

**Defense Personal Property Program  
Claims and Liability Business Rules**



**Managed by:**

**Defense Personal Property Management Office (DPMO)  
United States Transportation Command  
508 Scott Drive Scott AFB, IL 62225**

**Effective Date: 15 May 2024**

**Left Blank Intentionally**

## Table of Contents

LIST OF CHANGES .....	5
Introduction .....	7
1.1. Liability .....	7
1.2. FRV Liability.....	7
1.3 Actual Value (Depreciated) Liability .....	9
1.4. Exclusions from Liability .....	10
1.5. Duty to Mitigate Loss .....	11
1.6. Time Limitations on TSP Liability for Loss and Damage Claims .....	15
1.7. Liability for Goods in Storage .....	16
1.8. High Value Items and High-Risk Inventories .....	17
1.9. Transfer of Custody of Shipments.....	185
2.0 Claims.....	19
2.1 Claims Filing .....	19
2.2 Exceptions to Filing in DPS .....	20
2.3. Substantiation of Claims.....	21
2.3.1. Introduction .....	21
2.3.2. Burden of Proof .....	21
2.3.3. Notice of Loss and Damage .....	22
2.3.4. Inspection by the Transportation Service Provider .....	23
2.3.5. Repair Estimates.....	23
2.4. Settlement of Loss and Damage Claims.....	241
2.5 Partial Settlements.....	252
2.6. Quick Claim Settlement.....	26
2.7. Salvage .....	263
2.8. Claims for \$25 or Less.....	28
2.9. Dispute Resolution .....	28
2.10. Catastrophic Loss Payments.....	28
2.11. Essential Items.....	30
2.12. Claims Processing in DPS .....	307
2.13. Filing Notice of Loss/Damage.....	31
2.14. Checking Status of Loss/Damage Claim .....	318
2.15. TSP Denied Loss/Damage Claim .....	32
2.16. Responding to a TSP Proposed Settlement .....	32
2.17. Unearned Transportation .....	3329
2.18. Shared Liability on International Shipments .....	33
3.0. Claims Management.....	34

3.1.	Claims Management with Multiple TSPs.....	34
3.2.	Documenting Loss/Damage and Filing Claim .....	34
3.3.	Shared Liability Settlement Process .....	34
3.4.	Split Line Item Settlement Process.....	35
3.5.	Acceptance of Claim .....	35
4.0	Procedures for Missing or Damaged Organizational Clothing and Individual Equipment (OCIE) .....	35
	Appendix A Allowance List-Depreciation Guide.....	38

## LIST OF CHANGES

Version	Description	Revision Date	Page #s
2023	<ul style="list-style-type: none"> <li>• <b>1.2 FRV Liability</b> <ul style="list-style-type: none"> <li>○ 1.2.4 Updated language to reflect FRV must utilize local replacement cost or include shipping and delivery. Also, replacement must be able to be purchased directly by customer without membership fees.</li> </ul> </li> <li>• <b>1.4 Exclusions from Liability</b> <ul style="list-style-type: none"> <li>○ 1.4.1.6.2 Updated language to reflect Act of God exclusions will be determined on a per shipment basis by MCO only.</li> </ul> </li> <li>• <b>1.9 Transfer of Custody of Shipments</b> <ul style="list-style-type: none"> <li>○ 1.9.2.2 Clarify responsibility of mitigation, remediation and liability for potential mold may not be transferred via joint inspection process</li> </ul> </li> <li>• <b>2.3 Substantiation of Claims</b> <ul style="list-style-type: none"> <li>○ 2.3.1 Updated language to identify at locations where repairs cannot be made to an item the TSP will be liable for FRV.</li> <li>○ 2.3.2 Added clarifying language on documentation and requirements for electronics that are discovered to inoperable after transit.</li> <li>○ 2.3.3 Added clarifying language on when the 180-day period begins when providing Loss and Damage forms.</li> </ul> </li> <li>• <b>2.7 Salvage</b> <ul style="list-style-type: none"> <li>○ 2.7.1 Updated language for reduction of offer in exchange of salvage rights.</li> </ul> </li> </ul>	01 Dec 2022	Pg 9  Pg 10  Pg 18  Pg 20  Pg 21  Pg 21  Pg 26
2023 Change 1	<ul style="list-style-type: none"> <li>• <b>1.2.4 and 1.3.4</b> <ul style="list-style-type: none"> <li>○ Added assembly fees to clarify that assembly is still the responsibility of the TSP.</li> </ul> </li> <li>• <b>1.5.2. Mold</b> <ul style="list-style-type: none"> <li>○ Updated language throughout 1.5.2 and multiple sub-paragraphs. The updates include changes to notification timelines, interactions with Government personnel, scheduling a remediation firm, and pre-existing medical condition considerations during determination of mold remediation and personal property disposal.</li> </ul> </li> </ul>	23 Mar 23	Pg 9  Pg 10-12

<p>2023 Change 2</p>	<ul style="list-style-type: none"> <li>• Changed use of punitive action to administrative action</li> </ul>	<p>13 Sep 23</p>	<p>Pg 21</p>
<p>2024</p>	<ul style="list-style-type: none"> <li>• <b>Introduction</b> Added verbiage for programs these rules apply to.</li> <li>• <b>1.5.1.1 and 1.5.1.2</b> Added definitions for Mitigation and Remediation.</li> <li>• <b>1.5.2.1</b> Updated language to require written estimate by item and not by box within 10 GBD. If this cannot be provided in 10 GBD, then requirement for weekly updates.</li> <li>• <b>1.5.2.5</b> Updated language to remove the use of mitigation in this paragraph.</li> <li>• <b>1.5.2.6.2</b> Clarified language on when TSP can commence remediation and that the TSP will not receive reimbursement of remediation fees <b>and</b> a reduction of max liability.</li> <li>• <b>2.3.1</b> Added in language that was overlooked for 2023 Business Rules regarding non-availability of repair firms in an area and requirement for TSP to provide FRV in those instances.</li> <li>• <b>2.18.2</b> Added language that requires submission of proper documentation when damage is caused at the fault of the Government, while in Government’s possession.</li> <li>• <b>3.3.7</b> Added language that in the event a TSP denies liability for a shared liability shipment, the TSP is required to provide documented evidence the damage occurred solely while in the custody of the government.</li> </ul>	<p>29 Dec 23</p>	<p>Pg 7</p> <p>Pg 11</p> <p>Pg 12</p> <p>Pg 14</p> <p>Pg 15</p> <p>Pg 21</p> <p>Pg 33</p> <p>Pg 35</p>

## Introduction

These Defense Personal Property Program Claims and Liability Business Rules are applicable to shipments under the Defense Personal Property Program (DP3), Direct Procurement Method (DPM) Tender of Service shipments using DPM or Local Service Order contracts, as well as Non-Temporary Storage (NTS) Tender of Service storage actions).

The Claims Management methodology is such that the customer may directly settle a claim with a Transportation Service Provider (TSP) through DPS. If the customer files a claim with the TSP via DPS within nine months of delivery, the TSP is responsible for Full Replacement Value (FRV) for all damaged, missing and/or destroyed items.

### 1.1. Liability

1.1.1. The Full Replacement Value Act (US Code Title 10 §2636a) of 2003, allows the Secretary of Defense to include a clause for full replacement value (FRV) in rates filed and contracts with Transportation Service Providers (TSP). The Defense Reauthorization Act for FY2007 amended The Full Replacement Value Act and required the government to contract for FRV protection with all TSPs no later than 1 March 2008. This authorization also allows the government to deduct the value of outstanding claims of a TSP based on FRV from the amount due to a TSP if the TSP fails to settle that outstanding claim. All TSPs should include the cost of FRV coverage in the rates filed in DPS.

1.1.2. The delivering TSP is liable to the customer, to the customer's agent, or to the military service that contracted for the shipment, for loss or damage that occurs to the customer's personal property while it is in the custody of the TSP. Liability on all shipments will be determined in accordance with the Carmack Amendment to the Interstate Commerce Act, (Title 49, United States Code, Section 14706) unless a specific provision herein establishes a different rule or procedure.

1.1.3. If the claim is filed directly with the TSP within nine months of delivery, then the TSP is liable for FRV. For shipments scheduled for pickup on or after 15 May 2022, the TSP's liability will be:

1.1.3.1. \$6.00 times either the net weight of the HHG shipment or the gross weight of the UB shipment, in pounds, and

1.1.3.2. Will be no less than \$10,000 per shipment, and

1.1.3.3. Will not exceed \$75,000.

1.1.4. If the claim is filed directly with the TSP more than nine months after delivery, then the TSP is liable for depreciated value, up to a maximum of \$1.25 times the net weight of the shipment in pounds.

1.1.5. Payments by the TSP to a customer for inconvenience claims will not be deducted from the TSP's maximum liability for loss or damage, but are a separate liability (Refer to DTR, Part IV, AppendixB).

### 1.2. FRV Liability

1.2.1. When the customer files a claim against the TSP, within nine months of delivery, the TSP is liable for the repair or FRV cost of a damaged item, whichever is less, and for the FRV cost of lost, or destroyed items, unless one or more of the exclusions listed in Section 1.3, below, applies.

1.2.2. On these claims, the TSP's liability is as follows: For items that are damaged but not destroyed, the TSP will, at the customer's option, either repair the items to the extent necessary to restore them to their original working condition when received by the TSP or pay the customer for the cost of such repairs. The TSP is obligated to replace or pay FRV for items that are damaged beyond repair and/or cannot be repaired to original working condition or usefulness.

1.2.2.1. For most items that are destroyed (i.e., the repair cost exceeds replacement cost) or lost, the customer will, at their option, either accept a replacement of the lost or destroyed item with a new item if offered by the TSP or select payment at the undepreciated fair market replacement cost of a new item. New items should, to the greatest extent possible, be from the same manufacturer and should be the same make and model as the item that was lost or destroyed. If the TSP cannot find a new item that is the same as the item that was lost or destroyed, it may replace the item with one of comparable qualities and features. However, for lost or destroyed items that are parts of sets, such as a silver service, furniture, crystal glasses or china, the TSP may replace the lost item with a like item that matches the rest of the set. If the TSP is unable to match the item to the set, then the TSP is obligated to replace the entire set with a set of comparable qualities and features. Likewise, some items, such as collectable figures (e.g., Hummel and Lladro), collectable plates, collectable dolls, baseball cards, antiques, comic books, coin and stamp collections, and objects of art, cannot be properly replaced with new items because their value is based, in part, on the fact that they are no longer made and are no longer available for purchase as new items. For this type of item, the TSP may replace the lost or destroyed item with the same or comparable item or pay the replacement cost of the item. The list of items in this provision is not exclusive. The appropriate Military Claims Office (MCO) may designate items for consideration under this provision. The TSP shall consult with the MCO for a determination on items that may be considered under this provision.

1.2.2.2. When FRV applies to a shipment that includes one or more motor vehicles (automobiles, motorcycles, mopeds, or motor scooters), the TSP's maximum liability for the vehicles shall be the value stated in the current issue of the N.A.D.A.'s Official Used Car Guide (the "Guide") for such vehicle(s), adjusted for mileage and other factors considered in the Guide. However, if either the customer or the TSP has obtained a pre-damage appraisal of the vehicle from a qualified appraiser, settlement will be based on the appraised value rather than the book value.

1.2.2.3. For boats, personal watercraft, ultra-light aircraft, pianos, organs, firearms, objects of art, all-terrain vehicles, and snowmobiles, the TSP may replace the item with a comparable used item or pay the fair market value replacement cost. These items have an established and widespread secondary market and are not typically considered standard household items. As such, the list of items in this provision is not exclusive. MCO's may designate similar items for consideration under this provision. TSPs shall consult with MCO's for a determination on items that may be considered under this provision.

1.2.2.4. The customer may reject a payment, repair, or item offered by the TSP to settle a claim. If a customer files a claim, against the TSP within nine months of delivery, but fails to settle the claim directly with the TSPs involved in the shipment, the customer may transfer the claim to the MCO as provided in Section 2.1.2., the MCO may pay the customer pursuant to statutory and regulatory guidance and will seek to recover the FRV from the TSP. In cases where all or part of the claim has been transferred to the MCO, the TSP shall not have the option to repair or replace items in kind but must pay to the MCO the repair cost or full replacement cost of a new item, whichever is less. If the TSP can show that they offered the customer a replacement item of comparable or better quality than the item lost, the TSP's liability for that item will be limited to their replacement cost at the time offered (including tax or drayage). During the negotiation process, TSP must respond within 7 calendar days of customer's rebuttal submission date with either a counteroffer, denial, acceptance, or a



reasonable timeframe that allows the TSP to obtain services from a repair firm. The TSP simply acknowledging the customer's rebuttal within 7 calendar days does not meet the requirement of a response.

1.2.3. Normally, all claims must be filed in DPS. Claims filed with a MCO under the provisions of Section 2.2, below, will be forwarded to the TSP within nine months of delivery and within 30 days of receipt by the MCO if the claimant wants to settle the claim for FRV. If the TSP receives such a claim that has been forwarded by the MCO within nine months of delivery, the TSP will be liable for settlement under FRV guidelines. If the TSP receives such a claim from the MCO more than nine months after delivery, but it is postmarked or electronically transmitted within nine months of the delivery date, then the TSP will treat the claim as if it had been filed directly with the TSP within nine months and the TSP will be liable for settlement under FRV guidelines.

1.2.4. Replacement cost, whether depreciated or undepreciated, is based on the replacement cost at destination and includes shipping charges, assembly fees and sales tax. However, the TSP is not required to pay sales tax in excess of \$10 on a claim until it receives proof that the taxes were actually paid. The TSP must use a replacement cost in the local area where the customer resides or inform the customer that part of the replacement costs includes the shipping and delivery charges. The item must be able to be purchased directly by the customer, without membership fees, if the TSP is not going to actually purchase the item and have it shipped to the customer.

### **1.3 Actual Value (Depreciated) Liability**

1.3.1. If the customer files a claim directly with the TSP or MCO more than nine months after delivery but within two (2) years after delivery, the TSP is liable for the depreciated value of the items only up to a maximum of \$1.25 times the net weight of the shipment in pounds. Liability will be as follows:

1.3.1.1. For items that are damaged but not destroyed, the customer will, at their option, either select repair of the items to the extent necessary to restore them to their condition when received by the TSP, or select payment for the cost of such repairs, up to the depreciated value of the items.

1.3.1.2. For items that are destroyed (i.e., the repair cost exceeds the depreciated value) or lost, the TSP will pay the depreciated value for the item. However, if the customer is willing to accept a replacement item instead of cash payment, the TSP may settle all or part of a claim by delivering a replacement item(s) of like kind, quality, and condition to the customer.

