

CHAPTER 207

CARRIER PERFORMANCE

A. GENERAL

The Carrier Performance Program (CPP) is designed to ensure that DOD surface shippers get the best available service from CONUS commercial cargo carriers. The CPP establishes specific elements of service that are key indicators of carrier performance. It also establishes minimum levels of satisfactory performance and prescribes procedures for denial of DOD cargo shipments to any carrier that fails to provide satisfactory service. This chapter outlines procedures for accomplishment of CPP objectives and assigns enforcement authority and responsibility for various segments of the CPP.

B. SCOPE

The CPP applies to all commercial carriers used to move DOD surface cargo. Carrier performance for FAR-based contract shipments will be managed IAW FAR-based contract provisions.

C. RESPONSIBILITIES

1. Shipping activities will:
 - a. Implement the CPP to ensure local carrier performance is adequately monitored.
 - b. Report performance issues to SDDC Operations for action as warranted.
2. Receiving activities will:
 - a. Monitor performance of carriers delivering to their activities.
 - b. Report any service failures to shipping activities for their consideration.
 - c. Communicate with shipping activities on carrier performance.
3. SDDC Operations will:
 - a. Manage and monitor the effectiveness of the CPP.
 - b. Monitor carriers' overall performance and their ability to provide service to the DOD.
 - c. Consider service elements such as compliance with DOD and DOT regulations, rules publications, and qualification agreements.
 - d. Determine when a pattern of non-use actions and service failures documented by the TO warrants further non-use or disqualification.

4. Questions or concerns regarding any aspect of CPP will be forwarded to the attention of SDDC Operations. Addresses and phone numbers are as follows:

Military Surface Deployment and Distribution Command Operations
ATTN: SDDC-OPM-CA
661 Sheppard Place
Ft Eustis, VA 23604-1644
Telephone: DSN: 826-8724, Commercial: 757 878-8724

D. SERVICE ELEMENTS AND STANDARDS

Service elements and standards described below refer to specific operational factors for timely, safe and cost-effective movement of DOD cargo: Letters of warning or notification of non-use may be issued by shipping activities for failure to meet these standards. It is important that shipping/receiving activities communicate to ensure all aspects of carrier performance are adequately monitored and action is taken.

1. No-show is a failure by a carrier to pick up a shipment on the agreed date and time. Two occurrences within a 45-day period are unsatisfactory.
2. Improper equipment is a failure by a carrier to provide equipment as requested. Inadequate equipment is carrier equipment that is not safe (e.g., holes in equipment, equipment that cannot be properly secured to prevent pilferage, broken, missing or improper seals). Two occurrences within a 45-day period are unsatisfactory.
3. A combination of one no-show and one failure to provide requested equipment within a 45-day period is unsatisfactory.
4. Shipment refusal is the failure of a carrier to accept or decline a shipment within one hour of offer. Shipments must be offered at least 24 hours in advance or 48 hours when TPS is required. Three refusals within a 30-day period are unsatisfactory. A TO can specify a shorter response time for high-priority shipments, but cannot charge a carrier with a refusal if the carrier declines the shipment. If a carrier accepts the shipment, pickup is expected on the specified date and time.
5. Excessive transit time is when the carrier fails to deliver shipments IAW established transit times shown in Tables 202-3 and 202-4 or misses the RDD listed on the BL. Two late deliveries in a 45-day period are unsatisfactory. Each BL is considered a shipment regardless of the number of shipments moving under the BL or the number of delivery points. Receiving activities must report excessive transit time to shipping activities so any necessary action can be taken against the carrier.
6. Any documented incident involving the use of intemperate, vulgar, or abusive language; drug or alcohol abuse; or engagement in offensive conduct may result in a carrier being placed in immediate non-use status or a recommendation to SDDC Operations for disqualification.
7. The carrier fails to provide a service required on the CBL (e.g., when CIS is ordered and the carrier fails to maintain the DD Form 1907 [See Figure 205-1.]). Reporting of discrepancies will be done IAW Chapter 210, Para H.
8. When carrier tender provisions, agreements, contracts or Defense transportation directives/regulations are not followed.

9. When placarding or other handling of a vehicle, rail car or vessel for transportation of ammunition shipments under an exemption, or other hazardous material does not agree with regulations or guidelines set forth by the DOT, a foreign government or other directive(s), or when improper loading, stowing, handling, blocking, lashing, or bracing is involved, but there is no loss or damage to the cargo.
10. Carrier falsification of a PowerTrack delivery will be considered a service element/standard failure and a reason for a letter of warning or for placement in non-use if repeated.
11. Double Brokering is not authorized. Brokers awarded DOD freight are responsible to ensure that its underlying carrier(s) handle and deliver freight without the underlying carrier contracting the use of additional carriers and brokers. This policy prevents cargo loss and maximizes in transit visibility. TOs at the origin installation that have determined a broker has double brokered a shipment may place a broker in immediate non-use for up to 90 days. Brokers that have failed to rectify their double brokering problem with the TO may be placed in non-use by the installation for an additional 90 days.
12. Spot Bid on the Web. A carrier that submits a bid is assumed to be ready, willing, and able to perform the transportation as stated in the bid.
 - a. When a Transportation Service Provider (TSP) bids and is subsequently awarded a shipment and then, when contacted, to finalize the movement refuses the shipment, one occurrence will be a service failure and considered unsatisfactory.
 - b. When a TSP bids and is subsequently awarded a shipment and on the agreed upon day of pick up fails to show up, this will be a service failure and considered unsatisfactory.
 - c. The Installation may place a TSP in non-use for up to 90 days for one service failure.

