

**CLASS JUSTIFICATION & APPROVAL FOR
OTHER THAN FULL AND OPEN COMPETITION**

USTRANSCOM LESS-THAN-PLANELOAD REQUIREMENTS

1. CONTRACTING ACTIVITY.

US Transportation Command (USTRANSCOM), Contract Airlift Division, Commercial International Branch (TCAQ-CI), 508 Scott Drive, Scott AFB IL 62225-5357.

2. NATURE AND/OR DESCRIPTION OF THE ACTION BEING APPROVED.

This Justification & Approval (J&A) is a class J&A authorizing Other Than Full and Open Competition for the award of transportation service contracts awarded and administered by USTRANSCOM. USTRANSCOM may award contracts under this J&A to Department of Defense (DOD) Commercial Airlift Review Board (CARB) approved air carrier(s) participating in the Civil Reserve Air Fleet (CRAF), and not in a suspended non-use status, that submit acceptable proposals in response to solicitations for USTRANSCOM international air cargo Less-Than-Planeload (LPL) transportation requirements. The contracts to be awarded under this authority will typically be multiple award, Fixed-Price, Indefinite Delivery, Indefinite Quantity (IDIQ) contracts.

3. DESCRIPTION OF THE SUPPLIES/SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS.

This class J&A is effective for USTRANSCOM LPL cargo airlift programs. The unifying characteristic of each of the following programs is that they are less-than-planeload cargo transportation requirements and rely on the carrier's commercial practices and network to provide service. These programs are critical to the movement of cargo for all DOD activities.

The World-Wide Express program provides international commercial express package service for the United States Federal Government to include all civilian agencies/organizations. The scope of work requires the contractor to provide time-definite, door-to-door pick-up and delivery, transportation, timely and accurate In-transit Visibility (ITV), Government Third Party Payment System (GTPPS) participation, and customs clearance processing. The contractor provides these services for shipments up to and including 300 lbs. This program provides "worldwide" coverage allowing the Government the ability to ship cargo virtually anywhere the awarded commercial carriers provide international services to the commercial sector. In Fiscal Year (FY) 2012, the WWX-5 program transported approximately 1.4M shipments and 26.4M lbs for an annual total spend of \$ [REDACTED].

The Domestic Express (DOMEX) Blanket Purchase Agreement (BPA) provides domestic express delivery services (for next day and second-day delivery for the U.S. Department of Defense). The scope of work requires the contractor to provide door-to-door pickup and delivery, transportation, and ITV of extremely urgent letters and packages. Service is required for delivery of packages up to 150 lbs to/from/within CONUS, Alaska, Hawaii, and Puerto Rico. Service for 151 to 300 lb packages is permitted to/from/within Alaska, Hawaii, and Puerto Rico. In FY 2012, the DOMEX program transported approximately 6.7M shipments and 60M lbs for [REDACTED]

an annual total spend of \$ [REDACTED]. The Government anticipates consolidating the current DOMEX BPA and WWX-5 contract programs beginning in FY 2015 under the WWX-6 acquisition.

The Perishables contract provides door-to-door movement of government acquired subsistence items. The primary goal of this contract is to transport regular produce shipments by providing on-time, scheduled deliveries while maintaining the quality, integrity, and temperature management of the subsistence throughout the transportation process. The secondary goal is to provide expedited transportation of perishable subsistence in support of military deployment and Pacific region emergencies. The service includes the receipt of dry, chilled and frozen subsistence, preparing subsistence for air transport, airlifting subsistence, customs/agricultural clearance, fumigation/destruction, and delivery to overseas customer's facility. In FY 2012, the Perishables contract transported approximately 1,886 shipments and 14M lbs for an annual total spend of \$ [REDACTED].

