

SUBCHAPTER G—PROCUREMENT

CROSS REFERENCE: For Department of Defense Acquisition Regulations, see chapter 2 of title 48.

PART 619—PROGRAM FOR QUALIFYING DOD FREIGHT MOTOR CARRIERS, EXEMPT SURFACE FREIGHT FORWARDERS, AND SHIPPER AGENTS

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AUTHORITY: 49 U.S.C. 1801–1813, 2503, 2505, and 2509.

SOURCE: 58 FR 44405, Aug. 20, 1993, unless otherwise noted.

§619.1 Introduction.

Carriers, surface freight forwarders, shipper agents, and air freight forwarders interested in or remaining qualified will submit data described in §§619.2 through 619.6 to the appropriate area command (Bayonne, NJ or Oakland, CA) based on the location of the carrier's headquarters. The area command will schedule a meeting with the carrier, if necessary, to clarify any qualification elements and also receive guidance on how to do business with the Department of Defense. The area command will then evaluate the data to determine whether the carrier has the equipment, facilities, personnel and finances necessary to handle the carrier's proposed scope of operations. The area commands will then forward the application to HQMTMC for approval. If the carrier is approved and signs the agreement, HQMTMC will then accept (or in the case of existing carriers, continue to accept) tenders, tariffs or similar rate submissions. Carriers that are disapproved will be notified of the reasons for disapproval and may reapply for approval once the problems have been corrected.

[58 FR 44405, Aug. 20, 1993, as amended at 61 FR 49061, Sept. 18, 1996]

§619.2 Safety ratings.

(a) Carrier will not have an "unsatisfactory" rating with the Federal Highway Administration. Department of

Transportation and if it is an intrastate motor carrier, with the appropriate state agency.

(b) Carriers with “conditional” or “insufficient information” ratings may be used to transport DOD general commodities provided that such carriers certify in writing that they are now in full compliance with Department of Transportation safety requirements.

(c) Carriers transporting hazardous, secret materials or sensitive weapons and munitions, or any shipment, regardless of commodity, which requires a Transportation Protective Service (TPS) will not be used if the safety rating is less than satisfactory.

§ 619.3 Operating authorities.

Carriers will submit copies of all certificates authorizing operations as a common carrier (interstate and intrastate) needed to transport DOD traffic.

§ 619.4 Insurance—Public liability and cargo.

(a) *Public liability.* Motor carriers, surface freight forwarders, shipper agents and air freight forwarders will submit proof of public liability to MTMC on a certificate of insurance form issued by the insurance company. Expiration dates will not be reflected on the certificate, the policy must be continuous until canceled. However, the deductible portion will be shown on the certificate. The insurance underwriters must be rated in Best’s Insurance Guide, or listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies. The certificate holder block of the form will indicate that HQMTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTOP-QQ, will be notified, in writing, 30 days in advance of any change or cancellation. The public liability requirements are specified in 49 CFR 387.9. Surface freight forwarders and shipper agents will submit proof of \$1 million public liability (death and bodily injury, property damage, and environment restoration).

(b) *Cargo.* Motor common carriers, surface freight forwarders, shipper agents and air freight forwarders must have their insurance company provide a certificate of insurance form. The deductible portion will be shown on the

certificate. The insurance underwriter must have a policyholder’s rating in the Best’s Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies or specifically approved by HQMTMC. DOD’s minimum cargo insurance requirements are listed below:

(1) Motor common carriers, including classes A and B explosives, but excluding perishables and bulk fuel—\$150,000 per shipment.

(2) Automobile transporters or carriers which move vehicles in haul-away/drive-away service—\$20,000 per vehicle transported.

(3) Perishable carriers—\$80,000 per shipment.

(4) Bulk fuel—\$25,000 per shipment.

(5) Surface freight forwarders, shipper agents and air freight forwarders—\$250,000 per shipment.

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§ 619.5 Financial records.

(a) Motor carriers must furnish financial statements certified by the company Chief Executive Officer, President or Owner. These financial statements must include company certified balance sheets and income statements for the last 3 taxable years. Motor carriers in existence less than 3 years, but more than 12 months, must provide company certified copies of all balance sheets and income statements from the date business was commenced. Carriers in business less than 12 months must provide a company certified balance sheet showing all assets and liabilities. Motor carriers must furnish financial data at MTMC’s discretion when considered necessary to assure satisfactory performance and avoidance of motor carrier financial problems. This financial data includes, but is not limited to the following:

(1) Company certified financial statements.

(2) CPA review (including footnotes) of financial statements.

(3) CPA audit and opinion (including footnotes) of financial statements.

(4) Financial statements must reflect a 1 to 1 ratio (liquid assets—current liabilities).

(b) All carriers must also state the extent of their financial interests in