

## CHAPTER 207

### CARRIER PERFORMANCE AND EVALUATION PROGRAM (CPEP)

#### A. GENERAL

The CPEP is designed to ensure DoD surface shippers get the best available service from CONUS commercial cargo TSPs. The CPEP establishes specific elements of service that are key indicators of TSP performance. It also establishes minimum levels of satisfactory performance and prescribes procedures for denial of DoD cargo shipments to any TSP that fails to provide satisfactory service. This chapter outlines procedures for the accomplishment of objectives and assigns enforcement authority and responsibility for various segments of the CPEP.

#### B. SCOPE

The CPEP applies to all commercial TSPs used to move DoD surface cargo. This includes motor, rail, barge, and pipeline TSPs. TSP performance for FAR-based contract shipments will be managed IAW FAR-based contract provisions. Domestic air tender questions, concerns, or performance issues should be sent to [org.amca4-67@us.af.mil](mailto:org.amca4-67@us.af.mil).

#### C. RESPONSIBILITIES

1. Shipping activities will:
  - a. Implement the CPEP to ensure local TSP performance is adequately monitored.
  - b. Use the Carrier Performance Module (CPM) application in the Global Freight Management (GFM) system or CPM Web Services to document all service failures and non-selection incidents and to generate Letters of Warning (LOW) and non-use actions. Reporters will use the information in [Paragraph G.3](#) for proper use of CPM codes.
  - c. Report TSP performance issues/failures affecting the safe, secure, efficient, and cost effective transport of DoD-owned cargo for action as required and provide copies of actions to SDDC at [usarmy.scott.sddc.mbx.carrier-performance@mail.mil](mailto:usarmy.scott.sddc.mbx.carrier-performance@mail.mil). This includes service failures reported to shippers by receiving activities. When the CPM/CPM Web Service is used to record performance and take actions against TSPs, the system automatically sends a copy to SDDC. Carrier performance actions must be taken within 30 calendar days of the incident occurrence. If incidents are discovered beyond 30 days after occurrence, shipping activities will report the incident directly to HQ SDDC.
  - d. Familiarize themselves with the most current Military Freight Traffic Unified Rules Publication-1 (MFTURP-1) published by SDDC and found at <http://www.sddc.army.mil/GCD/default.aspx>, as well as the applicable portions of Title 49, United States Code of Federal Regulations (49 CFR).
2. Receiving activities will:
  - a. Monitor performance of TSPs responsible for the delivery of DoD-owned cargo to their activities
  - b. Report all TSPs service failures to the responsible shipping activity(s)
  - c. Communicate with shipping activities on TSPs performance
  - d. Familiarize themselves with the most current MFTURP-1 published by SDDC, as well as applicable portions of Title 49, United States Code of Federal Regulations (49 CFR).

3. SDDC will:
  - a. Manage and monitor the effectiveness of the CPEP
  - b. Monitor TSPs' overall performance and their ability to provide service to the DoD
  - c. Use the CPM application in GFM to document Service Failures and "G" code incidents and to generate LOCs, LOWs, and non-use actions when required
  - d. Consider service elements such as compliance with DoD and DOT regulations, rules publications, and qualification agreements
  - e. Adjudicate disputes between TSPs and shipping activities after reviewing CPM incident remarks and other facts presented by all sides of the issue regarding the reported incident(s)
  - f. Determine when a pattern of non-use actions and service failures documented by shipper(s) warrants further non-use or disqualification
  - g. Answer questions, concerns, or performance actions regarding any aspect of the CPEP and take carrier performance action at the HQ level when necessary—contact information is as follows:

Military Surface Deployment and Distribution Command  
ATTN: AMSSD-SBDQ-M  
1 Soldier Way Building 1900 W  
Scott AFB IL, 62225-5006  
618 220-5894  
DSN: 770-5894  
e-mail: [usarmy.scott.sddc.mbx.carrier-performance@mail.mil](mailto:usarmy.scott.sddc.mbx.carrier-performance@mail.mil).

#### **D. SERVICE ELEMENTS AND STANDARDS**

1. Service elements and standards include, but are not limited to, specific operational factors for timely, safe, and cost-effective movement of DoD cargo as described in the MFTURP-1, 49 CFR, and below in [Paragraph G.4](#). A LOW or notification of non-use, for up to 90 days, will be issued by shipping activities or SDDC for failure to meet these standards. It is important that shipping/receiving activities communicate to ensure all aspects of TSPs performance are adequately monitored and action is taken.
2. MFTURP-1 establishes policy, prescribes rules, and describes responsibilities for motor, rail, water, pipeline, air, and tank truck TSPs. [Paragraph G. 4](#) lists examples of service failures and the matrix a [Figure 207-1](#) explains standards and actions taken based on severity of the service failure(s).

#### **E. TPS SHIPMENTS**

Additional service elements and standards refer to specific operational factors for timely, safe, and cost-effective movement of TPS cargo (e.g., AA&E and PSS). A LOW or notification of non-use may be issued by shipping activities or SDDC for failure to meet these standards. It is important that shipping/receiving activities communicate to ensure all aspects of TSP performance are adequately monitored and action is taken. [Paragraph G. 4](#) lists examples of service failures for TPS shipments.

## F. REPORTING SERVICE FAILURES

1. The primary method of reporting service failures will be with the use of the CPM application in GFM or CPM Web Services. Questions about CPM/CPM Web Services can be referred to the SDDC Mission Support Quality Assurance Branch ([Paragraph C.3.g](#)).
2. A DD Form 361, Transportation Discrepancy Report (TDR), [Figure 207-4](#), is used to document the loss of or damage to Government material and to record shipper-related discrepancies. Refer to DTR Part II, Chapter 210, for information on TDRs. Loss and damage prevention and astray freight procedure guidance is found in DTR Part II, Chapter 209.