The CAT A program provides international commercial cargo service for CAT A Service that includes full DOD 463L Pallet and less than full pallet loads (non 463L palletized) to users specified by Headquarters Air Mobility Command (AMC) and United States Transportation Command (USTRANSCOM). CAT A Service also includes time-definite, door-to-door pick-up and delivery, transportation, ITV, GTPPS participation, and expedited customs processing and clearance of full pallet and less than full pallet loads. Further, it also includes the movement of hazardous, sensitive, perishable, oversized or unusual shipments. DOD agencies/organizations must be approved and validated by USTRANSCOM J3 to use this contract. The six mandatory CAT A contract users are Defense Logistics Agency (DLA) Medical Prime Vendor, Army Aviation and Missile Command (AMCOM), DLA Defense Distribution Center (DDC), US Naval Inventory Control Point (Navy ICP), United States Army Medical Material Center, Europe (USAMMC-E), and United States Army Medical Material Center, Southwest Asia (USAMMC-SWA). In FY 2012, the CAT A program transported approximately 11,896 shipments and 23.8M lbs for an annual total spend of \$ [REDACTED].

The Theater Express (THX) program provides international commercial scheduled air cargo transportation services within the Central Command (CENTCOM) Area of Responsibility (AOR) as required by the Air Mobility Division (AMD), Airlift Control Team (ALCT). Transportation services include time-definite, port-to-port pick-up and delivery, ITV, and customs processing and clearance of 463L palletized and roll-on/roll-off cargo to CENTCOM Forward Operating Base /Forward Operating Locations (FOB/FOL). This program provides international commercial scheduled air cargo transportation services within the CENTCOM AOR as required by the AMD/ALCT. In FY 2012, the THX-I program transported approximately 7,703 shipments and 165.4M lbs for an annual total spend of \$ [REDACTED].

The anticipated requirements for the respective follow-on acquisitions of the aforementioned programs are subject to change based on environmental demands in place at the time of procurement. The following table provides a summary of characteristics for each program. This Class J&A encompasses the follow-on acquisitions for each of the cited programs as well as other programs which may be developed by USTRANSCOM to satisfy LPL requirements not included within these existing programs.

[REDACTED]

Description	Current Contract Number	Current Contract Method	Expiration Date
World-Wide Express 5 (WWX-5)	HTC711-12-D-C001-C003	Indefinite Delivery, Indefinite Quantity (IDIQ) – Multiple Award	30 September 2014
Domestic Express (DOMEX)	HTC711-11-A-R001, HTC711-12-A-R001	GSA BPA	30 September 2014
Perishables	HTC711-11-D-C050	Requirements	30 September 2015
Theater Express II	HTC711-12-D-C004-C006	Indefinite Delivery, Indefinite Quantity (IDIQ) – Multiple Award	31 July 2016
CAT A II	HTC711-13-D-C001-C012	Indefinite Delivery, Indefinite Quantity (IDIQ) – Multiple Award	31 January 2018

4. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION.

Authority for this acquisition is 10 USC 2304(c)(3), Industrial Mobilization.

5. DEMONSTRATION THAT THE CONTRACTOR'S UNIQUE QUALIFICATION OR NATURE OF THE ACQUISITION REQUIRES THE USE OF INDUSTRIAL MOBILIZATION AUTHORITY.

The use of the 10 USC 2304(c)(3), Industrial Mobilization, exception to full and open competition is essential to maintain adequate airlift services in case of a national emergency requiring activation of the Civil Reserve Air Fleet (CRAF). CRAF is a voluntary program through which the nation's airlines provide stand-by commitments to support mobilization as a supplement to organic airlift capacity. As an incentive to participate in the CRAF program, air carriers that participate in the CRAF are entitled to participate in the award of DOD's peacetime airlift requirements. The continued success of the CRAF program is essential to national security. CRAF participants provide civilian airlift assets needed to support military operations and mobilization requirements. This fleet of civilian aircraft is available to the military to meet peacetime requirements, surge needs, and mobilization requirements for major crises. The CRAF program greatly reduces the need to buy and maintain DOD aircraft for airlift.

The CRAF program was formalized through a series of presidential executive orders and memoranda of understanding, the first of which was signed December 15, 1951.¹ The National Airlift Policy, issued in June 1987 by President Reagan, reinforced the need for and use of the CRAF program. The national defense airlift objective is to ensure that military and civil airlift resources will be able to meet defense mobilization and deployment requirements in support of U.S. defense and foreign policies. The policy states that military and commercial airlift resources are equally important and interdependent in the fulfillment of this national objective. The National Airlift Policy provides that where appropriate, U.S. policies shall be designed to enhance the mobilization base of the U.S. commercial air carrier industry. During peacetime, DOD requirements for passenger and cargo airlift augmentation shall be satisfied by the procurement of airlift from commercial air carriers participating in the CRAF program, to the extent DOD determines such airlift is suitable and responsive to military requirements.

