federal Program, or in connection with a guarantee provided by the Federal Government, will follow USTRANSCOM's procedures and the Defense Transportation Regulation (DTR) to comply with Cargo Preference requirements. Movement within the DTS may be supported using pure U.S. Flag (P1 service), combination of U.S. & and non-U.S. Flag vessel (P2 service) or non-U.S. Flag vessels (P3 service). Cargo moving within the DTS system that is utilizing a P2 or P3 service will follow the procedures per [Section C7.9.1.4](#).

**C7.9.1.6. Compliance Report.** After delivery of any applicable cargoes, the recipient country is responsible for providing a report to DSCA (SPP/EPA) and MARAD to ensure compliance with Cargo Preference requirements. The information should be provided to DSCA (SPP/EPA) and MARAD within 20 working days following the date of loading in Continental United States (CONUS) or within 30 working days following the date of loading for shipments originating Outside the Contiguous United States (OCONUS). The exporting activity (the Implementing Agency (IA) for DTS shipments, Foreign Military Sales (FMS) freight forwarder or recipient country for non-DTS shipments) must report the information described in [Table C7.T5](#).

**Table C7.T5. Transportation Report Information**

#	Transportation Report Information
1	FMS LOA identifier if FMF (including lease), FAA program name, or Building Partner Capacity-case LOA
2	Commodity description
3	Port of loading and port of unloading
4	Recipient country
5	Date of loading
6	Type of vessel (dry cargo, dry bulk, or tanker)
7	Name of vessel and flag of registry
8	Reference to any document granting a non-U.S. Flag vessel waiver for the shipment

9	FMS freight forwarder (not required for DTS)
10	Weight of shipment in pounds
11	Ocean freight cost

Notes:

1. Reporting requirement applies whether cargo moves on a non-U.S. Flag or U.S. Flag vessel and is irrespective of origin or destination of cargo (including cargo moving from foreign to foreign).

- a. The Prime Contractor shall submit one legible copy of a rated on-board ocean bill of lading (master) for each shipment to:

The Office of Cargo and Commercial Sealift  
Maritime Administration (MAR-620)  
1200 New Jersey Avenue, SE  
Washington DC 20590.

- a. Documents can also be submitted to our office electronically to [Cargo.MARAD@dot.gov](mailto:Cargo.MARAD@dot.gov). This is a preferred method of submittals.  
b. Tiered subcontractors rated master bills of lading (BL) shall be submitted through the Prime Contractor.  
c. The Prime Contractor shall furnish BL copies (i) within 20 working days of the date of loading for shipments originating in the United States, or (ii) within 30 working days for shipments originating outside the United States. Each bill of lading copy shall contain the following information:  
a. Sponsoring U.S. Government agency.  
b. Name of vessel.  
c. Vessel flag of registry.  
d. Date of loading.  
e. Port of loading.  
f. Port of final discharge.  
g. Description of commodity.  
h. Gross weight in pounds and cubic feet if available.  
i. Total ocean freight revenue in U.S. dollars.

**C7.9.2. Cargo Preference (Air).** The Fly America Act (49 U.S.C. 40118) requires first preference for airlift of grant, credit, or guarantee-funded cargo be given to U.S. flag air carriers. Before using a foreign-flag carrier, a shipper or exporter must provide a written explanation to the IA as to why a U.S. carrier should not be used. If a U.S. carrier codeshares with a foreign carrier to deliver a shipment to an overseas airport, it is still considered carriage by a U.S. flagged carrier. Guidance in [Section C9.7.2.7.3.](#) applies to offshore procurements.

## C7.10. - Insurance

**C7.10.1.** Title of Foreign Military Sales (FMS) shipments transfers to the purchaser at the point of origin unless otherwise specified in the Letter of Offer and Acceptance (LOA). The Department of Defense is not responsible for any loss or damage that occurs in transit or after passage of title. If a purchaser does not want to self-insure a shipment, the purchaser should obtain commercial insurance. Commercial insurance is highly encouraged for large dollar value items. The FMS freight forwarder should arrange commercial insurance as part of its contract with the FMS purchaser. In exceptional situations, an Implementing Agency (IA) may obtain insurance and the cost of the insurance will be billed as a separate line item on the LOA.

## C7.11. - Offer Release Codes and Notices of Availability

**C7.11.1. Notice of Availability.** A Notice of Availability (NOA) (Defense Department (DD) Form 1348-5) is sent by Shipping Activities to the appropriate [Military Assistance Program Address Directory \(MAPAD\)](#), DLMS 4000.25, Vol 6, Chapter 3, address to notify a purchaser or Foreign Military Sales (FMS) freight forwarder that an item is ready for shipment. The purpose of the NOA is to coordinate release of materiel requiring special receipt, export processing, or special storage procedures, to allow sufficient time to prepare for its receipt and/or processing. Storage or staging charges may accrue when an NOA response (or failure to respond) requires the items to be held for more than 30 calendar days. Any storage costs are charged to the FMS case.

**C7.11.1.1. Unclassified Materiel.** Purchasers can request NOAs only when special materiel is involved. Shipping activities send NOAs for unclassified shipments to the Type Address Code (TAC) 3 address found in the appropriate [MAPAD](#) address.

**C7.11.1.2. Classified Shipments.** Shipping activities send NOAs for classified shipments to the country representative listed in the Special Instructions of the appropriate [MAPAD](#) address and not to a FMS freight forwarder.

**C7.11.2. Offer Release Code.** Offer Release Code (ORCs) are included in Letters of Offer and Acceptance (LOAs) and identify how materiel should be released and whether an NOA is required. These codes are transferred from LOAs into FMS Military Standard Requisitioning and Issue Procedures (MILSTRIP) numbers and supplementary addresses for proper cargo and document release. The three ORCs and their use are shown in [Table C7.T6.](#)

**Table C7.T6. Offer Release Codes**

Code	Explanation
A	Shipments are to be released automatically by the shipping activity without advance notice. Note that this code is not to be used if the materiel is oversize, overweight, hazardous, perishable, pilferable, classified, or requires any special handling.
X	Materiel with an ORC X must have a corresponding X in MILSTRIP record position 47 to identify that the materiel will be moved via the Defense Transportation System; or there must be a W in MILSTRIP record position 47 to indicate special shipping instructions for this materiel. If special shipping instructions are indicated, the shipping office must contact the program office to

	determine the correct location to transport the materiel.
Y	Send an NOA before releasing shipment. If no response is received within 15 calendar days, release automatically. Note that this code is not to be used if the materiel is oversize, overweight, hazardous, perishable, pilferable, classified, or requires any special handling.
Z	Send an NOA before releasing shipment. Shipment cannot be released until a response is received from the NOA addressee. ORC Z procedures must be followed if materiel is oversize, overweight, hazardous, perishable, pilferable, classified, requires any special handling, or is Delivery Term Code (DTC) 8. When the shipment is unclassified and is to be accomplished by parcel post/small parcel delivery service, the shipment will be released automatically without an NOA and should be either insured, certified, or registered.