## G. CARRIER PERFORMANCE MODULE (CPM)

1. This application automates the incident reporting and TSP notification process for TOs, has the capability to perform searches on incidents using BLOCs and SCACs, allows TOs to record and resolve incidents, and allows TSPs to view and respond to incidents recorded against them.
2. Instructions for use of the CPM are located on the GFM Gateway home page through the “Training” header’s “Online User Manuals/Help Files” at <https://stallion.eta.sddc.army.mil/cpmtut/index.htm>. Users should read the manual and familiarize themselves with proper usage of CPM codes as stated in [Paragraph G.3](#).
3. Non-selection (“N” code) incidents are used to document reasons why a TSP was not selected for a move and do not count against a TSP’s overall performance rating. However; if trends are detected, SDDC may investigate to determine whether a problem exists with the TSP or the shipping activity. “N” code incidents must have remarks entered by the reporter to explain and justify the reason for the non-selection (e.g., date and time TSP was contacted or attempted contact was made, name of TSP representative). TSPs have the ability to view incidents and leave remarks. “N” codes with examples are as follows:
  - a. N1 – Excusable Refusal: When the TSP declines a non-Automation of Transportation Request (ATR) shipment within 1 hour of offer, or if a TSP declines any FAK shipment that is to be picked up in less than 24 hours or any TPS shipment that has to be picked up in less than 48 hours. It is also used for ATR shipments when shipping activities fail to contact a TSP for shipment award within 1 hour of offer closing. For shipping activities using the auto-award process in ATR, the system may not generate an automatic notification to TSPs indicating whether or not they were awarded the load. However, immediately after the offer’s closing, the screen in ATR will change the status to “Awarded” for TSPs that have been automatically awarded the load. It is the TSP’s responsibility to monitor their shipment offer status.
  - b. N2 – TSP Unreachable: An example is when the TSP fails to answer the phone (or the phone number or e-mail is wrong or returned as undeliverable) for tendered, non-ATR shipments. Shippers will allow a reasonable number of rings when attempting to contact TSPs via phone.
  - c. N3 – Low Cost Not Used in Order to Use Carrier Onsite: Example includes a TSP that just unloaded freight at an installation and is available to take an outbound load. This is for loads departing origin within the next 24 hours only; reporter must enter a valid explanation in the “Remarks” block when using this code.
  - d. N4 – Traffic Distribution: Example includes if a shipper had two or more loads going from the same origin to the same destination on the same day. The shipper distributes the

- two or more loads among two or more TSPs. Reporter must enter a valid explanation in the “Remarks” block when using this code.
- e. N5 – Required Small Business Selection: When small business selection is a requirement in a contract.
  - f. N6 – Contract Requires Specific Requested Mode: When a contract requires a specific mode/equipment.
  - g. N7 – Lower Cost TSP Not Used Due To Past Performance: Loss/Damage: When a shipper has documented proof (via a TDR, CPM incident, or other acceptable documentation) of previous loss or damage by a specific TSP.
  - h. N8 – Lower Cost TSP Not Used Due To Past Performance: Transit Time: When a shipper has documented proof (via a TDR, CPM incident, or other acceptable documentation) of a TSP that either has exceeded standard transit times as stated in the DTR Chapter 202, Tables 202-3/202-4 (DoD Standard Transit Time Guide) or delivered after the RDD. (**NOTE:** Standard transit time is the default; if a shipper decides to put an RDD on a BL that exceeds standard transit time, the Standard Transit Time Guide overrules that.)
  - i. N9 – Lower Cost TSP Not Used Due To Past Performance: No-Shows: When a shipper has documented proof (via a TDR, CPM incident, or other acceptable documentation) of previous no-shows by a specific TSP.
  - j. NA – Lower Cost TSP Not Used Due To Past Performance: Mechanical Failures: When a shipper has documented proof (via a TDR, CPM incident, or other acceptable documentation) of trends in mechanical breakdowns of the same vehicle/piece of equipment by a specific TSP.
  - ~~k. NB – Lower Cost TSP Not Used Due To Past Performance: Other: When a shipper has documented proof (via a TDR, CPM incident, or other acceptable documentation) of previous negative past performance by a specific TSP. Examples include, but are not limited to, “TSP is in non use status.”~~
  - l. NC – Carrier Not Used Due To Multi-Equipment Requirement: When the same TSP must haul a combination load and more than one BL with the same origin and destination is used. Examples include AA&E or shipments requiring segregation provisions IAW the 49 CFR and/or DoD regulations, or other TPS shipments that would necessitate the combination of more than one type of equipment.
  - m. ND – Low Cost Carrier Not Used Due To Mission Requirements/Convenience of the Government: When a situation dictates a specific TSP must be selected for the shipment. Reporter must enter a valid explanation in the “Remarks” block when using this code. Contact SDDC for further guidance.
4. Service Failure (“F” code) incidents are used to document incidents where TSPs fail to meet service elements and standards, and may result in further carrier performance action by shipping activities or SDDC. All “F” code incidents must have valid remarks entered by the reporter to explain and justify the reason for the service failure. Remarks will paint a clear picture to shipping activities, TSPs, and SDDC of the nature of the incident, personnel involved, and specific actions that resulted in the CPM incident. Failure to justify a CPM service failure incident may render that incident unusable towards the identification of trends or follow-on actions taken against a TSP. TSPs have the ability to view incidents and leave remarks. The following are “F” codes with examples:

