

How Does a Country Change Its Freight Forwarder?

By

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INTRODUCTION

The purpose of this article is to examine the situation in which an FMS customer country wishes to change its freight forwarder. The procedures a country follows to effect a change in Freight Forwarder, as well as those conditions which may require special management attention, are discussed in detail, accompanied by a series of questions and answers related to this issue. Before turning to the process by which an FMS customer may effect a change of Freight Forwarder, it is necessary to first review the process of how the DOD logistics system identifies a country's Freight Forwarder. The mythical country of Bandaria (country code BD) is used in all of the examples which follow.

IDENTIFICATION OF THE CUSTOMER'S FREIGHT FORWARDER

When an FMS customer orders material through an FMS case, the item manager of the material will either issue the material from DOD stocks or refer the requisition to procurement channels for acquisition of the items and direct shipment to the customer. Regardless of the source of the material, the supplier must have an address to which the material should be shipped. The policy concerning shipments of material purchased under an FMS transaction is that such material will be normally shipped to the FMS customer's freight forwarder on a collect commercial bill of lading, and the freight forwarder will arrange for onward transportation in accordance with guidance received from the FMS customer. (For a detailed discussion of the responsibilities of the FMS customer countries and their freight forwarders, refer to the DSAA pamphlet "Foreign Purchaser Guide to Freight Forwarder Selection," and the *Security Assistance Management Manual*, Chapter 8, Section III, paragraphs F-4 and F-5.) The addresses for the customer's freight forwarder are contained in the *Military Assistance Program Address Directory (MAPAD)*, DOD Publication 4000.25-8-M. The administrator of the MAPAD is the Defense Logistics Standards System Office, Cameron Station, Alexandria, Virginia 22304-6100. FMS customers may submit requests for copies of the MAPAD to their U.S. Military Service representative or the Defense Logistics Agency (DLA). The DLA address is:

Director
Defense Logistics Agency
ATTN: DASC-PP
Cameron Station
Alexandria, VA 22304-6130

Commercial activities should submit requests for copies of the MAPAD to the DLA address shown above. The custodian of the MAPAD is the Defense Automatic Addressing Systems Office

(DAASO), located at Gentile Station, Dayton, Ohio. The MAPAD custodian is responsible for ensuring that the MAPAD reflects the current names and addresses of FMS customers' freight forwarders as requested by the authorized country representatives. This is accomplished by formal changes to the MAPAD which are issued monthly by DAASO. The MAPAD is reissued in its entirety biannually.

The MAPAD listing of freight forwarders is by customer country. Within each customer listing, the freight forwarder addresses are listed by Military Assistance Program Address Code (MAPAC). There are two types of MAPACs, the SHIP TO MAPAC and the MARK FOR MAPAC. The SHIP TO MAPAC is a code which identifies the location to which the material is to be shipped from the ORIGIN (normally a supply depot or a contractor's plant). The SHIP TO MAPAC can be thought of as describing the first shipping destination of the material. The MARK FOR MAPAC is used to indicate the address for which the material should be marked or identified for a subsequent or final destination. This article is concerned only with the SHIP TO MAPAC.

The SHIP TO MAPAC is a six digit code which is constructed from information contained in the customer country's requisition (see Figure 1)[1]:

FIGURE 1

Position 1	FMS Customer Service Code (Position 45 of the requisition)
Positions 2 & 3	Country Code (Positions 31 & 32 of the requisition)
Positions 4 & 5	Always ZEROES
Position 6	Freight Forwarder Code (Position 47 of the requisition)