**C7.11.2.1. Offer Release Codes for the Government of Canada.** Because transportation can be arranged directly from a depot or vendor without the use of a FMS freight forwarder for Canada, ORCs are not used to identify how materiel should be released and whether an NOA is required. The requirement of an NOA is based on the materiel classification (Classified, Hazardous, Sensitive, Pilferable, Overweight or Oversized).

## C7.12. - Transportation Costs

**C7.12.1. Defense Transportation System Costs.** When preparing a Letter of Offer and Acceptance (LOA), standard transportation percentages are normally applied based on the Delivery Term Code (DTC). The Transportation Cost Look-up Table (See Appendix 2) is used to compute estimated actual transportation costs for the items listed. When estimated actual costs are used, a note is included in the LOA that identifies the amount, by line item, for each Defense Transportation System (DTS) transportation element (e.g., Continental United States (CONUS) inland, port loading, and ocean transportation). Estimated actual costs are, similar to standard percentages, placed below-the-line (vice as a separate line item) in an LOA, and the funds are placed in the Foreign Military Sales (FMS) Trust Fund Transportation Cost Clearing Account. When a Special Assignment Airlift Mission (SAAM) or some other form of dedicated premium transportation (e.g., One Time Only vessel charter) must be used to move materiel purchased under an LOA, a separate transportation service line is included in the LOA. If it is One Time Only premium transportation (i.e. booking a One Time Only vessel or SAAM), transportation costs must be above the line. If it is One Time Only non-premium transportation, where the transportation is shared with other shipments, the transportation costs may be above or below the line. When expenditures are made for actual transportation, this line is adjusted to meet the full cost of the special transportation and a Transportation Account Code (TAC) needs to be supplied to be transferred to the DoD service contract for movement of the freight. When shipments require containerization, storage in-transit, escorts, or has any other special transportation accessorial requirements; these special transportation accessoriels are not included in the standard transportation percentages nor in the cost provided in the transportation cost look-up table. These charges are to be placed above-the-line and adjusted as needed to capture actual cost.

### C7.12.2. Non-Defense Transportation System Transportation Costs.

**C7.12.2.1. Commercial Bill of Lading (CBL).** The Commercial Bill of Lading (CBL) is an industry-wide form used by transportation carriers. This document will be used for the receipt of goods, as proof of title and delivery. The use of the CBL is the initial step in satisfying General Services Administration's (GSA) initiative regarding electronic processing of transportation documents. In lieu of Collect movement, DTC 4 and E shipments of non-Working Capital Fund materiel require account numbers to bypass the "pre-paid" process. Air Waybills or Bills of Lading are used to convey carriage within CONUS. A purchaser or its Freight Forwarder may be involved in the carrier selection process only if a collect shipment requires a Notice of Availability (NOA) or if special instructions in the Military Assistance Program Address Directory (MAPAD) apply. Since most FMS shipments to Freight Forwarders are Working Capital Fund pre-paid shipments, Special Instructions in the MAPAD are inadvisable since they do not apply to pre-paid shipments and would delay their release.

**C7.12.2.2. Pre-Paid Arrangements.** Small parcel shipments are shipped prepaid via a small parcel carrier to reduce costs. The shipping activity follows pre-pay and add procedures so that the materiel manager recovers transportation charges from a purchaser's account. Pre-pay and add procedures are not recommended for FMS due to a lack of in-transit visibility.

## C7.13. - Transportation Plan

**C7.13.1. General.** A Transportation Plan is required for each Letter of Offer and Acceptance (LOA) containing defense articles that are Classified (CONFIDENTIAL and SECRET), Sensitive (including Controlled Cryptographic Items (CCI), or Arms, Ammunition, & Explosives (AA&E) (Security Risk Categories (SRC) I - IV) and in which an international transfer occurs. The plan covers all movement including receipt at final destination by the Designated Government Representative (DGR) or other designated representative acting for the DGR. The Transportation Plan format for classified materiel and AA&E, Figure C7.F2., is based on standards agreed to by the Multinational Industrial Security Working Group (MISWG) and North Atlantic Treaty Organization (NATO). TOP SECRET materiel must always be transferred via government courier. The Transportation Plan format for CCI is based on Committee on National Security Systems Instruction (CNSSI) 4001 (not publicly available).

**C7.13.2. Transportation Plan Preparation.** The Transportation Plan is developed by the Implementing Agency (IA) that prepares the LOA in coordination with the Foreign Military Sales (FMS) purchaser. It is to be submitted to, and approved by, the applicable security authority and accepted by the FMS purchaser, in writing, prior to the movement of the materiel. If Repair and Return (R&R) items are involved, the Transportation Plan must address all aspects concerning the return of items, including functions to be performed by the sending and receiving entities and notification requirements. Transportation Plans are living documents that must be continually updated.

**C7.13.3. Transportation Plan Review.** Regardless of custody transfers location, the IA ensures its component Designated Disclosure Authority (DDA) reviews and approves/disapproves the Transportation Plan if it includes classified materiel. An information copy of the Transportation Plan should be provided to DSCA (Office of International Operations (IOPS)).

**C7.13.3.1. Classified Requirements.** If an FMS freight forwarder or commercial carrier is involved in the transfer of classified materiel, or if classified consignments emanate from a cleared contractor facility, the Transportation Plan must be provided to the appropriate DCSA Field Activity. The Defense Counterintelligence and Security Agency (DCSA) verifies the security clearance of FMS freight forwarders, as well as any industry appointed courier or escort. DCSA oversees and enforces all security measures implemented by cleared contractors in safeguarding classified information pursuant to the National Industrial Security Program Operating Manual (NISPOM), regardless of the manner through which contractors have taken possession of the classified material. If the Transportation Plan results in inconsistencies with the requirements of the NISPOM or with previous agreements between the implementing governments concerning security procedures, the IA, with assistance and guidance from DCSA, will make necessary changes and resolve the inconsistencies with the Designated Security Authorities of the implementing governments. DCSA (Office of Strategy, Plans, and Policy, Execution Policy and

Analysis Directorate (SPP/EPA)), and Director Defense Technology Security Administration, International Engagement Directorate (DTSA (IED)) will be notified by DCSA if the IA and DCSA are not able to resolve matters satisfactorily. Only cleared carriers qualified by United States Army Transportation Command (ARTRANS) or Protective Security Service will be used for shipments internationally. International transfer of classified material should only be made using ships, aircraft or other carriers that are:

- Wholly owned or chartered by the USG, or under U.S. Registry;
- Owned or chartered by, or under the registry of the recipient government; or
- Carriers other than those described that are expressly authorized to perform this function in writing by Director DTSA (IED), and the security authorities of the foreign government involved.