1.3.2. When the customer files a claim directly with an MCO and chooses not to file with the TSP for settlement, the military will adjudicate the claim pursuant to statutory and regulatory guidance. The MCO may then assert a recovery claim against the TSP. The TSP, on this type of a recovery claim, will be liable to the MCO for the depreciated replacement cost or repair cost, whichever is less. If the customer files a claim directly with an MCO, the TSP will not be liable for more than the depreciated replacement cost, not to exceed \$1.25 times the net weight of the shipment, in pounds.

1.3.3. Claims settled for the depreciated replacement cost of an item, the MCO and TSP will use the Joint Military Industry Depreciation Guide for those items that are listed in the guide. The MCO and TSP will use the current replacement cost of the item as the base to apply the depreciation factor to arrive at the current actual value of the item. If an item cannot be replaced, or no suitable replacement is obtainable, the proper measure of damages for items that depreciate shall be the original cost, adjusted upward to reflect the increase in the consumer price index (CPI) since the date of purchase, and then adjusted downward to reflect the depreciation rate in the Joint Military Industry Depreciation Guide.

1.3.4. Replacement cost is based on the replacement cost at destination and includes shipping charges, assembly fees and sales tax. However, the TSP is not required to pay shipping charges and/or sales tax in excess of \$10 on a claim until it receives proof that the charges and taxes were actually paid.

#### **1.4. Exclusions from Liability**

1.4.1. The TSP shall be liable for damaged, lost, or destroyed property that occurs while being transported or held in Non-Temporary Storage EXCEPT loss or damage caused by or resulting from the following:

1.4.1.1. From an act or omission of the customer.

1.4.1.2. From defect or inherent vice of the article.

1.4.1.3. From hostile or warlike action in time of peace or war including action in hindering, combating, or defending against an actual, impending, or expected attack; from weapons of war employing atomic fission or radioactive force whether in peace or war; or from insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such occurrence.

1.4.1.4. From seizure or destruction under quarantine or customs regulations; confiscation by order of any government or public authority; or risks of contraband or illegal transportation or trade.

1.4.1.5. From delay caused by strikes, lockouts, labor disturbances, riots, civil commotions, or the acts of a person or persons taking part in any such occurrence or disorder.

1.4.1.6. From Acts of God (also known as Acts of Nature).

1.4.1.6.1. Normal weather conditions such as heat, cold and humidity are not considered Acts of God

1.4.1.6.2. Exclusions for Acts of God will be determined on a per shipment basis by the MCO. TSP should be prepared to provide evidence that proper mitigation efforts were exercised.

1.4.1.7. From pre-existing infestations by mollusks, arachnids, crustaceans, parasites, or other types of pests; and for fumigation or decontamination when not the fault of the TSP; or

1.4.1.8. From loss or damage that occurs prior to release to a TSP while the goods are in the possession of another TSP under an unrelated shipment of the goods. When a shipment is released from another TSP's control, the TSP that receives the goods for storage shall not be liable for an item claimed as missing which should have been listed as a separate item on the inventory, but which was not listed on the inventory that was prepared by the original TSP. However, the delivery TSP will be liable for items packed in cartons, if the carton is listed on the inventory, unless the delivery TSP can produce evidence to shift liability back to a prior handler and the item claimed bears a reasonable relationship to the contents of the carton listed on the inventory.

1.4.2. The TSP shall not be liable for intangible property, securities, nor for the sentimental value of an item nor shall the TSP be liable for pre-existing damage.

1.4.3. The exclusions listed above will not apply if the TSP's own negligence significantly contributed to the loss. However, if the TSP, after giving written or electronic notice to the

appropriate government transportation office, or electronic or written notice to the customer, of a potential risk of loss or damage to the shipment from the above causes, is instructed by the government or the customer electronically or in writing to proceed with such transportation and/or delivery, notwithstanding such risk, the TSP shall not be liable for the loss attributed to the risk.

## 1.5. Duty to Mitigate Loss

1.5.1. If loss or damage occurs to a shipment from one of the excluded causes listed in Exclusions from Liability, the TSP may still be liable for additional damage that results from its failure to take reasonable steps to mitigate the extent of the loss. For example, if a shipment is damaged by water, the TSP, as soon as practical, should attempt to clean and dry the items, rather than allow further damage (e.g., rust, warping, or mildew), to develop from prolonged exposure to dampness. In some cases, the responsible PPSO/PPPO may authorize payment for mitigation work, subject to later determination of whether the government or the TSP will be liable for the cost. The responsible TSP will submit a written After-Action Report within 10 working days to USTRANSCOM for all mold shipments to include the GBL number, the customer's name, the root cause of the mold and efforts the TSP is taking to resolve. Once all mitigation efforts are complete, the responsible TSP will submit a written report of all known facts and events in chronological order. This section addresses mitigation efforts only (i.e., separation of items, wiping down and drying off of wet items). Nothing in this section authorizes moving forward with remediation of molded items. Remediation of molded items is addressed in 1.5.2 et seq. and requires authorization from the MCO before it may be commenced.

1.5.1.1. **MITIGATION** is carried out quickly by the one in custody of the items to prevent further damage and involves removing items from water, separating wet from dry items, using fans and drying things off. TSP arranges immediately. Costs to mitigate are costs of doing business, and the TSP bears the cost of mitigation.

1.5.1.2. **REMEDICATION** is professional cleaning and requires prior approval by the MCO before it may be carried out. When possible, the Quality Assurance (QA) Inspector will inspect the items in a shipment and advise the MCO if there is evidence of water intrusion, mold, mildew, etc., and if any evidence exists of possible mold contamination, the MCO will authorize testing of the shipment. Should testing confirm the existence of mold, the MCO will then authorize the TSP to get an itemized estimate of the cost for remediation. That estimate will state what is salvageable/unsalvageable and the cost to remediate (professionally clean). Once an estimate is received, the MCO will determine whether remediation shall be carried out. The MCO will also determine liability.

1.5.2. **Mold.** Shipments that develop mold in transit present special problems. When containers show signs of contamination, for example water saturation or mold growth on the exterior, the TSP will contact the responsible PPSO/PPPO by phone and via written notification (email preferred with Delivery and Read Receipt as proof of notification) within 2 GBDs of discovery. The TSP will continue shipping operations to a location as determined by the TSP and responsible PPSO/PPPO; but will not deliver to a customer's residence prior to inspection. The responsible PPSO/PPPO will make arrangements for a QA Inspector to be present at the selected location within two business days to be present when the seals are broken, and the containers inspected for mold. If the PPSO/PPPO is unable to provide a QA inspector, contact USTRANSCOM at [transcom.scott.tcj9.mbx.pp-perf@mail.mil](mailto:transcom.scott.tcj9.mbx.pp-perf@mail.mil). If there is no evidence of mold, the containers will be resealed, notations made on the inventory by the QA inspector and/or the TSP, and shipment will continue in-transit to destination. When mold is discovered, the TSP will notify the customer, the servicing MCO, and the inspecting PPSO/PPPO, and update the destination PPSO/PPPO with findings within 48 hours of discovery. The TSP in possession at the time the mold is discovered is

responsible for mitigation. Mitigation costs will be assessed under Paragraph 1.5.2.5. of this section.

**1.5.2.1. Payment in lieu of remediation.** Prior to undertaking any remediation work, the TSP shall contact and schedule the services of a qualified mold remediation firm within 3 GBD from direction of a Government official, in order to obtain an itemized written estimate, unless otherwise directed by the MCO. The mold remediation firm shall make a preliminary assessment of the mold damage and provide a **written estimate that is itemized by individual item (not by the box) within 10 GBD. If the mold remediation firm cannot provide an estimate within 10 GBD, the TSP shall update the MCO and the responsible PPSO/PPPO weekly as to the status of the firm's progress.** The TSP will provide a copy of the estimate to all parties (e.g., destination PPSO/PPPO, MCO, and customer). After consultation with the TSP, mold remediation firm, responsible PPSO/PPPO, and customer, the MCO shall determine whether circumstances warrant disposal of the contaminated items without attempting remediation. In making this decision, the MCO will consider whether a customer had a documented, pre-existing medical condition which would be worsened by the presence of mold in the home. If the MCO determines that remediation is appropriate, there may be circumstances where customers will still refuse delivery. For example, a customer may choose to dispose of the property rather than accept the shipment because of a family member's "documented" medical condition. In this circumstance, in order for the refusal of shipment to be valid, the cited medical condition must have been documented prior to shipment, with appropriate evidence provided to the MCO. When the MCO determines that remediation is appropriate and reasonable under the circumstances, the TSP will only be liable for the lesser of the remediation cost or full replacement cost. MCO determination of disposition is final.

**1.5.2.2. Delivery of Uncontaminated Items.** As soon as practical after it's determined that remediation is an option, the TSP will determine, after consulting with the mold remediation firm, whether there is an uncontaminated portion of the shipment that can be separated, without cross contamination, from the mold contaminated items and separate those items accordingly. If there are uncontaminated items, the TSP will make a new inventory of either the contaminated items or the uncontaminated items, whichever is smaller. The TSP will cross reference the new inventory with the corresponding reference from the origin inventory. The TSP will deliver any uncontaminated items in accordance with the transit agreement and provide a copy of the origin inventory and the new inventory to the customer.

**1.5.2.3. Items Suitable for Cleaning or Remediation.** Whether mold contaminated items are suitable for cleaning or remediation depends upon several factors including, but not limited to, the extent of the contamination on a particular item, the nature of the material contaminated, limiting future contamination, and the cost of remediation in relation to the value of the item. If items are still wet, measures should be taken to dry all items suitable for cleaning or remediation. Heavily contaminated porous items (e.g., carpets, rugs, mattresses, cloth or clothing, some wood and wood products, some ceramic items, and soft plastic) may not be suitable for cleaning or remediation. Less heavily contaminated porous items (e.g., clothes and textiles) may be adequately laundered, however, contamination from mold may require adding bleaching agents to remove mold stains and sanitize clothing. Adding bleaching agents might fade some fabrics and damage other fabrics and be unacceptable to the customer. Mold-contaminated items made of leather, suede, or a similar material may not be suitable for laundering or bleaching. Other professional cleaning or dry cleaning may be an option. Other non-porous household items (e.g., dishes, pots, glass items, or other metal or hard plastic items) can usually be cleaned or remediated. Advice from remediation professionals on whether to clean or discard an item may be beneficial. The TSP is responsible to ensure the remediation company obtained by them is provided the mold remediation steps in accordance with the Business Rules. The TSP will arrange for the contaminated items to be divided into items that are suitable for cleaning or other remediation and those items that are not suitable for cleaning or remediation. The TSP will provide

pictures and an inventory of each category, salvageable & non- salvageable to the customer, PPSO, and MCO if requested. The customer and the QA inspector should be notified with date/time prior to the process.

1.5.2.3.1. If all contaminated items are suitable for cleaning or remediation, the TSP will notify the customer that the remainder of the shipment will be delivered when it has been cleaned or otherwise remediated. The delivery will not be considered a separate shipment.

1.5.2.3.2 If none of the contaminated items are suitable for cleaning or remediation for medical reasons, the TSP will notify the customer that none of the remainder of the shipment is suitable for cleaning or remediation. The TSP will offer the customer an opportunity to inspect the shipment and remove items of sentimental or special value in coordination with the responsible PPSO/PPPO. Before removal of any items, the TSP may require the Customer to release them from personal injury liability for exposure to mold. Sentimental items retrieved from a mold shipment will be limited to those few items of extreme sentimental value that cannot be replaced, such as photo albums, special flags and awards, jewelry, or other heirloom type items.

1.5.2.3.3 If some of the contaminated items are suitable for cleaning or remediation and some items are not suitable, then the TSP will notify the customer of that circumstance. The TSP will arrange for the cleaning or other remediation of that portion of the contaminated shipment suitable for cleaning or remediation. The TSP will arrange for delivery of the cleaned or remediated items in coordination with the customer and responsible PPSO/PPPO. The delivery will not be considered a separate shipment.

1.5.2.3.4 The TSP will offer the customer an opportunity to inspect the part of the shipment that is unsuitable for cleaning or remediation. The customer may remove items of special value from the un-remediated portion of the contaminated items, in coordination with the responsible PPSO/PPPO. Before removal of any items, the TSP may require the customer to release them from personal injury liability for exposure to mold. If a TSP is found liable for the loss and has not reached their maximum liability, 25% of the replacement value of any item that is removed from the un-remediated portion of the contaminated items will be deducted from the TSP's liability. If the TSP's maximum liability is exceeded and the items removed do not decrease the TSP's maximum liability, there will be no percentage of value taken off the item. The TSP is responsible for appropriately disposing of the un-remediated portion of the contaminated items.

1.5.2.4. **Delivery of remediated items.** Items that have been remediated will normally be delivered to the customer as soon as practical after remediation is complete. Before delivery, TSP's must notify the customer and destination PPSO/PPPO that the items have been remediated, are ready for delivery, and provide a reasonable opportunity to inspect the remediated items before delivery transportation begins. The notice shall also include the location for inspection, the hours for inspection, and that the opportunity to inspect shall expire after three business days or when delivery transportation begins, whichever is longer.

1.5.2.4.1. Customer inspects remediated items: If the customer accepts all remediated items, the goods will be delivered as soon as practical. If the customer does not accept the remediation on any item during the inspection, that item will be separated from the accepted items. If the TSP agrees with the customer that those items are unacceptable, the TSP shall deliver the accepted items and, if appropriate, process claims on the unacceptable items for compensation at Full Replacement Value. If the TSP disagrees with the customer on any item, the TSP will contact the destination PPSO/PPPO and advise them of the conflict. In the event of a conflict, no delivery of any remediated item, accepted or not, will be made until ordered by the destination PPSO/PPPO. The PPSO/PPPO will

contact the servicing MCO. The Service MCO contact information can be found at: <https://www.militaryonesource.mil/moving-housing/moving/moving-resources>. (Locate Moving Customer Support Section on web page, then expand Service Branch Moving Assistance section, then click on the appropriate service link. Claim/MCO information is located under PCS Customer Service Information section).

1.5.2.4.2 Customer does not inspect remediated items: Some customers may decline to inspect or decline to respond to the notification to inspect remediated items and refuse to accept delivery of those items. If customers advise the TSP before delivery transportation begins that they will not accept the delivery, the TSP will not attempt delivery until ordered by the destination PPSO/PPPO. If customers refuse delivery of remediated items after delivery of those items begins, the TSP will transport those items to a DOD approved storage facility at the TSP's discretion. In either case, the TSP will notify the destination PPSO/PPPO of the situation and await further direction. The destination PPSO/PPPO will contact the servicing MCO and the MCO will determine the acceptability of the remediated items in question. Each MCO will designate a single centralized authority for these determinations. The MCO will notify the customer and TSP of the acceptability determination.

1.5.2.4.3.1. Remediation Unacceptable: When the MCO determines that remediation efforts on items are unacceptable, the TSP shall dispose of the unacceptable items.