- a. F1 – Shipment Refusal: Used for tendered non-ATR shipments when a TSP fails to accept or decline a shipment within 1 hour of offer. Shipments must be offered at least 24 hours in advance or 48 hours in advance when TPS is required. A Transportation Officer (TO) can specify a shorter response time for high- priority shipments, but cannot charge a TSP with a refusal if the TSP declines the shipment. When a TSP accepts a shipment using the ATR process and then refuses the shipment when contacted within 1 hour of the ATR offer closing, the TSP will be issued a FK Commitment Withdrawal. If a TSP accepts a shipment using the ATR process and is subsequently automatically awarded the load by the system within 1 hour after that offer’s closing (as indicated by the “Awarded” status in ATR), the TSP is expected to follow through with that acceptance when the shipping activity contacts the TSP to make arrangements. TSPs that fail to follow through with their acceptance when the shipping activity makes contact for final arrangements will be issued an FK Commitment Withdrawal.
- b. F2 – Improper or Inadequate Equipment: When a TSP arrives at origin with equipment different from what the shipper ordered and no equipment substitutions had been agreed upon by shipper and TSP prior to arrival. Code may also be used when a TSP arrives for pickup or delivery with unsafe equipment (e.g., inoperable brake or headlights, holes in the trailer bed, bald or threadbare tires, mechanical failure, or missing chains for tie down to rail car). TSPs must provide safe transportation equipment IAW Federal Motor Carrier Safety Regulations. Violations of 49 CFR Subparts A through I (parts, accessories, and safe operation) and 396 CFR (equipment inspection, repair, and maintenance) are included.
- c. F3 – TSP Unable to Meet Service Requirements: Examples include, but are not limited to, TPS drivers who do not have adequate security clearance or have had driving privileges on military installations revoked; drivers that fail to meet general qualifications as defined in 49 CFR Part 391, Subpart B § 391.11 (e.g., can read and speak the English language sufficiently to converse with the general public, to understand highway traffic signs and signals in the English language, to respond to official inquiries, and to make entries on reports and records); and/or when a TSP fails to acquire the proper permits for the cargo being transported.
- d. F4 – Failure to Pick Up at Origin as Scheduled: When a TSP fails to report to origin at the agreed-upon time and place as scheduled with the TO. This includes no-shows as well as pickups where the TSP is late without prior coordination.
- e. F5 – TSP Failed to Meet Desired Delivery Date (DDD)/RDD: When a TSP fails to deliver by the RDD as shown on the BL. Shippers cannot charge a TSP hauling nonsensitive/general cargo or FAK with failure to meet RDD if they did not annotate a proper date on the BL consistent with the DTR Chapter 202, Tables 202-3 and 202-4 (DoD Standard Transit Time Guide). However, as applied to AA&E shipments, TPS cargo must be delivered IAW the standard transit time or the RDD, whichever is shortest. This is consistent with the “Explosive Safety Rule” in DoD Directive 6055.9E (i.e., minimum exposure rules for explosives).
- f. F6 – Time-In-Transit: When a TSP fails to follow standard transit times as defined in the DTR Chapter 202, Tables 202-3/202-4 (DoD Standard Transit Time Guide). Each BL is considered a shipment regardless of the number of pieces or TCNs 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 TSP.
- g. F7 – Failure to Provide Protective Service: When a TSP fails to provide SNS, DCS, or any other Protective Service as annotated on the BL and defined in the DTR Chapter 205,

- Table 205-8, while in transit from origin to destination. TSPs must follow all requirements for the designated protective service as stated in the MFTURP-1.
- h. F8 – Failure to Provide Signature and Tally Record: When a TSP fails to properly annotate and provide a DD Form 1907, Signature and Tally Record (Figure 207-5), as required on the BL for the cargo being transported.
  - i. F9 – Mishandling Freight: Transloading of DoD vehicles is prohibited. Once DoD vehicles and/or equipment is tied down or otherwise secured in place on the conveyance, the TSP may not move the vehicles or equipment without consent of the shipper. In the event of an emergency, transloads and other response actions must be coordinated with the shipper or owning military service. DTTS can assist with coordination between these parties if needed for loads requiring the SNS accessorial. Other examples include, but are not limited to: damaged or missing transportation seals; improper loading, packing, blocking, or bracing; improper conduct at an installation; improper tie down or protection of cargo; and/or improper use of intermodal services.
  - j. FA – Loss or Damage: When a TSP is responsible for loss or damage of cargo. Failure to settle loss and damage claims IAW the DTR Part II, Chapter 211, is also included. A TDR must be issued IAW DTR Part II, Chapter 210.
  - k. FB – Improper Routing: When a TSP fails to follow DOT-authorized routes for the cargo they are transporting.
  - l. FC – Use ~~Bad~~ of Abusive/Inappropriate Language, ~~or~~ Offensive Behavior: Examples include, but are not limited to, drivers or any TSP representatives that harass or use abusive language or lewd behavior towards or in the presence of DoD representatives. 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 TSP being placed in immediate non-use status or a recommendation to SDDC for disqualification.
  - m. FD – Nonpayment of Just Debts: Failure to pay just debts or complaints from subcontractors that the TSP failed to pay for services contracted or otherwise demonstrates lack of financial responsibility and may subject Government shipments to actual and/or potential delay, frustration, seizure or detention.
  - n. FE – Falsification of a Third Party Payment System (TPPS) delivery: Used when a TSP changes the status of a shipment to “delivered” in the TPPS prior to delivering the freight.
  - o. FF – Double Brokering: When a TSP brokers freight to a carrier who then brokers the freight to another carrier. Double brokering is not authorized. Brokers awarded DoD freight are responsible for ensuring its underlying TSP(s) handles and delivers freight without the underlying TSP contracting the use of additional TSPs and brokers. General Commodity carriers are not allowed to act in the capacity of a broker. General Commodity TSPs awarded DoD freight are required to utilize organic assets/fleet to transport cargo. This policy prevents cargo loss and maximizes in-transit visibility. Shippers at the origin shipping activity or within their AOR 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 shipper may be placed in non-use for an additional 90 days.
  - p. FG – Drug/Alcohol/Firearm Abuse: Examples of this include a driver that arrives intoxicated or under the influence of drugs. TSPs will be placed in immediate non-use for such incidents and may not charge for a vehicle furnished but not used.