In addition, DOD airlift policy concerning use of CRAF carriers is included in DOD Instruction 4500.57, Transportation and Traffic Management. Paragraph E3.2.1 of DODI 4500.57 recognizes the partnership between the DOD and U.S. civil commercial air carriers is critical to mobilization, deployment, and sustainment of military forces, and that the alliance is embodied in the CRAF program. The policy specifies that DOD Components shall, in accordance with applicable law and regulatory guidance, ensure that all DOD acquisitions of commercial air transportation services require CRAF participation as a prerequisite for award to the maximum extent possible unless there is a documented negative critical mission impact. Carriers not eligible for CRAF may be used only when CRAF-participating carriers cannot meet mission requirements.

The DOD Acquisition Regulation Supplement (DFARS) also supports the policy of acquiring transportation requirements through our CRAF carriers. DFARS 247.206 provides that evaluation factors concerning the offeror's commitment of transportation assets to the CRAF program be considered when acquiring transportation-related services. DFARS 247.301-71 provides similar guidance for supply contracts that include a significant requirement for transportation of items outside of CONUS.

The use of the industrial mobilization exception to competition is also consistent with the statutory preference for use of CRAF carriers under the Fly CRAF statute, 49 USC 41106. The Fly CRAF statute provides that transportation of passengers or property by transport category aircraft between two places outside the U.S. obtained by DOD through a contract for airlift services, shall be provided by an air carrier that has aircraft in CRAF whenever such transportation is reasonably available. DOD commercial airlift needs include both planeload and LPL requirements. For LPL requirements, DOD cargo may be placed within the CRAF air carrier's commercial transportation systems, where DOD property may be comingled with the carrier's commercial cargo. The carrier's commercial practices may include transport by the prime CRAF carrier, as well as its subcontractors, that may or may not participate in the CRAF program. Cargo destinations may include locations, such as within the CENTCOM AOR, to which the U.S. flag CRAF carriers are excluded from operating. Use of the industrial mobilization exception to limit LPL contracts to CRAF carriers effectively carries forth the National Airlift Policy, the DOD policy to require CRAF participation as a prerequisite for award to the maximum extent possible, and is consistent with the Fly CRAF statute for the

¹ Council for Logistics Research, Inc., July 31, 2008; page 10.

transport of LPL cargo where transport by U.S. air carriers may otherwise not be reasonably available.

The industrial mobilization exception to full and open competition for DOD's LPL requirements provides an essential incentive for carriers to participate in the CRAF program. Restricting competition to CRAF carriers in programs such as WWX, CAT A and Theater Express provides a significant financial incentive for U.S. carriers to voluntarily place aircraft in the CRAF program, and it is essential to maintain adequate airlift services in case of a national emergency. In addition, the likely future declines in peacetime business as current activities in Afghanistan wind down will place even greater pressure for DOD to provide adequate incentives to support a viable CRAF program. The use of the industrial mobilization exception to limit competition for DOD's LPL requirements to CRAF carriers effectively supports the implementation of the National Airlift Policy by incentivizing carriers to keep vital commercial airlift resources available as a mobilization base in the event of a national or military emergency. The CRAF participation eligibility requirement included in USTRANSCOM solicitations supports the development and maintenance of a robust CRAF program thereby ensuring adequate augmentation capability to the DOD in times of national emergencies.

6. DESCRIPTION OF EFFORTS MADE TO ENSURE THAT OFFERORS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS IS PRACTICABLE.

Participation is open to all CRAF carriers, provided they are in good standing. We will solicit all existing CRAF carriers. Other sources responding to a Federal Business Opportunities (FedBizOpps) notice will not be eligible. All U.S. Flag carriers have the opportunity to join the CRAF program at any time. Therefore, the decision whether to join the CRAF and become eligible to compete for these opportunities is an internal business decision made by the carrier. Solicitation notices will be published on the FedBizOpps website for each solicitation. Interested parties may access the FedBizOpps website at www.fbo.gov.

7. DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.

Competition will still be maintained among the CRAF participants. Currently there are over 30 CRAF participants. Historically, each program has garnered anywhere from two to thirteen offers at time of proposal submissions. This level of response to solicitations is expected to remain steady. Further, several CRAF carriers provide LPL cargo service as their core business competency. These CRAF carriers maintain a commercial network to support and regularly provide commercial LPL cargo service. This offers the benefit of having published commercial rates for comparison with proposal rates. Since competition is maintained within the group of CRAF participants and published commercial rates are readily available, the anticipated cost to the Government is expected to be fair and reasonable for each of the USTRANSCOM LPL programs.

8. DESCRIPTION OF THE MARKET RESEARCH CONDUCTED AND THE RESULTS OR A STATEMENT OF THE REASONS MARKET RESEARCH WAS NOT CONDUCTED.

Formal market research will be conducted for each program independently. The objective of market research for international airlift services is to determine if services offered by the commercial market are commensurate with solicitation requirements and whether or not commercial practices are acceptable. Findings will be documented and included in the solicitation file. The market research analysis will focus on the airline industry and supply chain logistics providers, including CRAF air carriers who provide scheduled air transportation services as a core competency.

9. ANY OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION. None.

10. A LISTING OF SOURCES, IF ANY, THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION.

Several CRAF participants have expressed interest in each of these programs. Several freight forwarders have also expressed interest in USTRANSCOM requirements. These sources were informed of the CRAF requirements for eligibility. Some freight forwarders have chosen to team with a CRAF carrier as a subcontractor to provide service for some of these programs. We expect this trend to continue. As new carriers present themselves to the Contracting Officer we will provide them with information which outlines the CRAF requirements for eligibility and provide further information on the CRAF should it be requested.

11. A STATEMENT OF ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE MAKING ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES REQUIRED.

We plan to continue awarding contracts under the Industrial Mobilization Authority 10 USC 2304(c)(3). The DOD relies on the United States air transport industry to provide airlift support for DOD in time of emergency or war. A mobilization base for this airlift support, committed to USTRANSCOM by contracts, is essential to assure the prompt and effective response of this industry when needed. While using this authority, USTRANSCOM still solicits maximum competition.



12. **CONTRACTING OFFICER'S CERTIFICATION.**

I certify that the data supporting the recommended use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

KERI A. LINDSCO
Contracting Officer/TCAQ-CI Branch Chief
USTRANSCOM

25 Sep 13
Date

13. **TECHNICAL/REQUIREMENTS PERSONNEL CERTIFICATION.** I certify that the data supporting the recommended use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

EDUARDO GARCIA
Program Manager, HQ AMC/A4TC

25 Sep 13
Date

14. **ENTERPRISE READINESS CENTER DIRECTORATE^{EK} CERTIFICATION.** I certify that the data supporting the recommended use of other than full and open competition complies with USTRANSCOM policy to enhance Civil Reserve Air Fleet (CRAF) readiness.

[Redacted Signature]

EDWARD J. KOHARIK, III
Colonel, USAF
Chief, Enterprise Readiness Center

10 Oct 2013
Date


[Redacted]

CLASS JUSTIFICATION & APPROVAL


PROGRAM: USTRANSCOM LESS-THAN-PLANELOAD CARGO REQUIREMENTS

AUTHORITY: 10 USC 2304(c)(3), Industrial Mobilization


REVIEWED BY:


SANDRA M. HALAMA
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9-25-13
Date


PETER B. RIES
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Office of the Staff Judge Advocate

9/27/13
Date



JEFFERY T. BEYER
USTRANSCOM Chief, Business Support/Policy Division

2 Oct 13
Date


TAMARA D. THOUVENOT
Head of Contracting Activity

2 Oct 13
Date

APPROVAL


GAIL M. JORGENSON
Senior Procurement Executive

10/3/13
Date