1.5.2.4.3.2. Remediation Acceptable: The MCO will notify the customer when remediation efforts on items are determined to be acceptable and advise that further refusals to accept delivery of the acceptable items may result in a denial of any claim for loss or damage to those items. If the customer elects to accept delivery, the MCO will notify the destination PPSO/PPPO, and they will direct the TSP to complete delivery of the acceptable items. If the customer still refuses delivery, the MCO will electronically notify the destination PPSO/PPPO and TSP that the customer still refuses delivery and the destination PPSO/PPPO will direct the TSP to dispose of the items.

1.5.2.5. **Accessorial Services payments for mold contamination:** Accessorial services for mold remediation will normally be at the expense of the TSP, however, accessorial service payments may be authorized under limited circumstances when the MCO determines the TSP is not liable for the damage. MCOs will determine liability. Other factors that may warrant accessorial service payments include, but are not necessarily limited to, the number and size of contaminated shipments, the extent of contamination, the availability of remediation services in the location, and the actions of the customer. Types of accessorial services that may be involved with mold remediation include but are not necessarily limited to Storage in Transit (SIT), preparation of new inventories, repacking, container costs, mold remediation firm services, estimate fees, drayage, TSP remediation costs, mold assessment testing, refused delivery charges, and disposal.

1.5.2.5.1. Destination PPSO/PPPO will approve accessorial service payments to TSPs for the cost of government ordered testing or inspection or other charges occasioned by such orders when no outward indicia of mold is present on the shipping container(s) and no mold is found in the container(s).

1.5.2.5.2. Code J, Code T and Code 5 mold contaminated shipments. Destination PPSO/PPPO will approve accessorial service payments to TSPs for mold remediation in all Code 5, Code J and Code T mold contaminated shipments regardless of liability, and on shipments where the TSP has been relieved of liability, up to the TSP's maximum liability for that shipment. If the TSP is determined to be liable for the damages in a Code 5, Code J and Code T shipment, the Government will recover the payment either through voluntary refund from the TSP, offset, or through the claims process.

1.5.2.5.3. SIT before and during remediation on all other shipments. This service is normally at the expense of the TSP except for Code J, Code T, Code 5, or after a determination that the TSP is not liable.

1.5.2.6. Disposal after payment in lieu of remediation. Destination PPSO/PPPOs will approve accessorial service payments for TSP's disposing of mold contaminated items when the TSP has made a payment to the customer in lieu of remediation and the TSP has exceeded their maximum liability on the shipment.

1.5.2.6.1. Disposal after refused delivery. Destination PPSO/PPPOs will approve accessorial service payments to TSP's for refused delivery charges after remediation and the cost of disposal, when the customer refuses delivery if both of the following have occurred: 1) The MCO has determined that the refused delivery was unreasonable under the circumstances, and 2) The TSP has exceeded their maximum liability on the shipment.

1.5.2.6.2. Accessorial services for mold remediation will not be paid nor used to reduce the TSP's maximum liability if the TSP fails to obtain prior approval from the MCO **to commence remediation services. Reimbursement of accessorial services or reduction of a TSP's maximum liability requires not only approval from the MCO to commence remediation services but also a determination by the MCO that the TSP is not liable for the mold. A TSP is not entitled to reimbursement of accessorial services and a reduction of their maximum liability.** MCO approval should be determined within 10 GBDs of submission of a written, **properly itemized** estimate by the TSP.

## **1.6. Time Limitations on TSP Liability for Loss and Damage Claims**

1.6.1. If the customer submits the claim to the TSP within nine months of delivery, the TSP, subject to the exclusions stated in Section 1.3, above, will be liable for the full, undepreciated replacement value on all lost or destroyed items, as specified in Section 1.1, above. Customers may transfer all or part of their claim to an MCO 30 days after filing the claim with the delivering TSP, provided that:

1.6.1.1. The claim has sufficient information upon which the TSP can reasonably adjudicate it. A claim is sufficient if it identifies the customer; contain facts sufficient to identify the shipment or shipments involved; asserts a demand for a specific or determinable amount; and specifies the items lost or damaged; and

1.6.1.2. The customer has considered and responded to any offer of settlement made by the TSP, and

1.6.1.3. The claim has not been fully satisfied or settled.

1.6.2. A claim may be transferred to an MCO before 30 days, and the TSP will remain liable for FRV if the following occur:

1.6.2.1. The customer receives notice that the TSP has made a final offer on a portion of the claim, denied a portion of the claim, or denied the claim in full. The claimant may transfer those portions of the claim denied or for which they received a final offer and are not in agreement.

1.6.2.2. The customer receives official notice from USTRANSCOM or the MCO that the TSP is in bankruptcy.

1.6.2.3. The customer receives official notice from USTRANSCOM, the MCO or a PPSO that

the TSP has been in a Non-Use status or the TSP's approval has been revoked, disqualified, or contract terminated by USTRANSCOM.

1.6.2.4. The TSP fails to comply with the catastrophic loss provisions in Section 2.10, below, as verified by the MCO.

1.6.2.5. The TSP fails to comply with essential items provisions in Section 2.11, below, as verified by the MCO.

1.6.3. Claims filed within nine months of receipt of loss/damage but transferred to an MCO are still eligible for FRV.

1.6.4. The TSP will not be liable for loss or damage unless the customer either files a claim directly against the TSP within two years of the final delivery of the shipment that included the lost or damaged items, or files a timely claim against the United States and submits it to a MCO under the Military Personnel and Civilian Employees Claims Act (PCA).

1.6.4.1. For the purposes of either the 9-month time limit for filing against the TSP or the two-year limit for filing against the TSP or the United States, if a claim accrues during war or an armed conflict in which an armed force of the United States is involved, or has accrued within 2 years before war or an armed conflict begins, and for cause shown, the claim must be presented within 2 years after the cause no longer exists or after the war or armed conflict ends, whichever is earlier. An armed conflict begins and ends as stated in a concurrent resolution of Congress or a decision of the President. An extension granted by this provision may be longer at the discretion of the TSP. If the TSP anticipates denying an extension, they must contact the MCO for a decision on whether the 9 month or two-year limit should be extended under this provision. Timeliness will be determined by the MCO based on the service's claims regulations and instructions.

1.6.5. If the customer files a claim with an MCO, the TSP will not be liable to the government on a recovery claim if the government does not dispatch a written demand to the TSP within four years of delivery. This four-year period will be extended by any period granted as per Section 1.5.4.1 above. If the government does dispatch a written demand to the TSP within four years of delivery, the government will have the normal six years specified in Title 28, United States Code, Section 2415, to resolve the claim or take administrative remedies.

1.6.6. If a customer files a claim directly with the TSP and then receives written or electronic notice from the TSP that all or part of the claim has been denied, then the customer may either file suit at personal expense against the TSP within two years of receipt of the notice or may transfer the claim to the appropriate MCO. If a recovery claim is not filed by an MCO against the TSP within four years of delivery, including extended periods as per Section 1.5.4 above, or the customer's suit is not instituted within two years of receipt of the written notice, then the TSP shall not be liable for any part of the claim that was denied in the notice.

## **1.7. Liability for Goods in Storage**

1.7.1. The TSP's responsibility for a shipment and its liability under the bill of lading or service order for a shipment in NTS or SIT shall terminate, and the warehouse shall become the final destination of the shipment, on midnight of the day specified in the notice which the storage TSP receives through DPS from the PPSO advising that the government nature of the shipment will terminate. The notice of



termination is not retroactive. This notice of termination can be rescinded not later than one business day prior to the effective date of the termination.

1.7.2. The government will pay the TSP for all NTS or SIT costs, up to and including the day of termination. Once termination, in accordance with Section 1.6.1, above, has occurred, the government may not revive the TSP's liability under the original bill of lading or service order, or reinstate the original bill of lading or service order. If after termination, the government wishes to continue the government's payment for continued storage, the government must enter into a new contract with the warehouse and/or issue a purchase order or new bill of lading for delivery and additional services needed after the termination notice.

1.7.3. In the event that NTS or SIT converts to the customer's expense, the TSP is required to provide a copy of the Joint Inspection Form, (i.e., rider to the inventory or exception sheet) if a joint inspection occurred and it is requested by the MCO.

1.7.4. **Goods booked into storage before 1 March 2008.** Contracts for NTS of goods negotiated after 1 March 2008 must include liability provision for full replacement value (FRV). Goods stored under NTS contracts negotiated before 1 March 2008 may contain liability provision limiting TSP liability to depreciated value for losses or damage. Renegotiation of depreciated value contracts after 1 March 2008 must provide for FRV liability. Any such renegotiated contract will cause the NTS TSP to be liable for FRV for any damage suffered by the goods while in storage with that NTS TSP. If the NTS TSP can demonstrate through clear and convincing evidence that the damage occurred prior to the renegotiation of the rates to FRV rates, then the NTS TSP will only be liable for the damage in accordance with the contract or TOS in effect immediately prior to the renegotiation of the rates.

## 1.8. High Value Items and High-Risk Inventories

1.8.1. High value/high risk items are rare, very high-end, highly pilferable, and/or expensive collectible items and may include, but is not limited to, currency, coins, jewelry, silverware and silver service sets, crystal, figurines, furs, objects of art, computer software programs, manuscripts, comic books, baseball cards, stamps, and other collectible items or rare documents, a collection of compact disks (CDs) and digital video disks (DVDs) will not be considered high value/high risk items. However, individual CDs or DVDs with a value in excess of \$50 will be considered a high value item.

1.8.2. Collections should be noted at pack out and preparation of the origin inventory. Simply listing twenty-two (22) pairs Nike sneakers or "Jordans" is not sufficient to establish that such items constitute a collection. The customer must be counseled by the pack crew to specifically identify and designate collections prior to packing, and such collections must be indicated on the high-risk/inventory form or origin inventory as appropriate.

1.8.3. The TSP will add all items requested by the customer or which the TSP observes are generally of the nature to fall within the rare, very high-end, highly pilferable, and/or expensive collectible item category to the HVI sheets. **Note** High value/high risk inventory sheets are for rare, very high end, highly pilferable, and/or expensive collectible items. When in doubt, the TSP should ask the customer whether he/she would like to add the item to the HVI list.

1.8.4. High Value Items and High-Risk Inventories are to be utilized for tracking and tracing purposes only. A high risk/high value inventory form, even if it is signed by the customer upon delivery and fails to note shortages at delivery, will normally be treated as other inventories for purposes of

determining whether there was loss or damage in transit. The ‘Notification of Loss/Damage AFTER Delivery’ form, that gives the TSP notice of later discovered loss or damage would overcome the presumption of correct delivery, even of high value items listed on a special inventory, unless all of the following conditions are met:

1.8.4.1. If the high risk/high value inventory form has a block to denote delivery, the customer must initial each block for each item. A check mark or an “x” is not sufficient.

1.8.4.2. The high risk/high value inventory form must contain a warning, in bold font larger than other fonts on the form, that if the customer notes on this inventory that an item was delivered, he or she may never claim that the item was missing with either the TSP or with an MCO.

1.8.4.3. The delivering TSP must attest in writing that, just prior to departure from the residence, the TSP and the customer opened all containers in which the high risk/high value items were packed; that the items were present; and that the TSP advised the customer of the consequences of signing the high risk/high value inventory form.

1.8.4.4. TSPs will not be held liable for high risk/high value items in locked safes (or other locked storage container) if they were not declared to the TSP or annotated on the inventory.

## **1.9. Transfer of Custody of Shipments**

1.9.1. When custody of a shipment is transferred from one TSP to another, the delivering TSP will furnish the receiving TSP two legible duplicate copies of the shipment inventory.

1.9.2. The receiving TSP will have the option, at no cost to the government, to conduct a joint inspection of every item and/or carton on the inventory, including cartons or items in a crate regardless of whether the crate is damaged, or the seals are intact. This is the only way for the receiving TSP to assure that it has accounted for all items on the inventory and to assure there are no overages.

1.9.2.1. If, at the time each item is checked, there is a difference in the condition of the items from what is listed on the shipment inventory, the receiving TSP will prepare an exception sheet noting the condition of the containers or to specific cartons within the containers, or other specific items in the shipment and use a rider noting thereon any shortage/overage, or differing conditions, cross-referenced to the original shipment inventory.

1.9.2.2. Responsibility for mitigation, remediation and liability for potential mold may not be transferred by documenting the suspected mold on the exception sheet.

1.9.2.3. If no new loss or damage is discovered, an exception sheet will be prepared stating, “No differences noted,” signed and dated by the receiving TSP and the delivering TSP’s driver.

1.9.2.4. In the event the opinion of the delivering TSP’s driver and the receiving TSP differ, both opinions will be listed on the rider and separately identified.

1.9.3. Both the delivering and receiving TSP will sign and date the exception sheet/rider, each retaining a legible copy for their files. Documented or reported failure or refusal of the releasing party/TSP to sign the exception sheet is not a release of liability, in such instances the rider shall be considered valid without two signatures.

1.9.4. In the event a claim is filed, each TSP receiving the goods from another TSP will furnish legible copies of the exception sheet/rider to the customer or MCO, upon request.

## **2.0 Claims**

Claimants must ordinarily file their claims in DPS. Claims Management in DPS enables the customer to work directly with the TSP to obtain settlement for any loss, destruction, or damage to their belongings while the goods were in the possession of the TSP. DPS will manage all required correspondence and provide online access to all necessary claims processes. TSPs will not require customers to file their claim outside of DPS unless it is requested by the customer. For claims not filed in DPS refer to Paragraph 2.2.

### **2.1 Claims Filing**

2.1.1. Customers whose property is lost, destroyed, or damaged in transit and who wish to file against the TSP must file their claims within two years of delivery of the shipment that gave rise to the claim. For the purpose of the two-year limit for filing claims, either directly against the TSP in DPS or against the United States through a MCO, if a claim accrues during war or an armed conflict in which an armed force of the United States is involved, or has accrued within 2 years before war or an armed conflict begins, and for cause shown, the claim must be presented within 2 years after the cause no longer exists or after the war or armed conflict ends, whichever is earlier. An armed conflict begins and ends as stated in a concurrent resolution of Congress or a decision of the President. An extension granted by this provision may be longer at the discretion of the TSP. If the TSP anticipates denying an extension, they must contact the MCO for a decision on whether the nine month or two-year limit should be extended under this provision. This extension provision will apply to the nine-month filing requirement to qualify for FRV. Timeliness based upon extensions under this provision will be determined by the MCO based on the service's claims regulations and instructions.

2.1.2. If the customer submits the claim in DPS against the TSP within nine months of delivery, the TSP, subject to the exclusions stated in Section 1.3, above, will be liable for the full, undepreciated replacement value on all lost or destroyed items, as specified in Section 1.1, above. If a claim has not been completely settled by the delivering TSP within 30 days after submission of information necessary to settle the claim, customers may transfer all or part of their claim to a MCO in accordance with Paragraph 1.5. Claims filed within nine months of delivery but transferred to an MCO are still eligible for FRV.

