

§ 619.6

other transportation companies or their affiliation with any person or firm holding interests in other transportation companies to include:

- (1) Majority or minority ownership.
- (2) Familiar relationships.
- (3) Voting of securities.
- (4) Common directors, officers and/or stockholders.
- (5) Voting trusts.
- (6) Holding trusts.
- (7) Associated companies.
- (8) Contract or department relationships.

(c) This information will be used to determine if common financial and administrative control exists with other companies, or if individuals or associated companies are affiliated with those who have been debarred by the Government.

§ 619.6 Information.

Motor carriers, surface freight forwarders and shipper agents will provide HQMTMC the following information:

- (a) A listing of company's officers with their title.
- (b) A listing of the company's owners and the percentage of ownership of each.
- (c) Company background and history, including the year the company was formed.
- (d) A list, by type and quantity, of all owned and/or leased equipment. MTMC will not approve any motor carrier that does not own and/or have permanent leases for equipment.
- (e) The number of personnel employed, to include company drivers and number of drivers under lease. A motor carrier must be able to show it has a minimum personnel force in order to operate effectively.
- (f) A list of terminal locations including the street address and telephone numbers, and descriptions of the terminal facilities.
- (g) Three reference letters from shippers served during the previous 12 months.
- (h) Proposed services by type of service, traffic lane, or geographical area. MTMC will review equipment inventories and permanent lease agreements in relationship to proposed service. In those instances where a carrier's equipment inventory indicates they cannot

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provide the proposed service, MTMC will request a meeting with the carrier to review proposed service.

- (i) Copies of driver hiring, screening, and training procedures.
- (j) Disadvantaged (minority) and women-owned business certification (if applicable).

(k) In addition to information contained in (a) through (h) and (j) above, exempt surface freight forwarders, shipper agents and air freight forwarders must furnish a listing of the carriers which they have contract with and intend to use in the movement of government shipments. Information must include the complete company name, company officials to include their position and title, home office address, telephone number, 24-hour emergency point of contact for shipment status, and FHWA operating authority number of each carrier.

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

§ 619.7 Performance Bond.

- (a) Motor carriers. (1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5% of their total DOD revenue, taken from the freight Information System Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.
- (2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer (computed as both origins and destinations served), that is, 1 state (including intrastate)—\$25,000, 2 to 3 states—\$50,000, and 4 or more states—\$100,000.
- (3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent revenue.
- (b) Bulk fuel carriers and perishable carriers will be required to submit a \$25,000 Performance Bond.
- (c) Local drayage and commercial zone carriers are exempt from the bond requirement.

(d) Surface Freight Forwarders, Shipper Agents and Air Freight Forwarders. Due to the volume of traffic handled by these modes and the area normally serviced, the bond amount is set at \$100,000.

(e) All carriers must submit a letter of intent to file a bond from a surety company with initial application. Upon HQMTMC approval, carriers will provide HQMTMC with a Performance Bond. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The sum of the bond shall be as determined by §619.7 (a) through (c). The bond must be continuous until cancelled. HQMTMC will be notified, in writing, 30 days in advance of any change or cancellation. The Performance Bond secures performance and fulfillment of carrier obligations to deliver DOD freight. It will cover any instance where a carrier cannot or will not deliver DOD freight tendered to them to final destination. This includes default, abandoned shipments, and bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pickup or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo.

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

§619.8 Basic Agreement.

Motor carriers, surface freight forwarders, shipper agents and air freight forwarders meeting the qualification requirements of §§619.1 through 619.7 will be required to sign the appropriate Basic Agreement in the appendices to this part.

[61 FR 49061, Sept. 18, 1996]

APPENDIX A TO PART 619—BASIC AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIERS FOR APPROVAL TO TRANSPORT GENERAL COMMODITIES FOR THE DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of

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(Name of Company, Typed or Legibly Printed).

hereinafter called the carrier, as a prerequisite for approval to transport general commodities for the account of the Department of Defense (DOD) and the Military Traffic Management Command (MTMC), (hereinafter called the Government), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement. This Agreement governs the transportation of all DOD general commodity freight administered by the Directorate of Inland Traffic, MTMC (except used household goods). Noncompliance by the carrier with any provision of this Agreement may result in MTMC taking action against the carrier under the Carrier Performance Program, governed by MTMC Regulation 15-I, and revoking approval to participate in this traffic. If the carrier's approval is revoked, the carrier may be disqualified from further participation in any DOD freight Traffic.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The carrier further understands that it is not authorized to submit tenders for shipments requiring a Transportation Protective Service (TPS) until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or classes A & B explosives, the carrier must first meet any additional requirements in effect at the time.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles, to include Title 49 Code of Federal