- q. FH – Theft – TSP Responsible: When a TSP is responsible for the theft of DoD cargo. A TDR must be issued IAW DTR Part II, Chapter 210.
- r. FJ – Shortage – TSP Responsible: When a TSP is responsible for the shortage of DoD cargo. A TDR must be issued IAW DTR Part II, Chapter 210.
- s. FK – Commitment Withdrawal: When a TSP responds to an ATR offer as able to accept the load, and then declines at time of award or prior to pickup; or if the selected TSP is unreachable after a reasonable amount of attempts by the shipper. Shippers cannot charge a TSP with Commitment Withdrawal if they fail to contact/award the TSP within 1 hour of ATR offer closing, or if systems using the auto-award process fail to show the offer status as “Awarded” in ATR. Reporter must annotate the date and time ATR offer closed and the date and time they contacted the TSP to award the load in the Remarks block of the incident.
- t. FL – Unauthorized Load/Broker Board Posting: When a TSP posts shipment information to any type of load/broker board with payment information prior to having been awarded that load by the shipper. Only TSPs with proper authority from DOT may post to load/broker boards; no TPS loads (to include 675 Signature & Tally service) may be posted.
- u. FM – Shipment Refusal-Spot Bid: When a TSP bids on a shipment via SpotBid on the Web, then declines the shipment when the shipper calls to award the load. A TSP that submits a bid is assumed to be ready, willing, and able to perform the transportation as stated in the bid. Shippers cannot charge a TSP with Shipment Refusal – Spot Bid if they fail to contact the TSP within 4 hours of the bid closing.
- v. FN – Shipment Refusal – Negotiation: When a TSP bids on a SDDC-negotiated shipment, and then declines the shipment when the shipper calls to award the load. A TSP that submits a negotiation is assumed to be ready, willing, and able to perform the transportation as stated in the negotiation. Shippers cannot charge a TSP with Shipment Refusal – Negotiation if they fail to contact the TSP within 24 hours after receiving rates from the SDDC Negotiations team.
- w. FP – Other Service Failure: Other service failures not covered in the codes above or below (contact the SDDC G9, Domestic Transportation Requirements Division **Quality Assurance Branch** at [usarmy.scott.sddc.mbx.carrier-performance@mail.mil](mailto:usarmy.scott.sddc.mbx.carrier-performance@mail.mil) or call 618-220-5894 for clarification).
- x. FQ – Failure to Pick Up at Origin on Scheduled Date: When a TSP fails to report to origin at the agreed-upon date as scheduled with the TO. This includes no-shows as well as pickups where the TSP is late without prior coordination. This code is used primarily for Contract-specific shipments.
- y. FR – Failure to Pick Up at Origin on Scheduled Time: When a TSP fails to report to origin at the agreed-upon time as scheduled with the TO. This includes no-shows as well as pickups where the TSP is late without prior coordination. This code is used primarily for Contract-specific shipments.
- z. FS – Failure to Deliver at Destination on Scheduled Date: When a TSP fails to report to destination at the agreed-upon date as scheduled with the TO. This code is used primarily for Contract-specific shipments.
- aa. FT – Failure to Deliver at Destination on Scheduled Time: When a TSP fails to report to destination at the agreed-upon time as scheduled with the TO. This code is used primarily for Contract-specific shipments.

5. HQ SDDC personnel enter “G” code incidents where TSPs fail to meet additional service elements and standards, which may result in further carrier performance action. These codes are primarily used for TPS shipments that require SNS by the DTTS. Incidents using these codes may only be entered in CPM by HQ SDDC personnel. “G” codes with examples are as follows:
  - a. G1 – TRANSS Inspection Finding: When a Transportation Safety and Security team inspection reveals a discrepancy in TSP performance.
  - b. G2 – TRANSS Inspection Failure: When a Transportation Safety and Security team inspection reveals a failure in TSP performance.
  - c. G3 – DTTS Related Failure: Trailer Tracking (DCS): Examples include trends in false “Untethered” and/or “Door Open” alerts, failure to register DCS-equipped trailers with DTTS prior to use, and failure to provide DCS when required.
  - d. G4 – DTTS Related Failure: Incorrect Satellite (SNS) Codes: When TSP drivers fail to send correct codes IAW the MFTURP-1.
  - e. G5 – DTTS Related Failure: Satellite System (SNS) Not Turned On: When a TSP fails to provide the SNS accessorial for required shipments IAW the MFTURP-1.
  - f. G6 – DTTS Related Failure: Breakdown: When a TSP vehicle carrying an SNS shipment experiences mechanical failure. Mechanical failure is defined as any condition of the conveyance or related equipment that requires repair or replacement of parts while in transit. Reporters cannot charge a TSP with this service failure if the breakdown/mechanical failure is a result of circumstances beyond the TSP’s control (e.g., debris/objects in roadway, flat tires, accidents where the TSP is not at fault, and force majeure situations).
  - g. G7 – DTTS Related Failure: Accident (TSP at fault): When a TSP driver carrying a SNS shipment causes an accident.
  - h. G8 – DTTS Related Failure: Other: Any DTTS-related service failure not covered in the codes above.
  - i. G9 – CSA Score(s) Above Standard Threshold: This may apply to any TSP registered with the DoD and may only be used as an indicator of safety performance.
  - j. GA – DTTS Failure: Transit Time Exceeded.
  - k. GB – DTTS Failure: Exceeded 2-Hour Stop (SRC I, II, PSS) or 4-Hour Stop (SRC III, IV).
  - l. GC – DTTS Failure: Exceeded 100-Hour Rule (Military or SDDC-Approved Secure Holding Facilities).
  - m. GD – DTTS Failure: Problem with Dispatcher Call Back.
  - n. GE – DTTS Failure: Driver Behavior.
  - o. GF – DTTS Failure: Drivers Message.
  - p. GG – DTTS Failure: Unapproved Equipment Change.
  - q. GM – DTTS Failure: Drivers Message.
  - r. GT – DTTS Failure: Fire or Hot Brakes.
  - s. GU – DTTS Failure: Use of Unapproved Terminal.

t. GV – DTTS Failure: Failure to Report (Reportable) Incident to DTTS.

u. GX – DTTS Failure: Parking with Explosives in Populated Area.

v. GY – DTTS Failure: Departing with Equipment in Need of Repair.