2.1.2.1. A claim may be transferred to a MCO before 30 days after submitting information necessary to settle the claim, and TSP will remain liable for FRV if the provisions of paragraph 1.5.2. are met.

2.1.3. When a customer transfers a claim to the MCO, the MCO must contact the TSP to determine if the TSP has already obtained estimates, and request copies of claims negotiation or settlement documents relevant to the MCO claim. The TSP shall transmit any requested documents relevant to the MCO claim to the requesting MCO within two business days, by fax or electronic mail. If the TSP has not already obtained estimates, the MCO may give the TSP until the next business day to decide if it will inspect and obtain estimates on those items requiring estimates and make arrangements with the customer and repair firms for the estimates. If the TSP decides to inspect and obtain estimates, and if customer expresses an interest in allowing the TSP to arrange and it will have until the 7th business day after it is contacted to obtain them unless the customer agrees to give it more time. If the TSP is unable to obtain estimates within seven business days of being contacted and the customer does not agree to give TSP more time to do so, then the MCO will proceed to adjudicate and settle the claim.

2.1.4. The MCO may assert a demand against the TSP for the TSP's liability as established under Sections 1.1 and 1.2, above. The TSP will not be liable on such a recovery claim for payment on items for which the TSP has already paid the customer, if the correspondence between the TSP and the customer lists the item as one on which payment is being made and clearly indicates that the prior payment was in full and final satisfaction of either the entire claim or was in full and final satisfaction of the claim for the particular item.

2.1.5. For the purposes of qualifying for FRV and for meeting the two-year time limits for filing claims directly with the TSP, a claim submitted directly by the customer to the TSP must be submitted, subject to the exclusions stated in Section 2.2, below, within the relevant time period (nine months or two years). The claim must identify the customer; contain facts sufficient to identify the shipment or shipments involved; must assert a demand for a specific or determinable amount of money; and must specify the items lost or damaged.

2.1.6. The nine-month limit for obtaining FRV and the two-year limit for filing the claim are met for all TSPs handlers of the goods in a shipment if the claim is filed with the delivering TSP within the nine month or two-year time limit. This provision also applies if goods have been in the custody of one or more TSPs that are not acting as agents of the delivering TSP (e.g., Code 3 shipments, delivery out of NTS by other than the warehouse, or DPM shipments). If the delivering TSP believes that some of the loss or damage occurred while the goods were in the custody of a prior TSP, then the delivering TSP must notify the claimant that they are settling for the items for which they are legally liable and denying the other items because another TSP is liable for the damage to or loss of the remaining items. Regardless of the language on any settlement letter or check, if a TSP asserts that another TSP is liable for loss or damage, such assertion may be challenged by presentation of evidence to the contrary by either the customer or the MCO, with the TSP making the denial having full rights of rebuttal and/or appeal if setoff occurs.

## **2.2 Exceptions to Filing in DPS**

2.2.1. Exceptions to the requirement that a customer file claims in DPS against the TSP will be granted on a case-by-case basis, in writing, by the MCO. Government assistance will be available to overcome most issues with regard to the automated claims process in DPS. In cases where an exception has been granted, TSPs are responsible for accepting, processing, and paying non-DPS claims consistent with these business rules. Approved non-DPS claims, submitted within the appropriate time limits, shall receive applicable FRV. Examples of situation that may warrant an exception under this provision include, but are not limited to:

2.2.1.1. Customer has no access to a computer or the internet.

2.2.1.2. The claim is made on behalf a deceased customer (Bluebark shipment).

2.2.1.3. Customer has language barriers or communication disabilities.

2.2.1.4. Customer has experienced a total or near total loss, either due to a missing shipment or extensive damage.

2.2.2. Filing a claim with the delivering TSP will satisfy the requirement for all TSPs and warehouses in the chain of custody of the claimed item that a claim must be filed directly with a TSP to maintain the entitlement the customer has to settlement on the basis of FRV.

2.2.3. When claims are not submitted through DPS the customer will use the DD Form 1844, List of

Property and Claims Analysis Chart, or electronic facsimile thereof, when submitting a claim to the delivering TSP or MCO.

2.2.4. Except for rules that specifically apply to claims filed in DPS or processed in DPS, these rules shall apply to claims not filed in DPS.

## 2.3. Substantiation of Claims

### 2.3.1. Introduction

In addition to the requirements to meet timely filing, claims must include information for the TSP to begin the settlement process. On all claims, this information will include notices of damages or loss that were found after the day of delivery and not previously provided to TSP; sufficient information about the shipment to enable the TSP to locate its copy of the bill of lading or service order; an inventory number for the damaged or lost item if that item has an inventory number associated with it; a description of each item that is lost; and a list of each item that is damaged stating the nature, location, and extent of the damage, and a determinable amount. The description of items lost or damaged must also list the approximate date of purchase of each item, or for items that were not purchased (e.g., gifts or bequests), the approximate date the customer acquired the item, the age of items that were not new when acquired.

For claims filed directly with the TSP, the TSP is responsible for obtaining repair estimates or replacement cost estimates required to settle the claim. The TSP shall hire a repair firm NLT 20 days from claim submission and complete inspection within 45 days or document at least two unsuccessful attempts to arrange an inspection time with the customer. If the TSP is still unable to obtain a repair or replacement estimate on an item, it may ask the customer to obtain the estimates, provided that the TSP agrees to pay all estimate fees and drayage costs that are incurred, even if the final settlement does not include payment for that item. **At locations where repairs cannot be made to an item, or the replacement or repair parts cannot be obtained, whether due to SOFA restrictions, Local Law, or the business practices of the item's manufacturer, the TSP will be liable for FRV.** In the event that a repair estimate and repairs cannot be obtained the TSP will be liable for FRV. The customer must cooperate with reasonable requests from the TSP in making items available for repair or for repair estimates. If the customer does not cooperate, the TSP should seek assistance from the closest MCO of that customer's military service. If the customer still does not cooperate, the TSP may delay settlement on those items that need estimates until the customer makes the items available. If the MCO finds that the delay was for good cause, it may request that USTRANSCOM adjust the claims settlement timeline within DPS to ensure the TSP is not penalized for the delay. The good cause for delay is not limited to a lack of customer cooperation in making items available for repair or estimates but may also include inadequate information to identify items and other circumstances to be determined by the MCO. For claims that are not filed within nine months of delivery, but are correctly filed per Section 2.1 above, the TSP may require the customer to provide repair or replacement estimates on any item(s) for which the amount claimed exceeds \$100.

### 2.3.2. Burden of Proof

The TSP is responsible for ensuring the inventory accurately reflects the true condition of items. This responsibility extends to acknowledging the working condition of appliances or other electronic items. The TSP is responsible for coordinating with the customer to verify the working condition of appliances and other electronic items (i.e., during the pre-move survey). In the absence of condition codes or other notes on the inventory, items are assumed to be in good working condition and failure of electronic items will be assumed to be transit related. On claims that are filed directly with the TSP within nine months of delivery,

the TSP will attempt to obtain the repair estimate, IAW Para 2.3.1, including the repair technician's opinion as to the source of damage. The use of codes such as 'Mechanical Condition Unknown' on inventories is only permitted in documented instances where the customer is unable or unwilling to demonstrate the working condition of an item. The presence of codes such as 'Mechanical Condition Unknown' on an inventory does not preclude a customer from filing a claim for an item. Purposefully misrepresenting the condition of items on inventories will not be tolerated. Additional TSP inventory requirements are outlined in relevant Tenders of Service.

### **2.3.3. Notice of Loss and Damage**

2.3.3.1. When unloading or unpacking articles at destination, the delivery TSP will, in coordination with the customer, check the inventory prepared at origin and inspect each article for loss or damage. The delivering TSP will, along with the customer, record loss or damage on a 'Notification of Loss or Damage AT Delivery' form. The 'Notification of Loss or Damage AT Delivery' form will indicate differences in count and condition from that shown on the inventory prepared at origin and will be jointly signed by the delivering TSP and the customer. The TSP will provide a toll-free number and email address that the customer can use to contact the TSP on the 'Notification of Loss or Damage AT Delivery' form. Failure to provide the contact information will result in the 180-day notice period starting on the day after contact information is provided or delivery is updated in DPS, whichever is later. For split shipments or partial deliveries, a separate 'Notification of Loss or Damage AT Delivery' form will be completed whenever property is delivered to the customer.

2.3.3.2. Loss or transit damage discovered after delivery shall be listed on the 'Notification of Loss or Damage AFTER Delivery' form unless the damage or loss is entered into DPS per Section 2.13 below. In either case, the delivering TSP shall accept this form or entry as overcoming the presumption of correctness of the delivery receipt, if it is transmitted or postmarked within 180 calendar days of delivery. Notice shall not be required if a claim is filed with the delivering TSP within 180 calendar days of delivery. Neither the 'Notification of Loss/Damage AT Delivery' nor the 'Notification of Loss or Damage AFTER Delivery' forms are conclusive; both can be rebutted by other evidence. Timely submission of the 'Notice of Loss or Damage AFTER Delivery' form to the delivering TSP shall be considered timely notice to all TSPs in the chain of custody of the items listed on the form.

2.3.3.2.1. The TSP shall update DPS that delivery has been completed within three business days after said delivery. If the TSP updates DPS within three business days after delivery, the 180-day notice period shall start on the day after delivery. If the TSP fails to update DPS within three business days after delivery, the 180-day notice period will begin the day after the TSP updates DPS that delivery has been completed.

2.3.3.3. The TSP must notify the customer at 60 and 150 days after delivery point of the date the Notice of Loss or Damage (NOLD) and the date the claim are due in order to retain FRV. The notification must include contact information for the TSP.

2.3.3.4. The delivering TSP's failure to provide the forms for the 'Notification of Loss/Damage AT Delivery' and 'Notification of Loss/Damage AFTER Delivery' to the customer and to have proof thereof will eliminate the requirement for notification to the delivering TSP and all TSPs that handled the goods in the shipment. Notice using the 'Notification of Loss/Damage AT Delivery' and the 'Notification of Loss/Damage AFTER Delivery' forms are not required by the delivering TSP in the case of major incidents, requiring the delivering TSP to notify the Military Surface Deployment and Distribution Command and appropriate Personal Property Shipping Office (PPSO) of the incident. Such

incidents include fire, pilferage, vandalism, and similar incidents that produce significant loss, damage, or delay.

2.3.3.5. Valid evidence that the MCO or the delivering TSP shall consider, along with timely notification, in determining whether or not a customer has sustained loss and/or damage in the shipment include, but are not necessarily limited to, the inventory prepared at origin and the delivery receipt.

#### **2.3.4. Inspection by the Transportation Service Provider**

2.3.4.1. The TSP may inspect the damaged items at any time prior to settlement of the claim after coordinating with the customer on a convenient time. However, the TSP may not deny a claim solely on the basis that it was unable to inspect any item. If the customer has repaired an item before the TSP's inspection, the customer must provide the repair bill or some other evidence of the damage and repair cost to the TSP. If the customer has disposed of a damaged item, the customer must give the TSP evidence that the item was damaged beyond economical repair or was a potential health hazard to the claimant or the claimant's family.

2.3.4.2. If a customer calls the TSP before a claim is settled and asks the TSP to inspect or give permission to dispose of items, the TSP will, within two business days after being contacted, notify the customer that either the items will be inspected or that the customer may dispose of the items. In such cases, if the TSP gives notice that it will inspect the items, it will do so within 45 days of being contacted by the customer unless the customer grants a further extension.

2.3.4.3. If the customer refuses to permit the TSP to inspect or is non-responsive to the request to arrange an inspection after reasonable effort by the TSP or its repair/inspection firm, the TSP must contact the appropriate MCO and request assistance in arranging an inspection of the goods. If the customer causes a delay by refusing inspection, the TSP shall be provided with an equal number of days to perform the inspection, for example, 45 days plus delay days caused by a customer.

#### **2.3.5. Repair Estimates**

2.3.5.1. The TSP will be responsible for paying for repair estimates required to process claims that are filed with the TSP by the customer. TSP's must provide the customer copies of any estimate used to support an offer of settlement at the time the offer is made. Redactions of proprietary information are permissible before providing estimate copies. In accordance with service regulations, the MCO will be responsible for paying repair estimates required to process and substantiate claims that are filed with the MCO by the customer. As noted previously, if a claim is presented to the MCO or transferred to the MCO by the customer, the MCO must, prior to settlement, contact the TSP to obtain estimates and any copies of claims negotiation or settlement documents related to the claim. The TSP must provide those documents within two business days. Failure to transmit the requested documents within two business days can result in the MCO recommending administrative action from the PPSO and/or USTRANSCOM. The TSP is responsible for paying all estimates and associated fees presented by a MCO as a result of claims that were transferred to the MCO by the customer pursuant to Section 2.1, above, unless:

2.3.5.1.1. The TSP previously provided a reasonable estimate; or

2.3.5.1.2. The TSP previously offered to pay the customer a value that matches or exceeds the repair cost for all items on the estimate; or

2.3.5.1.3. The item damaged is repairable and the TSP offered to repair it at no cost to the customer; or

2.3.5.1.4. The TSP previously offered to pay the replacement cost or to replace the damaged item in kind.

2.3.5.2. All estimates provided by the TSP must identify a repair firm that is willing and able to make the repair within a reasonable time for the amount stated. The repair firm must be reputable and provide timely and satisfactory performance. All such estimates must be itemized.

2.3.5.3. If an MCO receives an itemized repair estimate from the TSP before a claim is settled, then the MCO will use that estimate provided that it is the lowest overall, and meets the criteria described in Section 2.3.5.2, above. If the TSP's estimate is the lowest overall estimate and is not used, the MCO will advise the TSP in writing of the reason the lowest overall estimate was not used in determining the TSP's liability.

2.3.5.4. If the TSP sends the appropriate MCO a lower repair estimate after the recovery demand on the TSP has been dispatched to the TSP's home office, it will be considered in the TSP's recovery rebuttal or appeal process if lower than the estimate used by the MCO and if it establishes that the estimate submitted by the customer was unreasonable in comparison with the market price in the area or that the price was unreasonable in relation to the value of the goods prior to being damaged.

2.3.5.5. If a TSP has made an inspection/estimate based upon the 'Notice of Damage AFTER Delivery' form and the customer subsequently updates the notice within the 180-day time- limit, the TSP is authorized to make an additional inspection/estimate. The TSP will contact the MCO to determine if it will authorize a deduction of \$75.00 or actual inspection cost, if less, from the TSP's liability for performing the second inspection/estimate.

2.3.5.6. Repairs must be made to the reasonable satisfaction of the customer. The TSP must initiate repair by a qualified repair firm within 30 days of settlement and the TSP must provide the name of the repair firm that will be doing the work, if requested by either the MCO or the customer.