**C7.13.3.1.1.** For classified materiel the FMS Case Manager and supporting security office should coordinate with DCSA and other government security and Customs authorities to ensure that the proper security arrangements are made to facilitate transfers through port and carrier security.

**C7.13.3.2. Arms, Ammunition, & Explosives Requirements.** Reviews of Transportation Plans for unclassified shipments that are Sensitive or AA&E are conducted by the IA. DCSA does not require copies.

**C7.13.3.3. Controlled Cryptographic Item Requirements.** Controlled Cryptographic Item (CCI) are unclassified but controlled secure telecommunications equipment and associated cryptographic assemblies, components or other hardware or firmware products that perform a critical Communications Security (COMSEC) function. Un-keyed CCI is unclassified and shipment requires a Transportation Plan as specified in Figure C7.F4. DCSA must approve an exemption to policy to ship keyed CCI - utilize the Transportation Plan requirements in Figure C7.F3. and Figure C7.F4. for these approved exemptions.

**C7.13.3.3.1.** Transportation Plans for CCI must include required information for the initial delivery, returns for repair, and are updated when demilitarization functions are confirmed, all which requires the transfer of the item from the authorized shipping COMSEC Custodian/Manager to the recipient's COMSEC Custodian/Manager. The SF-153 COMSEC Material Report is used by the shipping COMSEC Custodian/Manager to document the transfer of COMSEC products. The receiving COMSEC Custodian/Manager notifies the shipping COMSEC Custodian/Manager upon receipt of the item(s) by signing and returning the Standard Form (SF)-153 to the shipping COMSEC Custodian/Manager. Transportation Plan approval will be dependent on an implemented Communications Interoperability and Security Memorandum of Agreement (CISMOA) or other agreement; See Section C7.3.5.1.3.

**C7.13.4. Transportation Plan Usage.** Once approved, a Transportation Plan becomes an integral part of the LOA and is available for review by U.S. Customs and security officials when exported. A Transportation Plan must be updated regularly. FMS purchasers are responsible for ensuring that their FMS freight forwarders have copies when involved with exports. When possible, the details of the Transportation Plan should be included in the DoD Service Contract for appropriate movement of the cargo to its destination. Contracts should also include the SRC and National Stock Number (NSN), as appropriate, so shipments are properly marked and utilize the necessary protective services.

**Figure C7.F1. Transportation Plan Requirements**

The screenshot shows the SF-153 Transportation Plan Requirements document. The title is "Figure C7.F1. Transportation Plan Requirements". Below the title is a section titled "Transportation Plan Requirements". The document contains several paragraphs of text detailing the requirements for shipping controlled cryptographic items. At the bottom of the page, there are three links: "PDF Version of Figure", "Web Version of Figure", and "Open PDF Form".

**Figure C7.F2. Sample Transportation Plan**

The screenshot shows a sample Transportation Plan document. The document is mostly blank, with only a few lines of text visible at the top. The title "Figure C7.F2. Sample Transportation Plan" is visible at the top left of the document area.

<p><b>AUTHENTICATION:</b> Insert FMS Case Designator, Export License Number, Authorization Letter, or FMS Exception</p> <p><b>A. PURPOSE:</b> The Transportation Plan describes procedures for the transfer by commercial carrier of the Event to the name and military coordinates of applicable if the defense article or technical information is to be transferred under the Defense Article Transfer Agreement, or the FMS Case Designator, License Number, Authorization Letter, or FMS Exception. If a FMS Exception is cited, identify the underlying FMS Case License, if any.</p> <p><b>B. IDENTIFICATION OF THE EQUIPMENT:</b> To be a single shipment, or to be split into multiple shipments, this format should be used as a generic plan to describe the requirements in terms of reference that are necessary to identify the equipment. The identification of each piece of equipment will be made by part number and Country of Origin. The details for each shipment will appear as an attachment to the home plan, using the format of a Schedule of Components of the plan. This plan is to be a general description of the equipment to be transported, including the type of equipment being shipped, with the individual configurations described as detailed as practicable, that fact should be noted in the description of the equipment. The description of the equipment should include what is to be used for the shipment of that individual component. A Transportation Plan will be used for configurations using up to SECRET classification level TOP SECRET material must document separately.</p> <p><b>C. IDENTIFICATION OF RESPONSIBLE GOVERNMENT AND COMMERCIAL REPRESENTATIVES:</b> The writer will identify the name and title where a specific named person is not appropriate and/or appropriate, the responsible government agency official who will participate in the discussions, and the responsible commercial entity or individual who will be the point of contact for the writer. The writer will also identify the name and title of the responsible government official whom they will be delegating the transfer, verify security arrangements, coordinate the export security arrangements, and provide the necessary documentation to the responsible government official and the DDCI of the requesting country who will verify the adequacy of the arrangements for the transfer of the requested components. The responsible government official will sign notes for and forward the necessary documentation to the requesting country who will sign notes for and forward the necessary documentation to the writer. The writer will provide full addresses, telephone, telex, and cell phone numbers. Both the business and non-business (non-government) commercial agents will be identified as such. Commercial agents, contractors, subcontractors, and other commercial agents will be designated to act as a permanent representative, they are transfer agents. This information also may be included as an attachment to the "Notes of Discussion", when they are not deemed appropriate the information will be different for each request.</p> <p><b>D. IDENTIFICATION OF COMMERCIAL ENTITIES TO BE INVOLVED IN EACH SHIPMENT:</b> Identify fully all commercial entities, such as freight forwarders, customs brokers, and commercial carriers</p>	<ul style="list-style-type: none"> <li>• <a href="#">PDF Version of Figure</a></li> <li>• <a href="#">Web Version of Figure</a></li> </ul>
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### Figure C7.F3. Sample Transportation Plan for the Transfer of Classified Materiel – Annex