## H. TSP NOTIFICATION

1. Letter of Concern (LOC). A LOC may be issued by SDDC for TSP performance issue(s) or trends determined as not meeting minimum performance standards. A LOC gives the TSP an opportunity to take corrective action prior to SDDC issuing a LOW or Non-Use action. A LOC may be issued based on the following incidents including, but not limited to: minor infractions; possible concerns raised by the DoD community; or downward trends in TSP's performance (i.e., rising numbers of service failures throughout the DoD enterprise).
2. LOW. A LOW is issued by a TO or by SDDC to a TSP for unacceptable performance. A LOW serves as notice to a TSP that, if violations or performance problems continue, non-use action may follow. The LOW may request the TSP provide additional information on the incident for review. LOWs may precede a notice of non-use, but are not required for serious infractions resulting in non-use action. Such letters must include the TSP SCAC, date of incident and contact information for the issuing TO. CPM is the primary method to be used for TSP notifications; however, if technical systems issues or extenuating circumstances arise, manual letters may be sent (see [Figure 207-2](#)). LOWs can be sent to the TSP's corporate HQ via certified mail or via e-mail with a signed copy of the LOW attached. TOs must provide copies of warning letters, non-use letters and TSP responses to SDDC. Copies of letters may be e-mailed to SDDC at [usarmy.scott.sddc.mbx.carrier-performance@mail.mil](mailto:usarmy.scott.sddc.mbx.carrier-performance@mail.mil) (See sample at [Figure 207-3](#)). At a minimum, LOWs must include:
  - a. The TSP name and SCAC
  - b. The BL or Shipment ID number
  - c. The rule or regulation indicating the violation(s) that resulted in the LOW (refer to the MFTURP-1, SDDC Advisories, and/or Federal DOT regulations where applicable).

Use of CPM/CPM Web Services to draft and send a LOW automates this process and relieves the shipper of their responsibility to provide a copy of the LOW to SDDC and mail a signed, certified letter to the TSP.

TSP responses should include an outline of specific corrective actions. Upon receipt of an acceptable response, the TSP may be placed in a probationary status of up to 90 days to ensure no further infractions occur.

If TSP fails to provide a response, or an insufficient response is received, non-use action may be taken against the TSP.

3. Letter of Non-Use. Non-use or disqualification action may be taken for specific incidents of unsatisfactory service or failure to perform, or a record or trend of unsatisfactory service or failure to perform IAW the terms of negotiated agreements, tariffs, tenders of service, or BLs, service agreements, governing SDDC rules publications, or other similar arrangements. CPM/CPM Web Services is the primary method to be used for TSP non-use actions; however, if technical systems issues or extenuating circumstances arise, manual letters may be sent. With the use of CPM/CPM Web Services, non-use action can be from specified BLOCs or SPLCs and can be narrowed down to non-use for shipments requiring specified Accessorial Services. A Letter of Non-Use will advise TSPs of the period of non-use, the reinstatement date, and of appeal procedures. It must include, at minimum:

- a. The TSP name and SCAC
- b. The BL or Shipment ID number
- c. The rule or regulation indicating the violation(s) that resulted in the Letter of Non-Use
- d. Appeal procedures.

Use of CPM/CPM Web Services to implement non-use action automates this process and flags TSP tenders from receiving ATR offers originating at the shipper's BLOC for the duration of their non-use status. The use of CPM/CPM Web Service to generate the non-use action relieves the shipper of mailing a signed, certified letter to the TSP.

For shipments moving under FAR-based contracts, only the Contracting Officer or designated representative may initiate non-use action.

4. CPM/CPM Web Service automatically sends LOCs, LOWs, and notifications of nonuse to TSPs using the email address they have entered into the Freight Carrier Registration Program (FCRP). TSPs are responsible for maintaining current contact information; failure to receive notice of carrier performance actions does not relieve them from the action.

## I. NON-USE

1. Non-use is defined as the exclusion from being awarded DoD freight for a specified time, either from specific region(s) or nationwide. A shipper may place a TSP in local non-use for up to 90 days for shipments originating from their activity AOR followed by a 90-day probationary period. While under probation, any additional service failures can result in additional non-use action. With the use of CPM non-use action can be from specified BLOCs or SPLCs and can be narrowed down to non-use for shipments requiring specified accessorial services. If any additional service failures occur during the probationary period, the shipper may again place the TSP in non-use for up to 90 days. A shipper may also place a TSP in non-use for up to 6 months if the TSP has been placed in non-use at that activity or AOR twice within a 12-month period. SDDC has broader authority to place a TSP in non-use for longer periods of time for multiple origin points.
2. Shippers will maintain complete and accurate records of TSP service and exercise discretion before placing TSPs in a non-use status. TOs will consider corrective actions taken to prevent future service failures, TSP's overall record, and the need for special services that may not be readily available.
3. Disapproval from the Freight Carrier Registration Program (FCRP) may be taken by SDDC against individuals and affiliates of a TSP(s) for conduct or action that is inappropriate, unethical, or violates any provision of DOT or SDDC regulations and policies. In severe cases, SDDC may conduct Transportation Review Boards (TRBs) per guidance in SDDC Regulation 15-1, Procedure for Disqualifying and Placing Transportation Service Providers (TSP) in Non-Use. TRBs are used to determine whether further non-use action or disqualification is necessary. Disqualification is the act by HQ SDDC of excluding a TSP or TSP employee from participating in DoD transportation programs. Only SDDC has disqualification authority. Disqualification may be taken by SDDC as a result of no or insufficient response on a non-use action and/or a result of TRB findings and determination. Disqualification action may be taken independently by SDDC, or a TO may request SDDC disqualify a TSP, if a TSP or its representative commits a violation that is so egregious that the TO believes it warrants a disqualification action. Refer to SDDC Regulation 15-1 for further information.
4. The duration of nationwide non-use or disqualification actions is at the discretion of SDDC based on severity of violation, number of infractions, and TSP response.