MILSTRIP REQUISITION

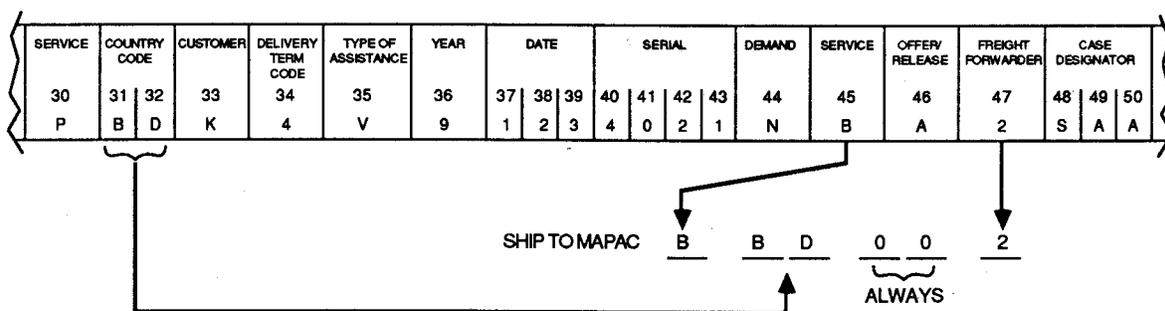


FIGURE 1

When the requisitioned material is issued from DOD stocks, the MAPAC is constructed either manually or automatically by computer if the depot has the computer capability. The MAPAD is then referenced to determine the location to which the material should be shipped. A sample entry for BANDARIA is contained in Figure 2.[2]

FIGURE 2

MAP ADDRESS DIRECTORY -
SECTION B - FOREIGN MILITARY SALES BD - BANDARIA
REVISION EFFECTIVE 1 MARCH 1982

MAPAC	T A C	CLEAR TEXT ADDRESS	S I I	WPOD	APOD	EFF DATE	DEL DATE
BBDM00	M	GOVT OF BANDARIA ARMY MATL CENTER HERAT, BANDARIA					
BBD002	A	FAST FREIGHT INC. 2800 BLACK HORSE PIKE JERSEY CITY, NJ					
BBD002	B	FAST FREIGHT INC. 2800 BLACK HORSE PIKE JERSEY CITY, NJ					
BBD002	1	FAST FREIGHT INC. PIER 43 BAYONNE, NJ					
BBD002	2	FAST FREIGHT INC. 2800 BLACK HORSE PIKE JERSEY CITY, NJ					
BBD002	3	FAST FREIGHT INC. P.O. BOX 1976 JERSEY CITY, NJ					
BBD002	4	GOVT OF BANDARIA ARMY LOGISTICS COMMAND HERAT, BANDARIA					
BBD002	5	BANDARIA EMBASSY ARMY ATTACHE 2110 EYE STREET WASHINGTON, DC 20001					

In our sample requisition, we constructed the SHIP TO MAPAC of BBD002. Upon examination of the sample MAPAD listing, we note that there are several addresses which correspond to the SHIP TO MAPAC of BBD002. However, the second column of the country pages in the MAPAD is labeled "TAC" which is an abbreviation for "Type of Address Code." The TAC is used in conjunction with the SHIP TO MAPAC to determine the address to which material should be shipped. A listing of the most frequently used Type of Address Codes and their meanings is shown in Table 1.[3]

TABLE 1
Frequently Used "Type of Address Codes"

Type of Address Code	Meaning
1	Surface or Air Parcel Post shipment
A	Surface or Air Parcel Post - Classified shipment
2	Surface or Air Freight shipment
B	Surface or Air Freight shipment - Classified shipment
3	When Option Code requires a Notice of Availability
4	Distribution of supply and shipment status documents
5	Mail copies of release/receipt documents for parcel post shipments
6	Mail copies of release/receipt documents for freight shipments
7	Activity responsible for payment of transportation charges (when TAC A, B, 1, or 2 not authorized to pay)
9	Addresses for this MAPAC have been deleted
M	Mark for an in-country destination

As an example, let us assume that the material ordered in our sample requisition is an unclassified item and is going to be shipped to the freight forwarder by small parcel carrier by traceable means. In this situation, the SHIP TO MAPAC is BBD002 and the Type of Address Code is 1. Referring to the MAPAD shows that the material should be shipped to:

Fast Freight Inc., Pier 43, Bayonne, NJ.