<p>Figure C-1. Sample Transportation Plan for the Transfer of Classified Materiel - Annex</p> <p><b>Annex</b></p> <p><b>NOTICE OF CLASSIFIED CONNODIMENT TO TRANSPORTATION PLANS</b></p> <p>[Source name and military communication of the defense article or technical data]</p> <p><b>AUTHORIZATION:</b> Insert the PMS Class Designator, License Number, Authorization Letter, or TAB Exemption.</p> <p><b>A. PURPOSE:</b> This annex describes procedures to be used by the commandant of the class, base, base commander, or other authority to issue a PMS Class Designator, Export Control Authorization Letter, or Exemption. If an FMS Exemption is used, identify the underlying authorization, e.g., FMS Class, Commandant's Authorization Letter, or other authority. Identify the primary authority (base, base commander, or other authority) that issued the exemption, the date it was issued, and the name and address of the source and address of the exemption if originating from another country. Identify any International organizations involved in the identification of the source.</p> <p><b>B. DESCRIPTION OF CONSIGNMENT:</b> Insert a specific, detailed description of the items to be packed, secured, transported, offloaded, and delivered, including technical documents, as to be transferred under the annex, including the military communication letter, applicable, and send instructions to the source and address of the exemption if originating from another country, the method of which they are collected and the day and year of collection, and the reference of each item to be transferred in such package or container.</p> <p><b>C. IDENTIFICATION OF RESPONSIBLE GOVERNMENT AGENT:</b> If the information specified in this annex is to be used by another government agency, do not change the applicable section of this Transportation Plan. If the identity or other information related to the responsible government agent is to be included in the basic Transportation Plan, include it in the basic Transportation Plan, include it in the paragraph of the information specified for section C of the Transportation Plan.</p> <p><b>D. EXEMPTION INFORMATION, BRIEFED AND AGREED TO IN THIS TRANSPORT:</b> If no information was contained in the basic Transportation Plan and/or changed after the basic Transportation Plan, if the identity of other information related to any of the parts, facilities or persons in the transportation plan is to be included in the basic Transportation Plan, include it in the basic Transportation Plan include it in the paragraph of the information specified for section D of the Transportation Plan.</p> <p><b>E. INFORMATION FOR SOURCE:</b> Enter the information as specifically required for the approved Transportation Plan. The following information may be provided and/or stipulated: If the information is contained in the basic Transportation Plan, reference the applicable section of the Transportation Plan.</p> <p><b>L. Identity of Mode of Transport:</b> For each segment of the route from the point of origin to ultimate destination, identify the carrier to be used and include the name and address and the identity of a point of contact, either alternate or primary telephone, call-back number, mobile telephone number, fax number, email address, and the name and address of the arrival point, include the flight, set, or ship number, or other means of identifying the specific aircraft, vessel, or</p>	<ul style="list-style-type: none"> <li>• <a href="#">PDF Version of Figure</a></li> <li>• <a href="#">Web Version of Figure</a></li> </ul>
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#### **Figure C7.F4. Controlled Cryptographic Item Transportation Plan Requirements**

## **Controlled Cryptographic Item Transportation Plan Requirements**

CNSSI No. 4001 (not for public release) requires the Transportation Plan for CCI shipments and it becomes an integral part of the delivery and custody of CCI. Shipment of keyed CCI is typically not authorized. See Section C7.13.3.3. If CCI must be ship keyed, then the standard Transportation Plan must be utilized. See Figure C7.F3, and in addition include the following CCI Transportation Plan requirements.

The CCI shipping activity must provide the intended recipient with advance notification via a Notice of Availability (NOA) for the impending shipment. Report of Shipment (REPSHIP) procedures will be followed; see the Defense Transportation Regulation (DTR) Part II Chapter 205-Transportation Protective Service (TPS) Shipments. This advance notification will help to readily identify any shipment that may be unduly delayed or lost enroute. The Recipient COMSEC Manager must sign and return the SF-153 to the shipper within 48 hours of receipt of material. At a minimum, the Transportation Plan for CCI will include the following information prior to shipment:

- a. All transportation of CCI must provide In-Transit Visibility (ITV) and reasonable protection against theft or loss of the materiel while it is in transit. ITV is the ability to track the status and location of shipments from origin to consignee or destination. Include website and/or phone number for shipment ITV queries.
  - b. A description of the materiel together with a brief narrative as to where and under what circumstances transfer of custody occurs;
  - c. Transportation method utilized or overview;
  - d. Transportation Control Number, Shipper Reference Number, and/or Bill of Lading
  - e. Shipment origin information (COMSEC Account Number and location)
  - f. Trans-shipment information (location, city, country, etc.)
  - g. Destination information (COMSEC Account Number and location)
  - h. Contact information for individuals aware of shipment.

**C7.14.1. Transfer of Classified Information or Materiel.** Classified information or materiel approved for release to a foreign government or international organization will be executed as a government-to-government transfer.

**C7.14.1.1.** At the outset of negotiations or during the pre-Letter of Request (LOR) phase, the Implementing Agency (IA) will consult with DoD Transportation authorities to determine whether secure shipment from the Continental United States (CONUS) point of origin to the ultimate foreign destination is feasible. The IA security staff also will be consulted to assist in assuring that the security aspects of the transportation meet prescribed standards. Since DoD security regulations require a Transportation Plan covering the movement of classified material from point-of-origin to final destination, the IA that prepares the Letter of Offer and Acceptance (LOA) for this materiel will ensure it addresses all Defense Transportation System (DTS) security procedures that are to be followed while the materiel is within the DTS.

**C7.14.1.2.** The transfer of classified materiel occurs through official government channels between authorized representatives of each government or pursuant to other methods agreed to in writing by the Designated Security Authorities of the sending and receiving government (Director, Defense Technology Security Administration, International Engagement Directorate (DTSA (IED)). Classified consignments shipped as freight must be accompanied by a DoD or purchasing government escort possessing a personnel security clearance at the level of the materiel to be shipped internationally. Exceptions to this policy are shipments by DTS, shipments by military transportation of the purchasing government after acceptance by the purchaser government's Designated Government Representative (DGR), shipments by cleared freight forwarders which provide an escort possessing the requisite clearance approved by the Defense Counterintelligence and Security Agency (DCSA), and as approved by Director, DTSA (IED), on a case-by-case basis.

## C7.15. - Transportation of Arms, Ammunition and Explosives and Sensitive Materiel

Arms, Ammunition, & Explosives (AA&E) and Sensitive materiel include items such as small arms, various types of ammunition, explosives, and special items, such as night vision devices and Controlled Cryptographic Items (CCI), that pose special concern if they fall into the wrong hands. AA&E materiel is broken down into four Security Risk Categories (SRC). Sensitive materiel, to include CCI, may not have a SRC, but still require special handling. The different categories are outlined below along with the transportation procedures that apply to them. AA&E and Sensitive items may not be shipped to a purchaser's Foreign Military Sales (FMS) freight forwarder or to a purchaser's facility in the United States (e.g., Embassy, buying agency, etc.) and require Transportation Plans. Any exceptions to this policy are noted below. Case Managers are required to note in the Letter of Offer and Acceptance (LOA) if any items contain hazardous materials (HAZMAT), AA&E, and/or are classified or sensitive materiel. These items must also be identified in the DoD contract along with specific shipping requirements. AA&E and sensitive materiel moving via the Defense Transportation System (DTS) must comply with the [Defense Transportation Regulation \(DTR\) 4500.9-R. - Part II - Cargo Movement - Part 2, Chapter 205 - Transportation Protective Service \(TPS\) Shipments](#).