## J. TSP APPEAL

1. A TSP may appeal a non-use action in writing to the office that initiated the non-use action within 15 calendar days. Offices that initiated non-use action will respond to any appeals from TSP within seven business days. All non-use letters must include information on appeal procedures.
2. If the appeal is denied, the TSP may appeal those decisions via e-mail or United States Postal Service Registered Mail to the further appeal authority, which is determined by the level of the office that initiated the action—either the installation CDR or SDDC's Domestic Transportation Requirements Strategic Quality Assurance Division. The appeal authority may be based on the severity of the TSP's infraction.
3. If the shipper selects the installation CDR as the further appeal authority and the installation CDR denies the appeal, the TSP may appeal those decisions to SDDC's Domestic Transportation Requirements Strategic Quality Assurance Division. Appeals must be received via email or USPS registered mail. SDDC is the final appeal authorities for all appeals.
4. It is the responsibility of each TSP to review their performance data in CPM. Comments from both the shipping activity and the TSP contribute greatly to the CPM data appeal adjudication process. TSPs are able to leave comments in the Remarks block of a CPM incident, and are encouraged to contact the reporter/shipper that wrote up the incident when disputing individual service failures. Shipping activities will respond to disputes from TSPs regarding specific CPM incidents within seven business days.
5. SDDC will review appeals only if the TSP has done their due diligence in resolving incident issues at the local level first. If appealing to SDDC, forward appeal to: [usarmy.scott.sddc.mbx.carrier-performance@mail.mil](mailto:usarmy.scott.sddc.mbx.carrier-performance@mail.mil) or SDDC, G9 Chief, Domestic Transportation Requirements Strategic Quality Assurance Division, 1 Soldier Way, Building 1900W Scott AFB, IL 62225-5006.
6. Shipping activities or SDDC may resolve incidents in CPM if errors with incident recording have occurred or following a successful appeal from a TSP. Procedures for resolving CPM incidents can be found in the CPM User Manual and Help Files in GFM.
7. If trends of unjustified service failures recorded against TSPs in CPM by specific shipping activities are discovered, SDDC will forward the metrics to the respective Agency or Service representative for corrective action. SDDC relies on shipping activities to provide accurate, justifiable data in order to provide quality TSPs.

## K. TSP REINSTATEMENT

1. TSPs will be reinstated on the day following the last day of the non-use period unless reinstated sooner on appeal. Shippers must immediately notify SDDC (Attn: AMSSD-SBDQM) when a TSP is reinstated prior to the end of the designated non-use period.
2. When CPM is used to implement non-use action, the system automatically reinstates the TSP at the end of the designated non-use period. Shipping activities may reinstate TSPs earlier at the local level if they grant appeals. Reinstatement via CPM enables the SCAC to become visible again. To reinstate TSPs via CPM, follow instructions in the CPM User Manual.

## L. TSP PERFORMANCE FILE

TSP service failures must be documented to fully support non-use or disqualification actions. Performance files for each TSP will be kept manually or by automated (CPM) means. At a minimum, TSP performance files will contain:

1. A summary of each service failure with supporting documentation. When using CPM, enter comments in the Remarks block to justify service failures. Supporting documentation may also be uploaded to the associated CPM incident(s).
2. Copies of any LOWs or notifications of non-use with supporting documentation. Proper use of CPM will automate this process and automatically store the data.
3. Correspondence from TSP concerning service failures and remedial actions taken. TSPs may respond to service failures directly in the CPM incident that was created by entering comments in the Remarks block. Shipping activities may also upload correspondence from TSPs to individual CPM incidents.
4. Reinstatement letters. Such letters are-not required with the use of CPM.
5. Copies of TDRs (DD Form 361) issued IAW Chapter 210.
6. Any other correspondence pertaining to the TSP’s performance. Documents can be scanned and uploaded to CPM.

The matrix at [Figure 207-1](#) serves as a guide for determining when to take carrier performance action against a TSP and the level of action to take. Service failures are ranked in order of severity, with Tier 1 being the most egregious. Tiers are primarily determined by importance of shipment and ITO discretion. See [Paragraph H.2](#) for more information on Letters of Warning and [Paragraph I.1](#) for more information regarding non-use action.

TO Recorded Incidents			
Service Failure	Tier	Service Failure	Tier
F1 – Shipment Refusal	3	FF – Double Brokering	1
F2 – Improper or Inadequate Equipment	2	FG – Drug/Alcohol/Firearm Abuse	1
F3 – TSP Unable to Meet Service Requirements	1 or 2*	FH – Theft – TSP Responsible	1
F4 – Failure to Pick Up at Origin as Scheduled	1 or 2*	FJ – Shortage – TSP Responsible	1
F5 – TSP Failed to Meet DDD/RDD	1	FK – Commitment Withdrawal	1
F6 – Time-in-Transit	1 or 2*	FL – Unauthorized Load/Broker Board Posting	3
F7 – Failure to Provide Protective Service	1 or 2*	FM – Shipment Refusal – Spot Bid	1
F8 – Failure to Provide Signature and Tally Record	2	FN – Shipment Refusal – Negotiation	1
F9 – Mishandling Freight	1	FP – Other Service Failure	*
FA – Loss or Damage	2	FQ – Failure to Pick Up at Origin on Scheduled Date	1 or 2*
FB – Improper Routing	3	FR – Failure to Pick Up at Origin on Scheduled Time	2
FC – Use of Bad Abusive/Inappropriate Language, or Offensive Behavior	1 or 2*	FS – Failure to Deliver at Destination on Scheduled Date	1 or 2*
FD – Nonpayment of Just Debts	1	FT – Failure to Deliver at Destination on Scheduled Time	2
FE – Falsification of a Third Party Payment System Delivery	1		

\* Contact SDDC Quality Assurance for Guidance on usage of this code and its weighted severity. Tier may depend upon existence of trends, importance of shipment or case-by-case basis. HQ SDDC will weigh the severity of all “G” code service failures on a case-by-case basis and initiate carrier performance action accordingly.

One (1) Tier 1 service failure = Immediate non-use for 30 days (1<sup>st</sup> Offense).

Two (2) Tier 2 service failures in 30 days = Letter of Warning or non-use action.