## **2.4. Settlement of Loss and Damage Claims**

2.4.1. On loss or damage claims, the TSP must provide an acknowledgement of receipt of a claim to the customer within 15 calendar days of receipt of a complete claim. The TSP's acknowledgement to the customer must provide a phone number and email address to contact the TSP claims representative. The acknowledgment message must remind the customer that the TSP is required to pay, deny, or make an offer on all claims valued at \$1000 or less within 30 days of receipt of the claim and on all other claims within 60 days of receipt. These rules authorize settlement for repair of damaged items that are capable of being repaired and replacement of items that are damaged beyond economical repair or lost. Customers are not required to accept any other settlement options. Failure to acknowledge receipt within 15 calendar days or to pay, deny, or otherwise settle the claim within 60 calendar days may result in potential disciplinary action may be taken against the TSP.

2.4.2. The TSP will issue payment to the customer or initiate repair of items within 30 days of receipt of notice that the customer has accepted a full or partial settlement. Failure to issue payment within 30 days of notice of acceptance of settlement may constitute reason for convening a TSP Review Board and action may be taken against the TSP up to and including disqualification from the DOD Personal Property Program. The TSP will enter the date and amount of payment into DPS once systems capability



is available.

2.4.3. In those cases, where more than one TSP may be responsible for the loss, an earlier TSP that receives a claim from the delivery TSP shall have 60-days for payment, denial, or a final written offer, beginning on the date of receipt of the claim from the delivery TSP. The claimant may transfer a claim to an MCO after 30 days of filing their original claim regardless of whether the claim is transferred to an earlier TSP.

2.4.4. A claim for an item is settled in DPS when:

2.4.4.1. The customer accepts a final offer of settlement, the TSP issues a payment, and the value of the payment has been finally transferred to the customer or funds electronically deposited in the customer's bank account; or

2.4.4.2. The customer transfers the claim for that item to the MCO.

2.4.5. A claim for an item is settled outside of DPS when:

2.4.5.1. The TSP has made a final offer of settlement in writing that lists the amounts being offered for specific items; and the customer accepts a final offer of settlement on the specifically listed items in writing, the TSP issues payment, and the value of the payment has been finally transferred to the customer; or

2.4.5.2. The customer declines a final offer of settlement of specific items in writing.

2.4.6. A claim for an item is also settled when the TSP denies the claim for that item in DPS, or in writing for claims filed outside of DPS.

2.4.6.1. Denial of a claim by the TSP does not necessarily extinguish TSP liability. Customers may file claims for items denied by the TSP with the MCO.

2.4.7. Electronic mail is considered a form of writing under these rules.

## **2.5 Partial Settlements.**

2.5.1. Customers may find final offers of settlement acceptable on some items and unacceptable on other items. Customers may take payment on the acceptable parts of the final offer and may decline the unacceptable parts of the offer of settlement. The TSP must issue payment to customers on the portions of any final offer that the customer accepts. The TSP shall not be liable for any further claim for loss or damage on any item for which the TSP has settled the claim in accordance with this paragraph.

2.5.2. The TSP is required to make an initial written offer or denial to the customer/claimant for each separate item claimed as lost or damaged. The TSP is not permitted to condition its offer for any item on the claimant's acceptance of its offer or denial on any other item or items. The claimant may accept the offer for some of the items and reject the offer or denial for other items and transfer the claim for those items to the MCO. This is a partial settlement. The customer does not have to transfer denied items to the MCO, in order for a claim to be considered settled.

2.5.3. After receipt of the initial written offer from the TSP, the claimant may initiate negotiation in order to attempt to increase the amount offered for some or all items, or to change the form of the offer

(e.g., to substitute a cash payment for an offer to repair). During negotiation the claimant or the TSP may propose that the amount offered for some items be increased in exchange for the claimant's acceptance of the offer or denial on other items. The claimant or the TSP may also propose a settlement in which a lump sum is paid to settle the entire claim, without a separate amount offered for each separate item. The TSP shall reduce to writing any agreement reached based upon these negotiations and each party shall sign the agreement. The agreement shall clearly state in **BOLD FACE** type that entering into the agreement may preclude the claimant from any payment on a claim against the MCO for any or all items covered by the agreement. The TSP shall provide a copy to the customer. The claimant may at any time cease negotiation and accept or reject the initial offer or denial for each separate item and transfer the claim for the remaining items to the MCO.

2.5.4. If and only if the claimant and the TSP have settled every separate item in the claim, or the claimant and the TSP have entered into a lump sum settlement, may the claimant and the TSP enter into a full and final settlement agreement. If the claimant has not previously accepted the TSP's offer or denial for every separate item, or accepted a lump sum settlement, the TSP may not submit for the claimant's signature on any document (to include a settlement check) purporting to be a full and final settlement of the entire claim. Neither the claimant nor the Government will be bound by such a purported agreement.

## 2.6. Quick Claim Settlement

2.6.1. TSP's may establish a quick claim settlement procedure to quickly resolve and pay claims for minor loss or damage discovered at the time of delivery that would preclude the requirement for a claimant to file a claim for those items in DPS. Such procedures may cover payment for an aggregate amount not to exceed \$2000, with full payment made within 5 calendar days of delivery. The process of settling and paying such claims will be left to the discretion of each TSP. However, a small claim settlement agreement can contain only a limited release of liability and must specifically list the items and the damage for which payment is being made. Customers must be advised that they may still file claims for loss or damage discovered after delivery. A copy of the settlement agreement must be made available to the appropriate MCO on request. If the customer receives a quick claim settlement and then files an additional claim, the customer may not file an additional claim for items that he settled through the quick claim process.

## 2.7. Salvage

2.7.1. To the extent not prohibited by law or agreement, the TSP is entitled to take possession of and sell for salvage a damaged item on which the TSP has paid the customer either the depreciated or full (i.e., undepreciated) replacement cost, or replaced the damaged item with a new item, including sets under paragraph 1.1.2.2. If the customer wishes to retain an item for which the TSP has agreed to pay replacement cost or replace the damaged item with a new item, he may make a counteroffer to accept a lesser amount of money from the TSP in exchange for the TSP waiving salvage rights. The TSP is not required to accept such counteroffers. The TSP may reduce their offer by no more than 25% in exchange for waiving their salvage rights unless there is an established secondary market that would support a higher salvage valuation. TSPs are prohibited from pre-emptively deduct salvage from an award without communicating with the customer first. This provision is distinguished from, not applicable to, the situation referenced in Paragraph 2.7.7, in which the item or items in question were disposed of before settlement.

2.7.2. If the TSP pays a customer the depreciated or the full (i.e., undepreciated) replacement cost of a lost item, and the lost item is subsequently located, the TSP must notify the MCO and the customer for

instructions. The customer may then decide either to request or decline delivery of the item(s). If the customer elects to receive a found item, the TSP must deliver the item or items to the customer's residence or to the nearest agent facility near the customer for inspection by the customer. The customer must refund the amount paid on that item through the claims process. If the customer declines delivery of the item, the TSP may retain the item(s) for salvage.

2.73. If the TSP locates an item within 60 days of receipt of notice of the loss, and a claim on that item has not yet been paid, then the customer will be obligated to accept delivery of the item in lieu of a claim, even if the customer has already replaced the item. In addition, if the TSP locates a lost item more than 60 days after receipt of notice of the loss, but the item has not been replaced, and a claim on the item has not been paid, then the customer will be obligated to accept delivery of the item in lieu of a claim. If a lost item is later discovered with damage, the time limits for qualifying for FRV protection and for online filing claims on that item will not commence until the delivery of that item. Notwithstanding the above, essential item(s), as described in Section 2.11, below, that a reasonable person would and has replaced promptly may be declined by the customer before the 60-day period has run. This provision applies only when:

2.7.3.1 The item has been missing for at least seven (7) days from the date of delivery and the TSP has been notified pursuant to Section 2.11, below.

2.7.3.2 The item is necessary for daily life, such that it must be replaced within two business days of notice to TSP: and the item has in fact been replaced.

2.74. The TSP must take possession of salvage items, at the customer's residence, or other location acceptable to the customer, not later than 30 days from the TSP's notification from the repair firm that an item is beyond repair, or within 20 days of inspection (to include virtual), whichever occurs first. The pickup period can be extended by an agreement between the TSP and the customer in writing. If the customer refuses to cooperate with the TSP in the exercise of salvage rights, the TSP should contact the appropriate MCO closest to the customer and request assistance, and the deadline shall be extended for that period that the customer refused to cooperate.

Note: The customer is not required to submit photographs, however if requested by TSP and agreed to by customer, the 45 days shall commence upon initial submission of photographs by the customer. In either case the customer should be encouraged to take photographs for their personal records and potential use for a claim.

2.75. The TSP will not exercise its salvage rights if the depreciated replacement value of all salvageable items totals less than \$100.00, or, in the case of a single salvageable item, the item has a value of less than \$50. If a shipment has more than one salvageable item, one of which has a value of \$50.00 or more, yet the total of all salvageable items is \$100.00 or less, then the TSP may exercise its salvage rights.

2.76. The TSP will not exercise its salvage rights on items that are hazardous or dangerous to the health or safety of the customer or the customer's family. Such items include, but are not limited to, broken mirrors or glass, spoiled food, moldy mattresses, or other fabric items. For potential salvage, the customer will retain antiques, figurines, and crystal with a single item value of \$50 or more.

2.77. If the TSP is unable to exercise its salvage rights due to the disposal of an item by the customer, the TSP may reduce its liability by 25% on that item if it has a depreciated replacement value of \$50.00

or more. The TSP is not entitled to a deduction for salvage on a single item with a depreciated replacement value of less than \$50.00 unless the total combined depreciated replacement value of all items that have been disposed of is \$100.00 or more.

278. The right of the TSP to salvage terminates upon the transfer by the claimant of the claim for the specific item or items to MCO.

## **2.8. Claims for \$25 or Less**

281. In an effort to reduce administrative costs, the Military Services agree they will not pursue a claim against a TSP for loss or damage to household goods that were transported under this document if the amount of the claim is for \$25 or less.

282. The TSPs agree they will not request reimbursement for such claims from the Military Services for an amount of \$25 or less.

## **2.9. Dispute Resolution**

291. If a customer does not accept a settlement offered by the TSP, the customer may transfer a claim as specified in Section 2.1.2, above, to the appropriate MCO. If the customer transfers a claim to the military, the MCO will resolve the customer's claim in accordance with its Service's claims regulations and procedures. The MCO will then assert a recovery claim against the TSP under these business rules. The TSP must pay, deny, or make an offer on the recovery claim offer on all claims valued at \$1000 or less within 30 days of receipt of the claim and on all other claims within 60 days of receipt, unless an extension is granted by the MCO.

292. If the TSP and the MCO cannot reach a mutual settlement on the recovery claim, the military may collect the amount of its recovery claim by administrative offset from money that is owed to the TSP for transportation services, or from other payment due the TSP directly from the government. If payments to the TSP are made by a third-party payment system, the TSP agrees that the appropriate MCO may direct the party paying the TSP to divert all or part of any payment to the appropriate military finance center in order to accomplish offset to pay a government claim from a prior shipment. The TSP must approve the offset submitted by the MCO within three business days. Note: Approval of the offset does not indicate agreement with the offset and does not affect the TSP's appellate rights.

293. If the TSP following such an offset, continues to dispute the amount of its liability, then it may file an administrative appeal under the provisions of Title 31, United States Code, Section 3702, to the Defense Office of Hearing and Appeals (DOHA) or it may file suit in the appropriate federal court.

294. In some cases, more than one TSP may have had custody of the goods. The claim will be filed with the delivering TSP, and the delivering TSP who first receives the claim may deny all or part of the claims on the basis that a prior TSP is liable for part of the loss. The delivery TSP must notify the customer and the appropriate MCO within three business days of the denial of liability based on a previous handler. The customer may decide to continue the claims process through the previous handler or may transfer the claim to the MCO. The customer always has the right to transfer a claim to an MCO after 30 days have passed since filing the initial claim against the delivery TSP.

## **2.10. Catastrophic Loss Payments**

2.101. TSP is required to contact the MCO, the customer, the responsible PPSO, the respective Service Headquarters, and the Defense Personal Property Management Office, within one government business day of when potential catastrophic losses occur. TSPs will ensure MCOs, the respective Service Headquarters, and USTRANSCOM are included on all communications regarding settlement of a catastrophic loss. The TSP will provide a weekly update (at a minimum) to the customer, MCO, JPPSO, Service Headquarters, and USTRANSCOM.

2.102. The TSP is responsible for identifying and making partial, advance payments to customers who have suffered a catastrophic loss. These payments are designed to relieve a customer's hardship associated with the loss of all or a majority of their household goods. The payments are an advance and should not exceed the TSP's expected total liability, per Section 1.1 Liability. The customer will still be required to file a claim for their loss. Any advance payment made will be deducted from the customer's eventual award. Such payments are subject to the same maximum liability and rules as all payments under these business rules. If a payment is made by a TSP and the TSP is subsequently found to not be liable for the loss/damage, the TSP may seek reimbursement of the paid amount through the MCO and/or the customer's Service HQ.

2.103. Catastrophic loss occurs when an estimated 60% of the inventory line items in a given shipment are lost, damaged, or destroyed. However, TSPs are free to declare catastrophic losses and make a partial payment at their discretion if the 60% threshold has not been met. MCOs may declare catastrophic losses and require a partial payment at their discretion regardless of the 60% threshold. If a TSP cannot contact the customer within 48 hours, they will make payment or come to an agreement on payment within 48 hours of making contact. Catastrophic losses and payments will be recorded in DPS, however, the entering of the entire claim into the DPS claims module may not be required if waived by the MCO. The declaration of a loss as catastrophic and the making of a partial payment is not an admission of liability regarding any particular piece of property. Further, a customer's request for, or a TSP's identification of, such loss does not constitute a claim.

2.104. TSPs are prohibited from discarding items without the customer's permission. The TSP is required to expedite catastrophic loss shipments to the customer's destination as stated on the BL, if possible, for inspection and removal of sentimental items by the customer. In the event the property cannot be transported, the TSP will be responsible for arranging a virtual inspection to identify sentimental items for removal by the customer in coordination with the local QA office.

2.105. TSPs are expected to make advance payments of no less than 10% of their total maximum liability for the shipment as soon as possible after a catastrophic loss occurs. Payments must be made within 48 hours of the TSP discovering or being notified of a catastrophic loss unless the customer and TSP otherwise come to an agreement. TSPs are free to make an advance payment in any amount they believe will not exceed their total expected liability to the customer. Advance payments made do not relieve the TSP of its responsibility to process inconvenience claims in accordance with the Tender of Service.