**C7.15.1. Security Risk Category I.** This category is primarily Man Portable Air Defense Systems (MANPADS), rockets, and ammunition in a ready-to-fire configuration, including components. These items must be moved by DTS to at least the overseas Port of Debarkation (POD). If a purchaser wants to pick up the articles at DoD-controlled port for overseas movement under its own control, the purchaser must request a waiver from the Under Secretary of Defense for Intelligence & Security (USD (I&S)), through DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)). The waiver request must demonstrate that the purchaser will provide security for movement of the items that is at least equal to DoD standards. A sample is provided in [DoD Manual 5100.76](#). DSCA coordinates the review of the waiver request with USD (I&S), and returns the final determination to the purchaser when the review is complete. Purchasers should forward waiver requests to DSCA (SPP/EPA) through the Implementing Agency (IA). If the waiver is granted, the waiver information must be included as a note on the applicable LOA.

**C7.15.2. Security Risk Category II through IV.** Collectively, these categories include everything from light automatic weapons and ammunition to non-automatic weapons and ammunition. These items must move through a DoD-controlled Port of Embarkation (POE) and maintain security procedures consistent with Delivery Term Code (DTC) 7, 8, or 9. This requirement cannot be waived. Please consult DSCA (SPP/EPA) for clarification of any requirements.

**C7.15.3. Non-Sensitive Arms, Ammunition, & Explosives.** Not all ammunition and weapons-related items are Sensitive AA&E. Only items identified by DoD item managers as Sensitive in accordance with [DoDM 5100.76](#) require special release and movement processing.

**C7.15.4. Controlled Cryptographic Item.** CCI recipients are permitted to move CCI (to include external peripheral/support equipment) through FMS freight forwarders or the DTS, provided that in-transit visibility and reasonable protection against theft and loss is maintained at all times. See [Figure C7.F4](#). The FMS purchaser may impose more stringent controls on shipment of CCI when transporting outside the United States.

**C7.15.4.1. Packaging requirements.** Un-keyed CCI must be packaged for shipment in any manner that provides sufficient protection from damage, and provides evidence of any attempt to penetrate the package while the material is in transit.

**C7.15.4.1.1.** In order to conceal the sensitive nature of the shipment, packages containing CCI must not be externally marked as CCI or show the item description (nomenclature) of the equipment being shipped. For exterior container documentation purposes, CCI is considered controlled and sensitive items e.g., [\(Military Standard \(MIL-STD\)-129, paragraph 5.3.3.\)](#).

**C7.15.4.1.2.** CCI must only be shipped to authorized activities. Packages must be addressed in a manner that will ensure delivery of the material to an organization with an individual designated to accept custody for it at the recipient activity. An individual's name should not be used in the address; rather a functional designator should be used (e.g., an office symbol, a Military Assistance Program Address Code (MAPAC), or a Communications Security (COMSEC) Material Control System (CMCS) account number).

**C7.15.5. Arms, Ammunition, & Explosives and Sensitive to Canada.** Canada may have shipments of all categories of AA&E and Sensitive items moved directly to locations in Canada. Canada has no freight forwarders and arranges shipments directly with North American carriers.

## C7.16. - Movements Of Explosive Materiel By Commercial Conveyance

Shipments of hazardous materials (HAZMAT) must comply with the applicable provisions of [49 CFR, Subchapter C, U.S. Hazardous Materials Regulations \(HMR\)](#), and international transportation standards. The [U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration \(DOT/PHMSA\)](#) regulates commercial conveyance of HAZMAT in the U.S. DOT/PHMSA issues authorizations, known as EX-Numbers, which are required for commercial conveyance of all HAZMAT containing Hazard Class 1 (HC1) Explosives, such as rockets, missiles, torpedoes, and explosives. Any article containing HC1 materiel requires an EX-Number, regardless of overall Hazard Classification.

**C7.16.1. Use of EX-Numbers.** A unique DOT/PHMSA-issued EX-Number is associated with every HC1 article and must be assigned before the article can be moved by commercial conveyance in the United States. As required by the HMR, each EX-Number provides an article's assigned Hazard Class and Division, proper shipping name, and United Nations (UN) identification number. An EX-Number can be filed for each HC1 article, or groups of articles that have the same

UN identification number, hazard classification, and packaging instructions, rather than on a per-shipment basis. Most EX-Numbers also have the specific packaging/container requirements for the identified HC1 material. If alternative packaging arrangements are used, then a specific EX-number for packaging must be obtained from DOT/PHMSA. Small arms cartridges for rifles, pistols, and shotguns with inert projectiles or blank ammunition not exceeding .50 caliber or 8 gauges do not require EX-Numbers if the manufacturer has assigned a hazardous classification code of 1.4S. Cartridges, small arms meeting the criteria of 49 CFR 173.56(h) may be assigned a classification code of 1.4S by the manufacturer.

**C7.16.2. Use of Department of Defense EX-Numbers for export of Foreign Military Sales -origin articles from the United States.** DOT/PHMSA issues DoD-specific EX-Numbers for movement of DoD HC1 articles. The DoD EX-Number may be used for the initial export of Foreign Military Sales (FMS)-origin HC1 articles from the United States if the materiel is moving through the DTS to the destination. Otherwise, FMS purchasers are responsible for obtaining appropriate EX Numbers.

**C7.16.2.1.** FMS-origin HC1 articles being moved by the Defense Transportation System (DTS) to the purchaser's country (Delivery Term Code (DTC) 7 and 9) may use the DoD EX-Number. Once custody of the materiel is transferred to the purchaser, the DoD EX-Number is no longer valid for the movement of FMS-origin HC1 articles.

**C7.16.2.2.** The DoD EX-Number may be used for the FMS purchaser pick-up of HC1 at a DoD-controlled Port of Embarkation (POE) (DTC 8). The use of the DoD EX-Number by the purchaser is valid only while the materiel remains in U.S. territorial jurisdiction. DoD EX Numbers cannot be used for any subsequent movement outside of the United States.