Three (3) Tier 3 service failures in 30 days = Letter of Warning or non-use action.

Two (2) Letters of Warning in 60 days = non-use action.

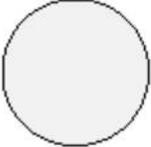
Subsequent offenses of Tier 1 service failures = 60–90 days non-use.

Subsequent offenses of Tier 2 service failures (after a Letter of Warning has been issued) = 60–90 days non-use.

Subsequent offenses of Tier 3 service failures (after a Letter of Warning has been issued) = 60–90 days non-use.

Continuous pattern of service failures = referral to HQ SDDC Domestic Transportation Requirements Division Quality Assurance for further review and possible nationwide non-use or Transportation Review Board that may result in disqualification from hauling DoD cargo.

**Figure 207-1. Carrier Performance Matrix**



**DEPARTMENT OF THE (BRANCH)**  
ORGANIZATIONAL NAME/TITLE  
STANDARDIZED STREET ADDRESS  
CITY STATE 12345-1234

March 4, 2014

Mr. John J. Jones  
President, ABC Company, Inc. (SCAC)  
P.O. Box 1775  
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 TSPs in non-use status from transporting Department of Defense cargo from this installation for the following service failures:

- a. Furnishing inadequate or improper equipment.
- b. No shows.
- c. Shipment refusals.
- d. Excessive transit time.

ABC Company (SCAC) is being considered for non-use action for the following reason(s):  
(Describe service failure in detail with specific BL or Shipment ID numbers).

You are requested to provide a written explanation for the service failure(s) described above and corrective 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.

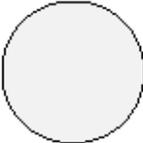
Please contact (name and phone number or email address) if you should have any questions regarding this action.

Sincerely,

(Transportation Officer's signature)

TO's typed Name, Rank/Grade, & Service  
Title/Position  
Organization

Figure 207-2. Sample Letter of Warning (LOW) (Manual)



**DEPARTMENT OF THE (BRANCH)**  
ORGANIZATIONAL NAME/TITLE  
STANDARDIZED STREET ADDRESS  
CITY STATE 12345-1234

March 4, 2014

Mr. John J. Jones  
President, ABC Company, Inc. (SCAC)  
P.O. Box 1775  
Some City, VA 12345

Dear Mr. Jones:

You are hereby advised that ABC Company (SCAC) 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) beginning (date) and ending (date).

Your non-use status is the result of your failure to (define service failure in detail with specific BL or Shipment ID numbers).

The enclosed Letter of Warning, dated (date of attachment) forewarned of the possibility of this action.

While in nonuse status, you are prohibited from accepting any offers to haul Department of Defense freight from tendered moves or placing bids via Spot Bid on the Web or with SDDC Negotiations.

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 or email address) if you should have any questions regarding this action.

Sincerely,

(Transportation Officer's signature)

TO's typed Name, Rank/Grade, & Service  
Title/Position  
Organization

**Figure 207-3. Sample Notification of Non-Use (Manual)**

<b>TRANSPORTATION DISCREPANCY REPORT (TDR)</b>		1. DATE 7269	2. REPORT NUMBER SW3120-07-0034		OMB No. 0702-0124 OMB approval expires Feb 28, 2009				
<p>The public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0702-0124). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p> <p><b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. RETURN COMPLETED FORM TO: SDDC, ATTN: MTDC-OPCL, 661 SHEPPARD PLACE, FORT EUSTIS, VA 23604.</b></p>									
<b>PART I</b>									
<input type="checkbox"/> REQUEST FOR INFORMATION (RFI)		<input checked="" type="checkbox"/> MISCELLANEOUS PROBLEMS			<input type="checkbox"/> ASTRAY FREIGHT				
3. TO Defense Distribution Region West Def Distribution Depot Red River Receiving Bldg 595, Texarkana TX 75507-5000			4. REPORTING ACTIVITY Def Dist Depot Anniston Transportation Officer, Bldg 362 Central Receiving, Anniston AL 36201-4199						
5. CONSIGNOR (Origin) Defense Distribution Region West Def Distribution Depot Red River Receiving Bldg 595, Texarkana TX 75507			6. CONSIGNEE (Destination) Same as Block 4						
7. SHIPPER Same as Block 5			8. CARRIER'S NAME (SCAC) Federal Express Corp						
9. CARRIER'S PRO/FREIGHT BILL NO. 708522949482			10. BILL OF LADING NO./TYPE TC W31G1Y70091065BBX						
11. MODE CODE I	12. DATE CARRIER SIGNED FOR SHIPMENT 7011	13. DATE CONSIGNEE RECEIVED SHIPMENT 7120	14. DATE DISCREPANCY DISCOVERED 7120	15. DATE CARRIER NOTIFIED 7120	16. CARRIER REPRESENTATIVE CONTACTED TELEPHONE NO.				
17. SEAL NUMBERS AND CONDITION <input type="checkbox"/> INTACT <input type="checkbox"/> BROKEN/MISSING (Include details)									
TRANSPORTATION CONTROL NO. 18	COMMODITY DESCRIPTION AND/OR NATIONAL STOCK NO. (NSN) 19	TYPE OF PACK 20	QUANTITY DIS-CREPANT (Pieces) 21	TYPE AND CAUSE CODE 22	ISSUE DATA				VALUE OR COST OF REPAIRS 27
					UNIT OF ISSUE 23	UNITS BILLED/ SHIPPED 24	UNITS 25	WEIGHT 26	
W31G1Y7009 1065BBX	061300 Circuit Breakers or Switches, NOI, see Notes, items 61301, 61302 2590000830266	BX	10	XX	EA	10	10	45	
28. REMARKS (See preparation instructions of covering regulation for suggested information) Total non-receipt of shipment.									
29a. NAME OF PREPARER (Type or print) Linda Brown				29b. EMAIL ADDRESS linda.b.brown@dla.mil					
29c. TELEPHONE NO. (256) 235-7432			29d. FACSIMILE NUMBER (256) 235-7738						
30. REPLY FEDEX is showing that the material was delivered to: 7 frankfork ave bldg 513, on Jan 12, 2007. It was signed for by some one with the following initials: W. Gibson. I will fax a copy of the proof of delivery.									
31a. NAME OF RESPONDENT (Type or print) Charles Lowery						31b. TELEPHONE NO. (903) 334-4246			
31c. EMAIL ADDRESS charles.lowery@dla.mil			31d. FACSIMILE NUMBER (903) 334-3620			31e. DATE 7269			

DD FORM 361, JUN 2006

REPLACES STANDARD FORM 361 (3-84) WHICH IS OBSOLETE.