2.106. In the event that a TSP identifies or is informed of a catastrophic loss for which it believes it is not liable under Section 1.3, Exclusions from Liability, above, the TSP shall inform the customer's MCO within 24 hours. In such cases, the MCO shall handle the advance payment and claim. If it is later determined that the TSP was, in fact, liable for the loss, the MCO will assert a recovery claim against the TSP. The TSP shall be liable as if the customer had filed a claim with the TSP within nine months of their loss.

## **2.11. Essential Items**

2.11.1. The TSP is responsible for promptly notifying customers who have had essential items lost, destroyed, or made unusable due to damage. Customers are responsible for notifying the TSP, MCO, or PPSO of such a loss within 7 days of the date their goods were delivered. Any item not identified in this way by the customer shall not be considered “essential.”

2.11.2. Upon notification of the loss of an essential item by either the customer, MCO, PPSO, or USTRANSCOM, the TSP shall either pay for such items, provide temporary or permanent replacements for them, repair them or such other arrangement as agreed to by the customer. Such action must be taken within two (2) business days of notification, regardless of whether a claim has been filed. Payments made by the TSP pursuant to this paragraph shall be considered an advance and should not exceed the TSP’s expected total liability. Customers will still be required to file a claim for their loss. Any advance payment made will be deducted from the customer’s eventual award. Such payments are subject to the same maximum liability and rules as apply to all payments.

2.11.3. If a TSP declines to provide or pay for an essential item or fails to respond to notification within the two (2) business day period, the customer may file a claim for said item(s) directly with the MCO. In such cases, the customer shall retain his or her right to FRV for those essential items for which notice was provided to the TSP. The customer is expected to file the remainder of their claim consistent with the provisions of these business rules.

2.11.4. In the event that a TSP identifies or is informed of the loss or damage of an essential item for which it believes it is not liable under Section 1.3, above, the TSP shall inform the customer’s MCO within 24 hours. In such cases, the MCO shall handle the advance payment and claims. If it is later determined that the TSP was, in fact, liable for the loss, the MCO will assert a recovery claim against the TSP. The TSP liability will be as if the customer had filed a claim with the TSP within nine months of their loss.

2.11.5. Essential items are only those items necessary for everyday living. Essential items must be repaired or replaced promptly. Replacement of essential items are required for those essential items damaged beyond repair. In the event an essential item requires repair, TSPs shall be liable for temporary (e.g., rental) replacements. Items used solely for entertainment purposes are not considered essential. Fungible items that are regularly used up or worn out and must be routinely replaced are not considered essential. Essential items include, but are not limited to:

2.11.5.1 Refrigerators or other appliances necessary for the safe storage and preparation of food

2.11.5.2 Necessary medical equipment.

2.11.5.3 Mattresses; and

2.11.5.4 Washer and Dryer

## **2.12. Claims Processing in DPS**

2.12.1. After the customer enters information about lost and/or damaged items into the DPS Claims Management module, the TSP will have an opportunity to either deny the claim in its entirety or to agree to the customer demand in its entirety. Otherwise, the TSP must respond with proposed dollar amount settlements on an item-by-item basis. The amounts will reflect costs to repair or replace

items as appropriate. DPS will include a notes field associated with each line item for the TSP to explain to the customer the rationale of their counteroffer or denial. Until such time as DPS is modified to include a notes field, the TSP shall use other reasonable communication methods (e.g., email, memoranda) to explain its rationale for its counteroffer.

2.12.2. For each item claimed, the TSP may make an offer or deny any settlement. If an offer is made on an item, the customer may either accept or dispute the amount offered. The customer may provide a counteroffer for each item's settlement amount that they dispute, which the TSP can in turn, accept, refuse, or counteroffer. DPS allows an indefinite number of offers and demands to be exchanged between customers and TSPs. If the customer is unable to reach a mutual agreement on an amount to be reimbursed on one or more items, the customer can transfer the disputed item(s) to their MCO for settlement per the conditions as set forth in Section 2.1.2, above.

### **2.13. Filing Notice of Loss/Damage.**

2.13.1. The first step in initiating a claim under the FRV guidelines of The Defense Personal Property Program is filing Loss/Damage Reports. The first loss/damage report, Notice of Loss/Damage AT DELIVERY, is made at the time of delivery for loss or damage discovered at that time. Prior to TSP leaving, customer must sign the form and give to the TSP. The Notice of Loss/Damage AFTER DELIVERY is for damage discovered during unpacking after the delivery is complete.

2.13.2. For filing the Notices in DPS, the customer should enter all the information from their copy of the 'Notice of Loss/Damage AT Delivery' form provided by the TSP as soon as possible. Timely entry of this information ensures that everyone that may need to become involved in settling a claim has visibility to all available information. The customer must enter the information of any loss/damage AFTER delivery into DPS within 180 days after delivery per the requirements as set forth in Section 2.3.3, above.

2.13.2.1. The TSP shall update DPS that delivery has been completed within three business days after said delivery. If the TSP updates DPS within three business days after delivery, the 180-day notice period shall start on the day after delivery. If the TSP fails to update DPS within three business days after delivery, the 180-day notice period will begin the day after the TSP updates DPS that delivery has been completed.

2.13.3. If DPS is not used to file the Notice of Loss/Damage AFTER DELIVERY, customers must complete the form and dispatch it to the TSP within 180 days, per the requirements of Section 2.3.3, above.

2.13.4. Although customers may file multiple claims for the same shipment, they will be counseled to unpack and examine all of their goods before they submit a claim.

### **2.14. Checking Status of Loss/Damage Claim**

2.14.1. The customer can monitor the status of their claim through DPS. Every claim and item within a claim will always have a status while in the system. The status reflects what actions have been taken and who must complete the next pending action. Claims and associated items will have one of the statuses shown in Table 2-1. Any time a change of status occurs on a claim item, the user will receive the appropriate notification from DPS.

Table 2-1: Claims Management Status			
Claim		Item	
Status	Owner	Status	Owner
In Progress	Customer	Demand Pending	TSP
Submitted	TSP	Offer Pending	Customer
Under Review	Customer and TSP	Denied	Customer
Updated	Customer and TSP	MCO Adjudication	MCO
Denied	Customer	Settled	

2.14.2. The customer has the capability to provide information and/or responses for claims and items pending “Customer” action as indicated in Table 2-1. A claim is settled and closed in DPS when all items are settled.

**2.15. TSP Denied Loss/Damage Claim**

2.15.1. If the TSP denies the customer’s overall claim, the customer can either accept the denial or transfer it to their MCO immediately on receipt of the notice of denial, per Section 2.1.2, above.

**2.16. Responding to a TSP Proposed Settlement**

2.16.1. One of the primary objectives of The Defense Personal Property Program is to simplify and streamline the handling of personal property claims by enabling customers to negotiate settlements directly with TSPs whenever possible. This saves time, paperwork, and costs for everyone involved. DPS allows the customer to individually negotiate and settle items while their claims are under review by facilitating the necessary correspondence between them and the TSP.

2.16. 2. If after checking the status of one or more items included in the customer’s claim(s) under review as described in Table 2-1, the customer sees “Offer Pending” or “Denied,” a response is pending from the customer. For an offer pending, the customer may respond by accepting the TSP’s offer or by submitting a counteroffer. If the TSP denies a claimed item (the item shows a “Denied” status), the customer may transfer that item to their MCO in accordance with the procedures in Section 2.1.2 above.

2.16.3. If the customer is unable to reach a mutually agreeable settlement for one or more of their items lost or damaged, they are also entitled to transfer those claimed items to their MCO after at least 30 days has lapsed from the date the claim was filed, unless one of the events listed in Section 2.1.1, above, occurs sooner. The customer can transfer specific items they choose using DPS. The customer must comply with their Services’ regulations for filing claims.



## 2.17. Unearned Transportation

2.17.1. Unearned transportation is defined as payment for transportation of items, the value of which was not delivered. For items that are destroyed, lost, or missing at delivery, TSPs shall not be responsible for unearned transportation costs if the full replacement value of all lost or missing items has been paid to the owner or customer.

2.17.2. Each Service will be able to view the value of unearned transportation for each shipment by SCAC code. The Services can request a refund for that unearned transportation through DPS. The TSP would then submit a refund invoice to Third Party Payment System (TPPS). The TPPS will then transmit the refund to DPS for Service processing. If a TSP did not initiate the new invoice within 30 days of the Service request, then the Service may collect the money through administrative offset.

## 2.18. Shared Liability on International Shipments

2.18.1. On some international shipments, the Government requires the TSP to use Air Mobility Command aircraft or a vessel operating under a Voluntary Intermodal Shipping Agreement to transport the shipment for part of the journey. Liability shall be shared in these situations.

2.18.2. TSPs are relieved of liability for loss or damage on these shipments when the TSP can reasonably establish that the loss or damage occurred while the shipment was in the custody and control of the Government or Government-directed source of transportation. **In such cases where the TSP wishes to shift liability solely to the U.S. Government, the TSP must provide documented evidence to be relieved from liability and transfer the claimant to the appropriate MCO.** If a TSP receives a claim directly from the owner, and all of the loss occurred while the goods were in the custody of the Government or Government-directed source of transportation, the TSP will deny liability and advise the owner to file a claim with the appropriate MCO. If only part of the loss or damage occurred while the shipment was in the custody of the Government or Government-directed source of transportation, the TSP will settle those portions of the claim for which it is liable and refer the owner to the MCO for the payment on the rest of the claim.

2.18.3. Where it is evident that the loss or damage occurred while the property was in the possession of the TSP, the TSP will be responsible to the full extent of its normal liability.

2.18.4. If the time and place of the loss or damage to this type of shipment cannot be clearly established, and if the owner submits a claim directly to the TSP, the TSP will pay the owner the full amount of the loss, not to exceed twice the TSP's maximum liability on the shipment. The TSP will then forward a request for payment of 50% of the settlement to the MCO designated by each military service, supported by a copy of the completed claim. The MCO will pay 50% of the settlement to the TSP within 30 days of receipt of the request, provided the claimant/owner was a proper claimant under the Military Personnel and Civilian Employees Claims Act, and the claim was timely filed. Notwithstanding any agreement for the Services to pay 50% of the total liability, an MCO shall not pay more than it is authorized to pay under the Military Personnel and Civilian Employees Claims Act or other statutory authorization for the entire claim, even if the authorization is less than 50% of the full replacement value of the claimed items.

2.18.5. If the time and place of the loss or damage to this type of shipment cannot be clearly established, and the owner files a timely claim directly with a MCO, the military will pay the owner. The MCO will then assert a recovery claim against the TSP for only 50% of the adjudicated value, not to exceed the

TSP's maximum liability. The government will accept this compromise settlement of its recovery claim, if the TSP accepts and agrees to pay that amount within 60 days of receipt of the demand. In the event the TSP does not accept the MCO's adjudication of a claim in this category or does not accept and agree to pay within 60 days, then normal negotiating procedures will apply and the 50% compromise agreement will not be acceptable.

### **3.0. Claims Management**

#### **3.1. Claims Management with Multiple TSPs**

3.1.1. NTS and DPM shipments may involve more than one TSP handling a single shipment. This situation results in shared liability between the two or more TSPs. DPS will be developed to facilitate claims processing and settlement among more than one TSP. The customer's claim filing process will not be impacted by this enhanced DPS functionality.

#### **3.2. Documenting Loss/Damage and Filing Claim**

3.2.1. The customer will follow the previously discussed procedures to document loss/damage and file their claim in DPS. The DPS Claims Management module will have the same appearance and functionality as the Loss/Damage module. However, DPS will recognize if the claim is against a shipment that was handled by more than one TSP.

#### **3.3. Shared Liability Settlement Process**

3.3.1. Regardless of the number of TSPs that handle a shipment, DPS will route the customer's entire claim to the delivering TSP. The delivering TSP will determine the specific claim line items for which they are responsible. The delivering TSP can accept or deny responsibility for a line item in DPS and will use riders that were completed during shipment to determine responsibility. The delivery TSP will scan the riders into DPS and attach those documents to the claim. If no rider exists to establish responsibility, the line item becomes the responsibility of the delivering TSP.

3.3.2. If a delivering TSP determines it is not responsible for a line item, the delivering TSP will mark the line as such in DPS. DPS will forward the marked line item to the appropriate TSP.

3.3.3. The line items the delivering TSP does not claim will appear in the work queue for the appropriate, earlier TSP. The earlier TSP will have the opportunity to accept or deny responsibility for the claim line items. Once responsibility has been accepted by a TSP, it can only be changed by the MCO. TSPs can only establish responsibility for themselves and cannot assign responsibility to other parties.

3.3.4. If responsibility for a line item is rejected by an earlier TSP, the delivering TSP will have another opportunity to establish responsibility. Negotiations of responsibility between the delivering TSP and an earlier TSP may happen outside of DPS but must be settled within the specific period of time for settling the claim detailed in Section 2 above. There are no extensions or exceptions to this rule.

3.3.5. When responsibility for a line item is denied by all TSPs, the MCO will be alerted via DPS that those items have been transferred to the MCO, and the MCO will establish the responsibility for a line item. The MCO will pay the customer and then determine whether the recovery claim should be asserted against the delivering TSP or another TSP. The transfer will reflect in the claims metrics of the delivering TSP. When DPS calculates the claims metrics, these line items will be factored into the claim

score of the responsible party only.

3.3.6. In any case, a customer may transfer a claimed item to an MCO as soon as the delivering TSP denies payment for that claimed item and attempts to shift liability to an earlier TSP. The MCO will then settle the claim per its procedures, identify the appropriate TSP for liability, and assert a recovery demand against that TSP for FRV.

3.3.7. In the event a TSP denies liability for a shared liability shipment and does not produce the required documented evidence the damage occurred solely while in the custody of the government, the MCO shall adjudicate the claim per its procedures and assert a recovery demand against the TSP with no application of split liability. In such cases the TSP shall be responsible for the full amount of the demand on carrier.

### **3.4. Split Line-Item Settlement Process**

3.4.1. There may be situations where responsibility for a single line item on a claim is shared by multiple TSPs. This split will be a percentage of the total dollar value of the damage for that line item. Either the TSP or the MCO will be able to assign a percentage. TSPs can only enter a percentage for the line items for which they are responsible. A TSP cannot assign a percentage to another TSP.

### **3.5. Acceptance of Claim**

3.5.1. Once in receipt of the settlement offer, the customer may accept or reject the offer by line item or in its entirety. The rejected offer may or may not include a counteroffer from the customer. TSPs may counter the customer's counteroffer or accept it. This back-and-forth process gives the customer and the TSP flexibility in working toward a resolution. TSPs have the option of stating that their offer is final in such case, the customer's rejection will not include a counteroffer, and the customer can immediately transfer the claim to the appropriate MCO. If an offer is designated as "final offer" by the TSP within 30 days of filing, the customer may forward the claim to the respective MCO for resolution.