**C7.16.3. EX-Numbers issued to Foreign Military Sales Purchasers.** Any commercial movement by the purchaser or its FMS freight forwarder of FMS HC1 materiel within the United States or the return of any HC1 materiel to the United States for any reason, such as repair, modification, upgrade, testing, or training exercises, requires that the purchaser first apply to DOT/PHMSA for an EX-Number following the process detailed under Section C7.16.4. DoD will provide needed documents. Any exemption to the EX-Number application process, known as a Special Permit, must be secured from DOT/PHMSA.

**C7.16.4. Securing EX-Numbers from the U.S. Department of Transportation.** Purchasers must apply for a DOT/PMHSA-issued EX-Number for each HC1 article if the materiel is expected to return to the United States for any reason. An application should be filed for each HC1 article, or groups of articles that have the same UN identification number, hazard classification, and packaging instructions, rather than on a per-shipment basis. The length of time an EX-Number is valid varies depending on the type of application filed. EX-Numbers must be obtained for FMS articles that remain in the original configurations and for FMS articles that have been modified from their originally-purchased configuration, including packaging.

**C7.16.4.1. Applications.**

**Table C7.T7. Application Delivery Addresses**

Method	Address
Application documentation for obtaining DOT/PMHSA-issued EX-Numbers must be addressed and mailed to:	U.S. Department of Transportation Pipeline Hazardous Materials Safety Administration Office of Hazardous Materials Safety Approvals and Permits Division 1200 New Jersey Avenue, SE East Building, 2nd Floor, PHH-32 Washington, DC 20590-0001
Electronic submittal of completed applications in pdf format can be emailed to:	<a href="mailto:explo@DOT.gov">explo@DOT.gov</a>
Applications may be completed and submitted online at:	<a href="https://portal.phmsa.dot.gov">https://portal.phmsa.dot.gov</a>
An application submitted through the online system should receive an email confirmation containing a tracking number within 48 hours.	

**C7.16.4.1.1. Unmodified Foreign Military Sales Articles.** A new EX-Number must be obtained by the FMS purchaser prior to any commercial transport in the United States of FMS articles containing HC1 that remain in the original configuration with no modifications. The following documentation, all in English, is required to be submitted to DOT/PMHSA by an official of the purchaser's government:

**Figure C7.F5. Hazard Class1 EX-Number Documentation**

- [PDF Version of Figure](#)
- [Web Version of Figure](#)

Figure C7.F5. EX-Number Request Letter Documentation

**A. Request Letter.** The request letter should clearly identify the article or article set EX-Number it is being sought, including manufacturer Material Stock Number (MSN), part number, UIC Number, proper shipping name, hazard classification, and other information required by the International Traffic in Arms Regulations. It should also identify the name, U.S. address, U.S. phone number, and email address of the person or organization that will be used to contact the requester. The requester must provide a detailed description of the material to be evaluated in the request application. The purchaser can contact its authority or commander located in the United States at the designated address. The purchaser's Competent Authority must be contacted to obtain a unique identifier for each explosive article, which will be used by DOT/PMHSA as the basis of the EX-Number application. The Competent Authority authentication must:

1. Verify that the article is in initial delivery and that it has not been modified since being processed by the requester.
2. Include same hazard classification/Article Description/MSN, etc., that used in the DOD Number. This confirms a consistency for the documentation to properly class U.S. Customs under the International Traffic in Arms Regulation (ITAR) and the Department of Defense (DOD).
3. Certificate. If the item and/or packaging for use has changed from initial procurement from the United States, the manufacturer of that article must be included in the Competent Authority's application. The manufacturer must provide a certificate of origin in accordance with DOD provided procedures and storage procedures must be included.

**C. Unique Identification.** DOT/PMHSA will have a unique way of identifying HAZC material in buildings for that specific country. Table C7.1 includes a four digit suffix which should be added to the article number to identify the material. If there is no four digit suffix, the article has DOD material in the Inter-Hazard Classification System (IHC). If there is no four digit suffix, the manufacturer must identify the material by country specific. The unique identifier must be marked on or packaging.

**D. Label of Hazard.** DOT/PMHSA must see proof of marking for the material. The LOA cover page, including the page containing the item description, must indicate that the article is being procured for a specific purpose and that the article is being shipped in accordance with the ITAR.

**E. Confirmation of Classification from DOD.** The letter for a designated Competent Explosive Hazard Classifier supplied by the user can be used by DOT/PMHSA to support a purchase EX-Number application for a different technical documentation. This letter must be signed by a Designated Competent Explosive Hazard Classifier and the authority's signature is required.

**F. Special Handling Instructions.** DOD Explosives 29A, 29B, 29C are to be submitted for hazard, shipping, and handling requirements. If a DOD article is part of the DOD EX-Number documentation, it will be required as part of the documentation for the purchase to obtain a new ES Number.

NOTE: \* The user is responsible for providing the information to the requester.

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**C7.16.4.1.2. Modified Foreign Military Sales Articles.** Modified articles are considered to be "new explosives" under 49 CFR 173.56(a). Prior to movement of such assets in the United States, a purchaser's Competent Authority, as the "manufacturer" of the new explosive, must apply for and obtain a new EX-Number. The following set of informational documentation, all in English, is required to be submitted to DOT/PMHSA as an EX-Number application for modified FMS articles:

**Figure C7.F6. EX-Number Request Letter Information**

Figure C7.F6. EX-Number Request Letter Information

**A. Request Letter.** The request letter:

1. Specifies the regulation under which the equipment is being sought and indicate both the user product description and the entity or organization to be named as the EX-Number.
2. Describes the article or product description in detail, including configuration, highlighting details of any changes relative to the original design or configuration purchased through DOD, particularly those potentially affecting the article's explosive energetic and storage characteristics.
3. Identifies the name, U.S. address, U.S. phone number, and email, or agency for service that permanently resides in the U.S. (per 49 CFR 173.56). The DOT/PMHSA is to contact this information to resolve the classification. The purchaser can contact its authority or commander located in the United States at the designated address.
4. Competent Authority Approval. The purchaser's Competent Authority must provide an authentication involving the product description, Part Number, NIM, if applicable, hazard classification, and other information required by the International Traffic in Arms Regulation (ITAR) and the Department of Defense (DOD) for the article. A copy of the letter must be sent to the requester. The authentication must be certified original to the user and must state that the article has not been modified since the date of the letter. A copy of the letter must be sent to the requester. The authentication must be certified original to the user and must state that the article has not been modified since the date of the letter.