Reset

Adobe Professional 7.0

**Figure 207-4. DD Form 361, Transportation Discrepancy Report (TDR),  
(Source Document for Claims)**

PART II - (FOR CLAIMS PURPOSES)	
32. TO:	
33. EXCEPTION NOTED ON CARRIER'S DELIVERY RECEIPT? (If "NO," explain in Remarks)	
<input type="checkbox"/> YES <input type="checkbox"/> NO	
34. INSPECTION DATA	35. DISPOSITION DATA
<input type="checkbox"/> CARRIER INSPECTED <i>(Report attached)</i>	<input type="checkbox"/> REJECTED <i>(Receipt attached)</i>
<input type="checkbox"/> ORAL WAIVER (Provide name, title, and date in Remarks)	<input type="checkbox"/> REPAIRED AT GOVERNMENT EXPENSE (Bill attached)
<input type="checkbox"/> INSPECTION WAIVED <i>(Waiver attached)</i>	<input type="checkbox"/> OTHER (Explain in Remarks)
<input type="checkbox"/> GOVERNMENT INSPECTED <i>(Report attached)</i>	
36. REMARKS (See preparation instructions of covering regulation for suggested information)	
37. ATTACHMENTS	
<input type="checkbox"/> CY BOL	<input type="checkbox"/> DD FORM 1348-1
<input type="checkbox"/> CY CARRIER'S TENDER	<input type="checkbox"/> CY DD FORM 250
<input type="checkbox"/> CY CARRIER'S DELIVERY RECEIPT	<input type="checkbox"/> ACTUAL REPAIR COST COMMODITY
<input type="checkbox"/> PHOTOGRAPH	<input type="checkbox"/> OTHER _____
<input type="checkbox"/> CARRIER'S INSPECTION REPORT	<input type="checkbox"/> OTHER _____
38. ACCOUNTING CLASSIFICATION	
DD FORM 361 (BACK), JUN 2006	

**Figure 207-4. DD Form 361, Transportation Discrepancy Report (TDR),  
 (Source Document for Claims) (Cont'd)**

SIGNATURE AND TALLY RECORD (See DoD 4500.9-R for guidance) (Use of equivalent carrier-furnished signature and tally record is acceptable.)		OMB No. 0702-0027 OMB approval expires Jun 30, 2012		
The public reporting burden for this collection of information is estimated to average 3 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Washington Headquarters Services, Executive Services Directorate, Information Management Division, 1155 Defense Pentagon, Washington, DC 20301-1155 (0702-0027). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. <b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. RETURN COMPLETED FORM AS DIRECTED IN THE DISTRIBUTION INSTRUCTIONS BELOW.</b>				
<b>DISTRIBUTION INSTRUCTIONS</b>				
(1) The SHIPPER will print two copies, retain one copy and give one to the Origin Carrier. (2) The ORIGIN CARRIER will deliver one copy with original signatures to the Destination Carrier. (3) The DESTINATION CARRIER will attach one copy (reflecting all original signatures) and Standard Form 1113, Public Voucher for Transportation Charges, to the original Commercial Bill of Lading and forward for payment. Reproduced completed copy of DD Form 1907 will be delivered to the Consignee and one will be retained. (4) The CONSIGNEE will ensure Destination Carrier surrenders a reproduced copy of completed form with all signatures.				
<b>SECTION I - TO BE COMPLETED BY THE SHIPPER</b>				
<b>1a. SHIPPER NAME</b>		<b>b. ORIGIN</b>		
<b>2. PROTECTIVE SERVICE REQUESTED</b>		<b>3. COMMERCIAL BILL OF LADING NUMBER</b>		
<b>4a. CONSIGNEE NAME</b>		<b>b. DESTINATION</b>		
<b>5. PERMIT NUMBER (if any)</b>		<b>6. TRANSPORTATION CONTROL NUMBER</b>		
<b>7. ROUTING</b>		<b>8. WEIGHT</b>	<b>9. CUBE</b>	
<b>10. SPECIAL INSTRUCTIONS</b>			<b>11. DATE SHIPMENT TENDERED TO CARRIER (YYYYMMDD)</b>	
<b>12. NAME OF CARRIER</b>			<b>13. NUMBER OF PIECES</b>	
<b>14. TYPE OF PACKAGE(S) (For unsealed loads only) OR CONVEYANCE IDENTIFICATION AND SEAL NUMBERS (For sealed loads only)</b>		<b>15. FREIGHT CLASSIFICATION DESCRIPTION</b>		
<b>SECTION II - TO BE COMPLETED BY EACH PERSON ACCEPTING CUSTODY OF CLASSIFIED OR PROTECTED MATERIAL REQUIRING THE USE OF TRANSPORTATION PROTECTIVE SERVICE DURING TRANSIT</b>				
<b>16. CUSTODY RECORD</b>				
<b>PRINT NAME OF PERSON AND COMPANY REPRESENTED</b> a.	<b>STATION INTERCHANGE POINT DESTINATION</b> b.	<b>SIGNATURE OF PERSON ACCEPTING CUSTODY</b> c.	<b>TIME ACCEPTED</b> d.	<b>DATE ACCEPTED (YYYYMMDD)</b> e.

DD FORM 1907, OCT 2010

PREVIOUS EDITION IS OBSOLETE.

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**Figure 207-5. DD Form 1907, Signature and Tally Record**