E. CARRIER NOTIFICATION

1. Letters of warning may precede a notice of non-use. (See sample at Figure 207-1).
2. Non-use notification letters will be forwarded by certified mail to the carrier's corporate HQs and will include the reason for the non-use action with sufficient supporting documentation to allow the carrier to address the TO concerns. (See sample at Figure 207-2).
3. Non-use notification letters will advise carriers of the period of non-use, the reinstatement date, and of appeal procedures.

F. REPORTING SERVICE FAILURES

TOs must report any service failures or issues needing additional review to SDDC Operations (Attn: SDDC-OPM-CA).

G. NON-USE

1. A TO may place a carrier in non-use for up to 90 days for shipments originating from their activity followed by a 90-day probationary period. If any additional service failures occur during the probationary period, the TO may again place the carrier in non-use for up to 90 days. A TO may also place a carrier in non-use for up to six months if the carrier has been placed in non-use at that activity twice within a 12-month period. SDDC Operations has broader authority to place a carrier in non-use for longer periods of time for multiple origin points.
2. TOs will maintain complete and accurate records on carrier service and exercise discretion before placing carriers in a non-use status. Consider corrective actions taken to prevent future service failures, carrier's overall record, and need for special services that may not be readily available.

H. CARRIER APPEAL

1. A carrier may appeal a non-use action in writing to the TO.
2. If the TO denies the appeal, the carrier must be advised of further appeal rights to SDDC Operations (Attn: SDDC-OPM-CA).

I. CARRIER REINSTATEMENT

Carriers will be reinstated on the day following the last day of the non-use period unless reinstated sooner on appeal. TOs must immediately notify SDDC Operations (Attn: SDDC-OPM-CA) when a carrier is reinstated prior to the end of the designated non-use period.

J. CARRIER PERFORMANCE FILE

Carrier service failures must be documented to fully support a non-use or disqualification action. Carrier performance files for each carrier will be documented either manually or by automated means. Carrier performance files will contain as a minimum:

1. A summary of each service failure with supporting documentation.
2. Copies of any letters of warning or notifications of non-use with supporting documentation.
3. Correspondence from carrier concerning service failures and remedial actions taken.
4. Reinstatement letters.
5. Copies of TDRs (DD Form 361) issued IAW Chapter 210.
6. Any other correspondence pertaining to the carrier's performance.

K. CONTAINER AGREEMENT PERFORMANCE

Worldwide performance of contractor and Government under the USC is monitored and enforced using procedures and standards in the surveillance plan issued by SDDC Operations.

(Letterhead – Activity and Address)	(Date)
(Sender's Office Symbol)	
Mr. John J. Jones President, ABC Company, Incorporated P.O. Box 1056 Some City, VA 12345	
Dear Mr. Jones:	
This letter is to advise you of the service failure(s) described below and express our concern with the service your company has provided this installation.	
You are reminded that we may place carriers in non-use status from transporting Department of Defense cargo from this installation for the following service failures:	
<ul style="list-style-type: none">a. Furnishing inadequate or improper equipmentb. No showsc. Shipment refusalsd. Excessive transit time.	
ABC Company is being considered for non-use action for the following reason(s): (Describe service failure in detail).	
You are requested to provide a written explanation for the service failure(s) described above and correction actions you have taken to prevent a recurrence of similar problems within 15 days of the date of this letter. Additional service failure(s) or failure to satisfactorily respond to this letter when combined with the incident(s) described above may result in non-use action against your company.	
Please contact (name and phone number) if you should have any questions regarding this action.	
Sincerely, (TO's Signature)	
TO's typed name, rank/grade, & Service Title/Position Organization	
cc: SDDC-OPM-CA	

Figure 207-1. Sample Letter of Warning

(Letterhead – Activity and Address)	(Date)
(Sender's Office Symbol)	
Mr. John J. Jones President, ABC Company, Incorporated P.O. Box 1056 Some City, VA 12345	
Dear Mr. Jones:	
You are hereby advised that ABC Company has been placed in a non-use status for the movement of Department of Defense cargo from (enter origin) for a period of (number of days or months) beginning (date) and ending (date).	
Your non-use status is the result of your failure to (define service failure, in detail).	
The enclosed letter of warning, dated (date of attachment), forewarned of the possibility of this action.	
You are advised of your right to appeal this action in writing to the undersigned. A timely determination will be made upon receipt of your appeal.	
Please contact (name and phone number) if you should have any questions regarding this action.	
Sincerely,	
(TO's Signature)	
TO's typed name, rank/grade, & Service Title/Position Organization Attachment:	
cc: SDDC-OPM-CA	

Figure 207-2. Sample Notice of Non-Use Status