**C. Provides as an enclosure a copy of engineering drawings or drawing specifically showing the physical arrangement of all explosive components including any parts that are parts of the assembly or system. The drawings must show the physical arrangement of the explosive components.**

**D. Provides as an enclosure, a copy of tables supplementing the engineering drawings by providing the technical names, location, effects, and weight of all explosive components in the modified article's subsystems and assemblies.**

**E. A statement certifying or not, that the item has been maintained and stored in accordance with DOD prescribed maintenance and storage procedures.**

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## C7.17. - Export Requirements

The export of defense articles must comply with the International Traffic in Arms Regulations (ITAR). Materiel transferred to foreign partners through Foreign Military Sales (FMS) is generally exempt from specific licensing requirements. Consistent with 15 CFR 734.3(b)(vi), items that are sold, leased, or loaned by the Department of Defense to a foreign country or international organization under FMS pursuant to a Letter of Offer and Acceptance (LOA) are not subject to the Export Administration Regulations, but rather the Arms Export Control Act (AECA) and the ITAR.

**C7.17.1. C7.17.1. International Traffic in Arms Regulations Exemptions for Foreign Military Sales.** FMS shipments do not require a license when all conditions of ITAR Section 126.6(a) or Section 126.6(c) can be met. Table C7.T8, provides individual shipment-level requirements when using the ITAR 126.6(a) and 126.6(c) exemptions.

**C7.17.1.1. ITAR Section 126.6(a)** applies to Defense Transportation System shipments using USG-owned (organic) assets, DoD-contracted commercial resources, or shipments exported on military aircraft or naval vessel of the recipient foreign government or international organization.

**C7.17.1.2. ITAR Section 126.6(c)** applies to shipments arranged by FMS freight forwarders. Any freight forwarder using the ITAR exemption in Section 126.6(c) must meet the requirements identified in Section C7.5.

**C7.17.2. Transportation Plans.** Any exports of classified hardware and/or related technical data must have a detailed Transportation Plan in accordance with Section C7.13. The exporter shall provide an electronic copy of the Transportation Plan to Customs and Border Protection (CBP), generally by email, at the port where the FMS materiel is being loaded on the conveyance. If electronic reporting of such information is unavailable, contact CBP at the port where the classified materiel will be exported for specific instructions.

**Table C7.T8. Individual Shipment-Level Requirements for Export**

#	Requirements
1	<p>Electronic Export Information (EEI) on each shipment of hardware, whether classified or unclassified, must be reported to Customs and Border Protection (CBP) using the Automated Export System (AES). Shipments of technical data or services must comply with <u>ITAR Section 123.22(b)(3)</u> and cite the FMS case identifier.</p> <ul style="list-style-type: none"> <li>a. For DTS shipments, the DoD entity that is arranging DTS transportation is the exporter and must file the EEI in AES.</li> <li>b. For freight forwarder arranged shipments, the freight forwarder is the exporter and responsible for filing the EEI in AES. Foreign purchasers acting as their own freight forwarder are responsible for filing the EEI in AES.</li> </ul>
2	If items from multiple FMS cases are included in the same shipment, the exporter must file a separate AES entry for each individual FMS case being decremented.
3	<p>Invoices and shipping documentation (see <u>Section C7.6.5</u> for examples) must be annotated to include the following:</p> <ul style="list-style-type: none"> <li>a. For DTS shipments, "This shipment is authorized for export pursuant to <u>22 CFR 126.6(a)</u>, under FMS case [insert case identifier]. The U.S. Government point of contact is _____, telephone _____."</li> <li>b. For Freight Forwarder shipments or shipments exported directly by the recipient foreign government, "This shipment is authorized for export pursuant to <u>22 CFR 126.6(c)</u>, under FMS case [insert case identifier]. The U.S. Government point of contact is _____, telephone _____."</li> </ul>
4	CBP will decrement a shipment only after export information has been filed correctly using AES. As part of the AES filing, the exporter must provide the Internal Transaction Number (ITN) to CBP. The ITN is generated by AES as the system acceptance of the data submitted. The ITN data has successfully passed a series of basic edits and must be included on shipment documentation.
5	<p>Export information for all shipments must be filed electronically in AES in accordance with the timelines established in <u>22 CFR 123.22(b)</u>.</p> <ul style="list-style-type: none"> <li>a. By air and truck, at least 8 hours prior to departure from the United States.</li> <li>b. By sea and rail, at least 24 hours prior to loading aboard ship at the port of exit.</li> </ul>
6	The exportable value is based on the net value of all hardware and software provided on specific lines in the case. The exportable value of the case does not include accessoriels or services. If there are questions about the exportable value on a case, please contact CBP officers at the port prior to shipment.
7	The EEI submission will decrement the case in CBP's systems. If the case is not decremented by the EEI, the shipment will be held until the EEI is corrected and the issue is resolved. Shipments in excess of the net case value are in violation of the export authorization and will be stopped and/or seized.

#### C7.18. - Transportation Of Controlled Substances

**C7.18.1.** Transportation of controlled substances, such as morphine and other drugs, must be handled in accordance with the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq). Prior to export, the Implementing Agency obtains import authorizations from the purchaser (21 U.S.C. 953(a)(3) and (21 U.S.C. 953(e)(1))) and submits the documentation to the Department of Justice's Drug Enforcement Administration (DoJ (DEA))and requests export permits for the controlled substance. Once approved, the export permit number, the expiration date, and the port of export should be furnished to the Defense Logistics Agency (DLA) Troop Support (formerly Defense Supply Center Philadelphia).

#### C7.19. - Transportation of Offshore Procurement Materiel

**C7.19.1.** The Procurement Agency will notify the Implementing Agency (IA) of any materiel procured offshore and the IA notifies the purchaser of articles to be supplied from offshore sources within three weeks after source identification. The purchaser may, for logistics reasons, request that the procurement be made from a Continental United States (CONUS) source. The IA will notify the Procurement Agency of the purchaser's decision. If procurement is from an offshore vendor, the DoD Contract Administrator must send a Notice of Availability (Defense Department (DD) Form 1348-5) to either the Offshore NOA address identified for the purchaser in the applicable Military Assistance Program Address Directory (MAPAD) or, if none is listed, to the appropriate NOA address listed for the applicable MAPAD. Based on the NOA, the purchaser or its Foreign Military Sales (FMS) freight forwarder may direct movement of the materiel to an offshore facility in the same region as the materiel's origin or to the FMS freight forwarder's facility in CONUS. The purchaser is responsible for the cost of movement to the CONUS FMS freight forwarder and for all export and/or import licenses and Customs clearance requirements imposed by the materiel's country of origin and the USG. Regardless of what procedure is followed, title passes to the purchaser at the shipment's point of origin, See Chapter 15 for certain exceptions, and Chapter 9 for further information on Offshore Procurement. The DoD CONUS contractor who was awarded the original FMS contract is responsible if they purchase the items offshore at an OCONUS subcontractor's facility since this will change the original plans for transportation and DoD contract that was awarded. The primary DoD contractor then becomes responsible to move the freight from the subcontractor's facility to the ultimate destination at no cost to the USG or the FMS customer.