3.5.2. Once a final settlement is reached, DPS will provide an "acknowledgement" screen identifying the TSPs responsible for payment and their payment amount(s) for each line item. The screen will also provide TSP contact information if the customer does not receive settlement payment within 30 days of the settlement date. The customer will have the capability to print this screen. DPS will also provide the customer the address of the Storage Management Office (SMO) to contact in the event they do not receive their payment in a timely manner from an NTS warehouse.

## **4.0 Procedures for Missing or Damaged Organizational Clothing and Individual Equipment (OCIE)**

4.1. OCIE is that clothing and equipment issued to the customer by the Army for use in the performance of duty. It is common for customer to personally purchase items for use in their duties that appear to be OCIE items but are not. These items are commonly referred to as "personal kit". The TSP shall request the customer to identify these items which shall be separated from OCIE for inventory and claims purposes. The TSP shall conduct an inventory of OCIE at pack-out and delivery. Such inventory shall be recorded on standard inventory forms but shall be marked "MPRO". The failure of the TSP to conduct the inventory may not be used by the TSP as grounds for asserting a lack of tender of items in rebutting a recovery action for OCIE claims.

4.2. If the TSP receives a claim from a customer that contains OCIE, the TSP will deny that portion of the claim relating to OCIE. If the TSP receives notice that OCIE has been lost or damaged, either through submission of notice by the customer, inspection, or any other means, it must notify the MCO of such loss and damage, within 30 days of receiving notice. Failure to receive notice of loss or damage from the customer within 180 days of delivery may affect liability of the TSP, depending on whether there was good cause for the delay, but it shall not relieve the TSP from the obligation of notifying the MCO. The TSP will furnish the MCO a list of the OCIE missing or damaged along with shipment information and customer name. In return the TSP may request in writing, a copy of the OCIE record, the official hand receipt for OCIE issued to a specific customer, from the MCO to substantiate the claims.

4.3. The Army shall pursue recovery for OCIE loss or damage from the TSP as a separate action from any associated HHG recovery action. The TSP shall remit payment for OCIE no later than 60 days from receipt of a demand for recovery concerning OCIE. Failure to remit payment no later than 60 days from receipt of a demand for recovery concerning OCIE shall result in offset actions by the MCO against the TSP.

Left Blank Intentionally

## Appendix A Allowance List-Depreciation Guide

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
1	<b>Air Conditioners</b>				See No. 66, electrical and gas appliances.
	Minor - \$200 or less	10		75	
	Major - Over \$200	7		75	
2	<b>Alcoholic Beverages</b>				
3	<b>Antiques</b> (other than furniture)				See No. 76 for antique furniture, but no depreciation should be taken on antiques.
4	<b>Aquariums</b>	10% 1st year, 5% each succeeding year		75	
5	<b>Artificial flowers and fruits</b>		50		
6	<b>Audio recordings</b> (blank and commercially recorded)				
	-Cassette/reel to reel tapes		50		
	-CDs		25		
	-Phonograph records	10		50	
7	Automobiles and all motor vehicles including recreational vehicles, trailers, motorcycles, ATV (3 and 4 wheel), go-carts, etc.		varies		The maximum liability for the vehicles shall be the value stated in the current issue of N.A.D.A.'s Official Used Car Guide for such vehicle(s), adjusted for mileage and other factors considered in the Guide.
8	Automobile and all motor vehicle batteries	20		75	Compute depreciation based on length of use/guarantee period ratio, otherwise use 20% per year.

9	Automobile convertible tops, seat, and floor coverings, inside door panels, roof and other fabric covered interior parts	20		75	
		10 on vehicles manufactured after 1980		75	

10	Automobile paint jobs	10		75	On complete paint jobs, depreciate both labor and material. On minor paint jobs, do not depreciate labor or material.  The allowance for pin striping, special types of paint such as metal flake paint and special technique painting such as scenic views will be limited to the cost of factory styled pin striping, decals, and paint jobs.
11	Automobile radios, tape players, telephones, CD players, GPS systems, auto alarms and accessories, trailer hitch.	10		75	Such radios include CB radios, ham radios and all types of special frequency receivers and Trans receivers. Accessory equipment (such as antennas, slide mounts, speakers, headsets, cables, microphones, etc.) is included in the maximum payments. Tapes and CDs left in a vehicle are not included in this category, see No. 6.
12	Emergency tools and toolboxes shipped in a vehicle. Emergency tools and toolboxes otherwise in a vehicle, i.e., jack, lug wrench, snow chains.	No depreciation			Exceptions may be made as to the amounts and types of tools considered as emergency tools in overseas areas where POV tools are not readily available or if the claimant is not authorized a household goods shipment. See Note 3 for lifetime guarantees.

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
113	<b>Air Conditioners</b> Automobile and all motor vehicle tires	30		75	See No. Compute depreciation based on miles used/30,000 miles or miles used/mileage guarantee ratio, if known, 66, electrical and gas appliances. otherwise use 30% per year.
14	Automobile internal and external working parts such as transmission, engine, mufflers, exhaust systems, shocks, etc. Not including Wheels	20		75	Only depreciate parts which are normally replaced during the useful life of the vehicle. Do not depreciate parts such as glass, fenders, bumpers, mirrors, wheels, etc.
	Automobile Wheels (rims)	10		75	
15	Automobile and all motor vehicle spare parts				This category includes parts not mounted on a vehicle which are shipped as household goods or stored at quarters. New spare parts which have not been used should not be depreciated.
	used	10		75	
	new	no depreciation			
16	<b>Baby</b> bassinets, carriages, child's car seat, play pens, infant carriers, strollers	10		75	Also see No. 76 for infant furniture



17	<b>Bags</b> , fabric, or plastic (clothes, shoes)	20		75	Also see No. 98 for luggage
18	<b>Barbeque grills</b> (including Hibachi pots)	10		75	
19	<b>Barber equipment</b> (electric razors, clippers, scissors)	10		75	

20	<b>Baskets:</b>				
	metal	10		75	
	wicker or plastic	20		75	
	wood	10		75	
21	<b>Bathroom scales</b>	10		75	
22	<b>Bedding - Mattresses/Box springs</b>	5		75	Also see No. 95 for linens.
	Waterbed mattress with baffles	5		75	
	without baffles	10		75	
	- Feather pillows	5		75	
	-Other pillows	10		75	
	-Mattress cover pads	20		75	
23	<b>Bedspreads</b>	10		75	See No. 95, linens
24	<b>Bicycles</b>	10		75	See No. 142 for tricycles.
25	<b>Blankets - electric</b>	**	**	**	See No. 95, linens
26	<b>Boats &amp; motors including outboard motors, jet skis</b>		varies		Use local used boat retail values. There is no maximum allowance on houseboats in shipment; however, only boats used as living quarters prior to shipment would be considered houseboats.
	-houseboats		varies		
27	Boating equipment and supplies (exclusive of motors)	20		75	
28	<b>Bookends</b>		10		

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation	
----	------	----------------	--

		Per Year	Flat Rate	Maximum	Discussion
129	<b>Air Conditioners</b>				See No. This category does not include lecture notes and theses, see No. 137. Medical, dental, legal, and other 66, electrical and gas appliances. professional books are included. Consider a lesser rate of depreciation on encyclopedias or texts if these are kept up to date with current supplements. Large sets of bound classics may be considered collections; see No. 47.
	<b>Books</b>	5		25	
	-Bibles and bound classics				
	-Encyclopedias, cookbooks, how-to books, textbooks, and similar works	20		75	
	-Other hard cover nonfiction	10		50	
	-Fiction, paperbacks, and magazines		50		
30	<b>Boxes</b> (jewelry, cigarette, music, etc.	5		75	Items such as "Russian hand painted" boxes will be considered under the objects of art category.
31	<b>Bric-a-brac (all types)</b>		10		This category includes inexpensive figurines, sculptures and ornamental or sentimental items as distinguished from expensive objects of art. Items such as vases, wall hangings, brassware, candlesticks, and items of a similar nature that exceed \$100 may be considered under the appropriate category for such items.
32	<b>Briefcases</b>	5		75	
33	<b>Calculators</b> (including adding machines	10		75	Also see No. 108 for office furnishings
34	<b>Camel saddles (footstools)</b>	5		75	
35	<b>Cameras</b> and photographic equipment	**	**	**	See No. 114, photographic equipment
36	<b>Camping equipment</b> and supplies (including tents, sleeping bags, back packs, shovels and other tools, lanterns, etc.	10		75	Camping cutlery is included in this category. Camping clothing is not included in this category, see No. 46.
37	<b>Candles (decorative)</b>		25		
38	<b>Cards</b> (greeting, including Xmas and other religious cards)		50		If boxes are unopened or unused, take no depreciation

39	Cards (playing)		25		If boxes are unopened or unused, take no depreciation
40	Card Tables	10		50	

41	<b>Ceramic Animals</b>		20		This category is intended for floor type items, such as elephants known as buffies.
42	<b>Chandeliers</b>		25		
43	<b>Chests</b> (ice, picnic, etc.) Styrofoam		50		
	-Metal or plastic	10		75	
44	<b>China (fine)</b>				To be fine china, a five-piece place setting must cost at least \$70.00. Also see No. 53 for crockery.

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
145	<b>Air Conditioners</b> and gas appliances. <b>Clocks</b>				See No. 66, electrical
	Inexpensive (\$25 or less)	10		75	
	Expensive (more than \$25)	5		75	
	Grandfather and Grandmother	5		50	

46	<b>Clothing</b> , including shoes and belts (men, women and children) +Military Uniform T-shirts, underwear, socks, low quarter shoes, gym clothes & towels	30% 1st year, 10% each succeeding year		75	Sports clothing, camping clothing, shoes, belts, etc., are included. Clothing made of expensive material such as wool, leather, suede, i.e., coats, suits, jackets and overcoats, should normally be depreciated at 10% per year. See note 11 for wrinkled clothing. See note 4 for military clothing.  Also see No. 75 for wedding gowns.
	All other uniform items authorized for wear not issued as OCIE		10		
	Dress uniforms + Class A Jackets		No Depreciation		See note 4

47	<b>Collections and hobbies</b>	Use rate indicated for individual items elsewhere on this chart, otherwise use 10% flat rate.			<p>Items that fit into a "collection" are items that traditionally are considered as a collection, such as stamps or coins. Additionally, items manufactured or created to be interrelated-that is, the loss of, or damage to, one decreases the value of the total collection and the value of the individual item-may be considered a collection. For example, a series of sequentially numbered plates, or items designed to represent a historical period may represent a collection of items manufactured or created to be interrelated. The quantity of an item by itself is insufficient to place the items into the "collection" category.</p> <p>Do not place reasonable recreational items in the collection or hobby category unless the quantity clearly indicates a collection or hobby. Example, a set of golf clubs, two tennis rackets, etc., are not quantities which comprise a hobby or collection. If an item is specifically addressed under another category, that other category will be used.</p>
	\$100 or less		50		
	over \$100		10		
50	<b>Computers</b>				
	CPUs, laptops, monitors, Tablets	30 first year 20 each year thereafter		75	
	Printers, peripherals and accessories	10		75	
	Software	20		75	
51	<b>Copy, Fax, Multifunction Business</b>	10		75	
52	machine		50		If boxes are unopened or unused, take no depreciation
	<b>Cosmetics</b> (including brushes, perfume, toilet articles, medicines, soaps, etc.)				

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

		% Depreciation			
		Per Year	Flat Rate	Maximum	Discussion



No	Item				
1	<b>Air Conditioners</b>				See No. 66, electrical and gas appliances.
	Razors other than electric	5		75	
	Razors electric	10		75	

53	<b>Crockery</b> Dishes, pottery, glassware, plasticware		20		Do not include fine china, crystal, or expensive cut glass in this category.
54	<b>Crystal</b>				Crystal items such as lamps and chandeliers will be considered under their respective specific categories and will not be counted in the maximum per claim for crystal. Expensive cut glass will be considered under this category.
55	<b>Curtains</b>	10		75	Also see No. 64 for depreciation on curtain rods The curtain rods category includes related hardware.  Include cornices in this category
	Drapes	10		75	
	Drapery & curtain rods, venetian blinds	5		75	
56	<b>Decorations</b> (Christmas, birthday, etc.)		25		
57	<b>Dental equipment and instruments</b>		10		Dental books are not included, see No. 29
58	<b>Dentures</b>				Take no depreciation
59	<b>Desk and writing equipment</b> (pen & pencil desk sets, fountain pens, etc.)	10		75	If made of precious metal, take no depreciation.
60	<b>Dishes</b>	**	**	**	See No. 53, crockery
61	<b>Dolls (decorator)</b>	5		75	See No. 47 and 139.
62	<b>Drafting, mapping and sketching equipment</b>	5		50	
63	<b>Drapes</b>	10		75	The curtain rods category includes related hardware.
64	Drapery & curtain rods, venetian blinds	5		75	Include cornices in this category
65	<b>Drones and Remote Controlled Airplanes</b>				
	Under \$250	30% 1st Yr. 10% each Yr.		75	

	\$250 and above	10		75	
66	<b>Electrical and gas appliances</b>				Depreciate television picture tubes 10% per year for the first three years and 5% per year thereafter up to a maximum of 75%.
	Minor - \$200 or less	10		75	
	Major - over \$200 except listed below	7		75	

	Televisions, washers, dryers, hot tubs, satellite dishes, pinball machines, dishwashers, spas, microwaves, copy/fax machines	10		75	
--	--	----	--	----	--

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
167	<b>Air Conditioners</b> <b>Elephants, ceramic</b>	**	**	**	See No. 41, ceramic animals, electrical and gas appliances.
68	<b>Eyeglasses</b> (including contact lenses)	5		75	
69	<b>Fencing</b>	**	**	**	See No. 110, outdoor structures.
70	<b>Figurines</b>	**	**	**	See No. 31 and 139.
71	<b>Firearms and accessories</b> Safes and Cabinets Cases (hard and soft carrying)	5		50	Take no depreciation if the firearm is of a type which would normally increase in value.
72	<b>Fireplace</b> insert/accessories	10		75	
73	<b>Flashlights</b>	20		75	
74	<b>Foodstuffs</b> (including alcoholic beverages)	varies			if unopened, no depreciation should be applied.
75	<b>Formal Wear</b>				

	Christening outfit		20		
76	<b>Furniture</b> (including ordinary wood, brass/steel/chrome furniture, cement furniture, water beds and shelving)	5		50	This category includes antique furniture. Take no depreciation on antique furniture or Hardwood furniture. See Note 14 for Hardwood and Softwood list, except for replacement of fabric. For furniture containing marble see No. 99.  Do not confuse wood with finishes, stains, veneers, etc.