#### C7.20. - Transportation Of Returned Items

**C7.20.1.** If possible, items returned to the United States for servicing should be moved by a purchaser or a purchaser's Foreign Military Sales (FMS) freight forwarder. The details of the transfer are included in a Transportation Plan, if applicable, in accordance with Section C7.13. Arms, Ammunition, & Explosives (AA&E) or Sensitive items are returned through a DoD-controlled ocean or aerial port as indicated by the Security Risk Category (SRC). The purchaser and FMS freight forwarder are responsible for clearance through U.S. Customs and any other necessary documentation, as well as the purchaser's Customs. Onward movement to the designated Continental United States (CONUS) repair facility depends on the Delivery Term Code (DTC) used. The purchaser and FMS freight forwarder should ensure that these shipments are accompanied by appropriate shipping documents and that import and/or export documents are done correctly when the items enter and exit CONUS. Under special circumstances, the Defense Transportation System (DTS) can be used to return items to CONUS for service and return. All Hazard Class (HC) 1 articles returning to CONUS must have a country-specific EX-Number, See Section C7.16.

## C7.21. - Transportation Discrepancies

When a discrepancy occurs in-transit, Security Cooperation Organizations (SCOs) must submit a [Defense Department \(DD\) Form 361; Transportation Discrepancy Report \(TDR\)](#) for Defense Transportation System (DTS)-routed Foreign Military Sales (FMS) and grant aid deliveries. The purchaser cannot submit a TDR. TDR procedures are found in [Defense Transportation Regulation \(DTR\) 4500.9-R. - Part 2, Chapter 210 - Transportation Discrepancy Reports \(TDR\)](#). A TDR documents lost shipments and establishes an official record for future claims against a carrier for loss or damage. Limited liability prevents the purchaser from receiving full value from a carrier, but if the purchaser obtains commercial insurance for its purchases, the official record may help the purchaser when submitting insurance claims. Whether shipments move via DTS under collect or third-party billing terms to FMS freight forwarders or are shipped prepaid to FMS freight forwarders, the most that the purchaser might collect for loss or damage is the limited liability applicable to the commercial ocean, air, or inland carrier.

**C7.21.1. Claims That Cannot be Submitted by the United States Government.** Claims against carriers or third-party billing shipments and FMS freight forwarder-contracted carriers must be filed by purchasers or their FMS freight forwarders directly with the carriers.

**C7.21.2. Claims That Can Be Submitted By the United States Government.** For DoD-furnished or contracted transportation, DoD is responsible for submitting claims against carriers. Surface Deployment and Distribution Command (ARTRANS) processes claims against ocean carriers, Air Mobility Command (AMC) processes claims against air carriers, and DoD shipping activities submit claims against inland CONUS carriers. The ARTRANS initiates its claims in response to TDR packages submitted by SCOs in the purchaser's country. CONUS shipping activities submit claims against inland CONUS carriers in response to requests from purchaser representatives or FMS freight forwarders. Any proceeds from these claims are forwarded by the Implementing Agency (IA) to purchaser accounts held by Defense Financial Accounting Services - Indianapolis (DFAS-IN).

**Table C7.T9. Transportation Discrepancy Report Contact Information**

Method	Address
Location:	Surface Deployment and Distribution Command G9 Cost and Billing Section AMSSD-SBI-CB 1 Soldier Way, Room 3034 Scott AFB, IL 92225
Phone:	618-220-6798, DSN 770-6798
Telefax:	618-220-6055, DSN 770-6055
Email:	usarmy.scott.ARTRANS.mbx.hq-loss-damage-reporting@mail.mil

**C7.21.3. Tracers.** When an IA has furnished shipment status showing item pickup by an inland carrier, but materiel has not been received, the purchaser is responsible for initiating a tracer action. Whether the materiel moved prepaid, collect, small parcel or a freight shipment, DoD shipping activities assist with the tracer action by providing constructive proof of delivery or pertinent information obtained from shipping documents or from carriers.

**C7.21.3.1.** For all shipments processed through FMS freight forwarders, purchasers should direct tracer requests to their FMS freight forwarders before addressing any inquiries to DoD.

**C7.21.3.2.** If a FMS freight forwarder claims non-receipt, it may contact the shipping activity directly for assistance, especially if the shipment is less than 30 days old. Alternately, upon request from purchaser country representatives, the IA may obtain shipping documents and data from the shipping activity. If constructive proof of delivery is provided, the purchaser must follow-up with the FMS freight forwarder to determine if the item has been received.

**C7.21.3.3.** If the FMS freight forwarder's records still show non-receipt, the purchaser directs the FMS freight forwarder to start a formal tracer action with the inland carrier if the shipment was released under a Commercial Bill of Lading (CBL) or third-party billing procedures. The carrier should provide proof of delivery, or the FMS freight forwarder must make a claim against the carrier on behalf of the purchaser. If the shipment was released to the inland carrier under some method of pre-paid transportation, the FMS freight forwarder should submit a formal request to the shipping activity so that the shipping activity can obtain proof of delivery from the carrier or submit a claim against the carrier for lost or damaged goods. If materiel has been misdirected, the IA may be contacted for assistance with redirecting materiel to its correct destination.

**C7.21.4. Claims Documentation.** To resolve claims of non-receipt, the USG provides evidence of shipment. This constitutes as "constructive proof of delivery" since title passes at the point of origin regardless of who furnishes the transportation. Any movement document, bill of lading, or receipt (signed by a carrier representative) that shows that a DoD shipping activity (including vendors filling DoD contracts for the FMS program) has released materiel to a carrier for shipment constitutes evidence of shipment. This evidence applies equally to shipments released to a purchaser's FMS freight forwarder or country representative, or for movement overseas via the DTS. Examples of these documents are Bills of Lading (BL), U.S. Postal Service (USPS) receipts (insured, certified, express or registered mail), or small parcel carrier pickup documents.

**C7.21.4.1. Key Supporting Documentation.** In order to strengthen the claim against the carrier for lost or damaged material, the SCO in representing the purchaser should provide as much supporting documentation as possible, in addition to providing all requested information on the TDR. This supporting documentation includes BLs, delivery receipt, photographs, carrier's inspection report, government inspection report, actual repair cost estimate, signed and dated statements from personnel discovering damage, etc.