Metal shelving	7		75	Infant furniture includes such items as cribs, youth beds, etc.
Microwave carts and stands	10		75	
Particle board furniture	10		75	
Infant and children's	10		75	
Wicker or Rattan	10		75	
Lawn, plastic, patio furniture Plus 2x4 and plywood stored inside	10		75	

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
1	<b>Air Conditioners</b>				See No. 66, electrical and gas appliances.
77	<b>Furs</b>	5		40	
78	<b>Gaming equipment</b> (poker chips, checker sets, backgammon sets, chess, etc.)		25		This category includes backgammon and similar sets, as distinguished from children's toys and games.
	<b>Electric Games</b> (Pinball machines, Air hockey tables, and other electronic games not including console games)	10		75	

79	<b>Garden equipment</b> (all implements to keep up lawns and yards including lawn mowers)	10		75	Also See No. 76 for lawn furniture.
80	<b>Glassware</b> (including glass cookware)		10		
81	<b>Hardware</b> including for items such as beds, dressers, etc.				Do not depreciate hardware
82	<b>Hampers</b> (wicker or plastic)	20		75	
83	<b>Handbags and purses</b> (leather or fabric)				
	Less than \$150	20		75	
	Over \$150	10		75	
84	<b>Hearing aids</b>	5		75	
85	<b>Hobbies or collections</b>				See No. 47, collections and hobbies
	Less than \$100		50		
	Over \$100		10		
86	<b>Hot tubs and Saunas</b>	10		75	
87	<b>House-keeping items</b> (mops, brooms, pails, closet racks, etc.)	25 1st year 10 each year thereafter		75	This category includes common household items which do not fit into other, more specific categories.
	Ironing boards	10		75	
88	<b>Irons</b> (electric)	**	**	**	See No. 66, electrical and gas appliances.
89	<b>Jewelry</b>				Expensive jewelry is jewelry made substantially of gold, silver, precious stones, diamonds, pearls or other precious metals or gems and should not be depreciated.
	Costume	10		75	

	Expensive				
--	-----------	--	--	--	--

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)



No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
190	<b>Air Conditioners</b>				See No. All long lasting kitchen tools should be considered in the 5%/50% category.66, electrical and gas appliances.  Items such as potato peelers, cake cooling racks, ice picks, bowl scrapes, or other items described in advertisement as kitchen gadgets should be considered in the 20%/75% category.
	<b>Kitchen utensils (pots, pans, knives, etc.)</b>				
	Heavy aluminum, copper, corning ware, cast iron, stainless steel, etc.	5		50	
	Small kitchen step ladder	5		75	
	Other items	20		75	
91	<b>Ladders</b> (does not include kitchen step ladders)	5		75	
92	<b>Lamps (including sunlamps)</b>				The higher rate applies when shades are claimed separately. However, if shades are made of glass or any type, apply 5% depreciation. For lamps with marble bases, see No. 102.
	Lamps	5		75	
	Lampshades	10		75	
93	<b>Laser Discs</b>	**	**	**	See No. 148.
94	<b>Lawn mowers</b>	**	**	**	See No 79, garden equipment
95	<b>Linens</b>				Consider hand woven, crocheted, or heirloom items as expensive linens.  Apply these maximums when value is established for hand-sewn items.  Otherwise award reasonable replacement for other fine linens.
	Fine, expensive	5		50	
	Quilts, comforters, blankets, duvets, spreads	5		75	
	Ordinary linens (towels, sheets)	20		75	
96	<b>Lighters</b> (cigar, cigarette, etc.)	20		75	
97	<b>Lighting supplies</b> (globe domes, electric candlesticks or candelabra, etc.)	5		75	These items are payable only when they belong to the claimant and have not lost their character as personal property by being affixed to real property.
98	<b>Luggage</b> (all types including footlockers)	5		75	See Note 17 for replacement of sets.

99	<b>Marble</b> (lamps, tabletops, etc.)	7		75	The amount of depreciation on marble contained in furniture may be varied from other types of furniture, based on its quality, etc. Under appropriate circumstances, it may be determined that no depreciation be taken on the marble.  Examination will indicate whether the item is imitation marble, alabaster, soapstone, or other material.
100	<b>Material</b> (including yard goods and yarn)		10		
101	<b>Mattresses</b> (including box springs)	**	**	**	See No. 22, bedding

	waterbed (Without baffles)	10		75	
	with baffles	5		75	
102	<b>Medical equipment and instruments</b>		10		Medical books are not included, see No. 29

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
1103	<b>Air Conditioners</b> <b>Memorabilia</b> (including snapshots, albums, baby albums, scrapbooks, souvenir album, emblems, award plaques, trophies, movie film, photo slides, Military Display cases, etc.).				See No. Exclude scenic slides and wedding albums from this category. Use \$.50 per slide or print as a rule of thumb cost. 66, electrical and gas appliances.  Also see No. 47 is quantity indicates a hobby or collection. Also see No. 1513 for wedding albums.
	Photos purchased as art	commercial value			
	Pictures - professional	lesser of 1. Cost of restoration 2. Cost of new prints from negatives or prints 3. Cost of retaking if negatives were not available.			
	Pictures- snapshot	Cost of film and cost of processing or new prints from negatives			
104	<b>Mirrors</b> (including frames)	5		75	Mirrors which are integral parts of furniture items are depreciated at the same rate as those items.
105	<b>Mobile Homes</b>	varies			Value the item based on comparable values in the area.
106	<b>Musical instruments</b>				This category includes amplifiers and accessories.
	Pianos, organs, player pianos, harps	5		75	
	Other musical instruments under \$100	20		75	

	Other musical instruments \$100-\$250	10		75	
	Other musical instruments over \$250	5		75	
107	<b>Objects of art</b> (sculptures, figurines, etc.)				This category does not include paintings, see No 111. As a rule of thumb, figurines less than \$100 should be considered bric-a-brac, unless the quality of the figurine (i.e., Hummel or Kaiser) indicates otherwise.
108	<b>Office furnishings</b>	10		75	This category includes calculators, radios, paintings, plants, etc. lost from the workplace

109	<b>Optics not including Eyeglasses</b>				See Note 3 for lifetime warranty
	Binoculars	5		50	
	Microscopes, telescopes				
	Inexpensive - \$100 or less	10		75	
	Expensive - over \$100	5		75	
	Rifle Scope; Spotting Scopes	10		75	
110	<b>Outdoor structures</b>	15% first year 10% per year thereafter		75	This category includes fences and storage sheds.

This Depreciation Guide will be used for the USTRANCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
1111	<b>Air Conditioners</b>		10		See No. Take no depreciation on paintings having a value in excess of \$1000 each.66, electrical and gas appliances.
	Paintings and pictures including signed & numbered art etchings, hand reproduced pictures, lithographic prints, frames& glass, etc.				
	Oil paintings & photographs purchased as art	Commercial Value			
	Posters (framed or unframed)		25		
	Pictures/frames/glass displayed on flat surfaces such as desk or table		25		
112	<b>Pen and pencil sets</b>	**	**	**	See No. 59, desk and writing equipment
113	<b>Pets (including tropical fish)</b>				This category is primarily intended for quarters losses.  Do not pay claims for pets lost or injured in shipment. Do not depreciate pets.
	Pet supplies (e.g., food/water dish, kennel, cage, leash, collar, etc.)	20		75	

114	<b>Photographic Equipment</b> (cameras, screens, lenses, projectors, etc.) Not Video Cameras and accessories				Also see No. 147 for video cameras and accessories.
	Inexpensive - \$200 or less	10		75	
	Expensive - over \$200	5		75	
115	<b>Pipes, smoking</b> (including pouches vapes and accessories)	20		75	
116	<b>Pool and billiard Tables</b>	7		75	Take no depreciation on expensive Hardwood pool tables.

117	<b>Professional equipment</b>	5		75	Also see No. 57 and 102 for dental and medical equipment and instruments.
118	<b>Rugs</b>			75	
	Under \$500	10			
	\$500-\$999	5		50	
	\$1000 or more	2		25	
119	<b>Screens, fireplace, and accessories</b> (Room dividers, folding screens, etc.)	7		75	
120	<b>Scissors, shears</b> (other than electric)	5		75	See No. 19 for electric clippers, etc.

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
1121	<b>Air Conditioners</b>				See No. 66 for electric sewing machines, etc.66, electrical and gas appliances.
	<b>Sewing machines</b> (other than electric)	5		75	
	Sewing accessories, thread, needles, foot pedals, pin cushions, etc.	10		75	
	Quilt frames, knitting machines, weaving looms and all related accessories	5		75	
122	<b>Silver and metal flatware</b> and hollow ware				Take no depreciation on sterling silver. For sterling silver flatware, apply a \$75 per item maximum.
	Silver plate, gold plate, pewter, stainless steel, copperware, bronze ware		20		For sterling silver serving pieces, apply a \$200 per item maximum. Consider fine pewter as sterling silver.

	Sterling silver and fine pewter				
123	Slipcovers	10		75	



124	<b>Sporting equipment and supplies</b>  (Including basketball, baseball, football, croquet, bowling, badminton, volleyball, skiing, tennis, scuba, golf equipment, fishing equipment, sky diving parachutes, hand glider saddles and equestrian accessories, etc.)	10		75	Take no depreciation on unopened or unused boxes of golf balls or canisters of tennis balls.  Also See No. 36 for camping equipment.
125	<b>Stationary</b>		50		If boxes are unopened or unused, take no depreciation
126	<b>Stenotype machines</b>	10		75	
127	<b>Stereo items and accessories</b>	10		75	The maximum per claim includes styli, dust covers, tape recorders, speakers, amplifiers, turntables, etc. See No. 6 for tapes and compact discs and No. 155 for video recorders.
128	<b>Storage containers</b> such as plastic bins, tubs, totes, etc.		20		
129	<b>Storage sheds</b>	**	**	**	See No. 110, outdoor structures
130	<b>Stuffed animals</b>	10		50	

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
<sup>1</sup> 131	<b>Air Conditioners</b> <b>Swing sets</b>	**	**	**	See No. See No. 110, outdoor structures66, electrical and gas appliances.
132	<b>Swords</b>				
	Professional Military				Do not depreciate professional military swords
	Personal		10		

133	<b>Tapestries</b>	5		50	
134	<b>Taxidermy items</b>		25		This category includes mounted deer heads, fish, etc.
136	<b>Telephones</b> and telephone answering machines, cell phones, beepers, telecommunication devices for the deaf	10		75	

137	<b>Theses and lecture notes</b>				Compensation is limited to the cost of materials only
138	<b>Tool chests, toolboxes, and tool carts</b> (Does not include any tools)	Under \$200 10% Yr.		75	See Note 3 for lifetime guarantee tools
		Over \$200 5%/Yr.		75	
	<b>Hand tools</b>				See Note 3 for lifetime guarantee tools
	Under \$200		50		
	Over \$200		10		
	<b>Power tools and accessories (bits, blades, bands, batteries, chargers, and belts). Battery or corded</b>	Under \$100		50	See Note 3 for lifetime guarantee tools
		Over \$100		20	
	<b>Pneumatic Tools (Air powered tools)</b>	Under \$200		50	See Note 3 for lifetime guarantee tools
		Over \$200		25	
	<b>Specialty Tools</b>			10	To include Engineering, Drafting, Woodworking, and other tools specifically utilized for "craftsman-level" work, not
<b>Work Benches</b>				See Note 3 for lifetime guarantee tools	
Under \$500	20% first Yr. 10% each Yr.		75		
Over \$500	after				
		10%		75	
139	<b>Toys - radio controlled cars and boats, tricycles, wagons, electronic games (this includes Nintendo, Atari, Sega Genesis, Sony Play station game systems and cartridges/discs and handheld Game boys)</b>	20		75	All see No. 24 for bicycles, No. 78 for checker sets and game equipment, No. 130 for stuffed animals and No. 141 for electric trains. Dolls that are considered as a decoration rather than a toy to be played with (e.g., porcelain dolls) will be depreciated 5% a year (see No. 66 for M/A).
				50	
		20		75	
		30% 1st Yr. 10% each year after		75	
140	<b>Trailers (house, boat)</b>	**	**	**	See No. 7, and 27.

141	Trains (electric)	**	**	**	See No. 70, electrical and gas appliances
142	Tricycles	**	**	**	See No. 147, toys

This Depreciation Guide will be used for the USTRANSCOM DP3 program when the claim is filed directly with the TSP more than nine months after delivery. TSP maximum liability for such claims is 1.25 times the net weight of the shipment in pounds (Section 1.1.4 of the USTRANSCOM CLAIMS AND LIABILITY BUSINESS RULES)

No	Item	% Depreciation			Discussion
		Per Year	Flat Rate	Maximum	
1143	<b>Air Conditioners</b> trays	20 1st year 10 each year after		75	See No. 66, electrical and gas appliances.
144	<b>Typewriters (manual)</b>	5	**	75	See No. 50 for computers and word processors
145	<b>Umbrellas</b>	20	**	75	
146	<b>Vacuum cleaners (includes electronic)</b>	**	**	**	See No. 66, electrical and gas appliances. See Note 3 for lifetime guarantees.
147	<b>Video Cameras</b> , video recorders, and accessory equipment; DVD and Blue Ray players; GoPro	10		75	Also see No. 148 for video tapes. See No. 139 for software game systems and cartridges. Accessory equipment for video recorders and cameras are included in the maximum per claim.
148	<b>Video recordings (blank and commercial)</b>				
	video tapes	20 first year 10 each Yr. after		50	
	laser discs		10		
	DVDs		25		
	DVDs in vehicle (non-shipment)		25		
149	<b>Wastebaskets</b>				
	Metal	10		75	
	Plastic	20		75	
150	<b>Watches</b>				
	Inexpensive - \$100 or less	10		75	
	Expensive - over \$100	5		75	
151	videos	materials only			Take no depreciation.
152	<b>Wigs (including hairpieces)</b>				
	Under \$100	20		75	

	\$100-\$250	10		75	
	\$250 or more	5		75	

|

## NOTES

1. Depreciation While in Storage. Normally no depreciation is to be charged against goods during periods of Government authorized storage either for the PCS which generated the current claim, or for previous periods of Government storage. However, this does not mean that deductions cannot be made for other reasons such as reduction in the market value of an item because of style or obsolescence.
  
2. Depreciation. To compute yearly depreciation, the following should be used: 6-17 months = 1yr; 18-29 months = 2yrs  
(Increments of 12 months will be counted as one year, up to 173 months. In determining whether an item is six months old, do not count purchase month and pick up month). For example, items 174 months or over in age, maximum depreciation has been reached when applying 5% depreciation per year. When dates of purchase are listed, for example as "between 1966 and 1970", use the median date, i.e., 1968 to compute depreciation. No depreciation should be taken on parts, accessories, etc., which are not normally expected to be replaced during the lifetime of the item. When month of purchase is not shown, use June. No depreciation of any kind will be applied if the item was purchased new less than 364-days with proof of purchase receipt and/or invoice.
  
3. Lifetime Guaranteed Tools and Other Personal Property with Such Guarantees. Do not deduct for depreciation for tools and other property which are covered by such guarantees. Catalogs reflect items covered by such guarantees.
  
4. No depreciation on military uniforms.