The same procedure of referencing the MAPAD to determine the ship to address for the requisitioned material is used when the requisition is referred to procurement channels for direct shipment by a contractor. However, purchasing regulations require that the clear text address (as well as the MAPAC) to which the items must be shipped be included in the purchase document. This has occasionally caused problems when the FMS customer changes its freight forwarder after the purchase contract has been completed, but before the material has been shipped. Thus, in many instances, the manufacturer has sent the material to the old freight forwarder, necessitating considerable time delays in identifying the misdirected shipment and in effecting a reshipment.

CHANGE OF FREIGHT FORWARDER

In order to have material ordered by an FMS customer sent to a new freight forwarder, the MAPAD must be updated. DAASO will change the MAPAD when authorized by the FMS

customer country in writing. The request for change to the MAPAD can be submitted by the country directly to DAASO, or a focal point can be contacted to assist in requesting the change. Focal points for various activities are:

DOD MAPAD System Administrator	Chief Defense Logistics Standard Systems Office ATTN: DLSSO-CG Cameron Station Alexandria, VA 22304-6100
Army	Commander U.S. Army Security Affairs Command ATTN: AMSAC-MP/R 5001 Eisenhower Avenue Alexandria, VA 22333-0001
Navy	Commander Naval Supply Systems Command ATTN: SUP 0742 Washington, DC 20376-5000
Air Force	Chief, Policy & Management Division Headquarters, USAF Director of International Programs ATTN: PRIM Washington, DC 20330-5244
Marine Corps	Commandant of the Marine Corps ATTN: LO-2/SA Washington, DC 20380-0001
General Services Administration	General Services Administration Federal Supply Service ATTN: FCI Washington, DC 20406
Defense Logistics Agency	Director Defense Logistics Agency ATTN: CLA-OSC Alexandria, VA 22304-6100

Once the request has been received by DAASO, the change notice will be sent out to International Logistics Control Offices (ILCOs), Inventory Control Points (ICPs), and depots by message. A minimum of 60 days notice prior to the effective date of the change is requested by DAASO to effect an orderly change process. Urgent requirements, however, may not allow for the full 60 day notification. In this situation, DAASO will process the change on an expedited basis.

When the change has been received and implemented by the addressees, the SHIP TO MAPAC will be cross-referenced to the new clear text address. However, the customer should be aware that some material might still be in the custody of the former freight forwarder awaiting onward transportation, or may be enroute from a shipping activity to the old freight forwarder, or may be programmed for shipment from a vendor to the old freight forwarder. Consequently, the FMS customer country should make arrangements with the former freight forwarder regarding these types of shipments, in order to divert all shipments of material to the new freight forwarder.

QUESTIONS AND ANSWERS

The following questions and answers are provided in anticipation of some of the questions which might arise when an FMS customer country contemplates a change of freight forwarder.

Q: My country is not pleased with the performance of its freight forwarder. Can the United States Government recommend a better one to us?

A: No, we can't. However, a listing of freight forwarders can be purchased at a cost of \$10.00 from:

National Customs Brokers and Forwarders
Association of America, Inc.
5 World Trade Center, Suite 9273
New York, NY 10048

Telephone: (212) 432-0050

Q: If my country is unhappy with its freight forwarder, what can be done except to fire him and hire another freight forwarder?

A: If problems exist in the shipment of material being transported by GBL (Government Bill of Lading) or prepaid small parcel, or if problems exist because of misdirected shipments, or bad documentation, the TMO (Transportation Management Officer) of the shipping activity should be contacted. If a problem exists in the transportation of material on a CCBL (Collect Commercial Bill of Lading), the matter should be resolved between the freight forwarder and the carrier. Problems which cannot be resolved between the freight forwarder and TMO should be sent to the Freight Forwarder Assistance Office, with full documentation of the problem. Applicable addresses are:

ARMY: Deputy for Operations
U.S. Army Security Affairs Command (USASAC)
ATTN: AMSAC-OL-T
3rd Street and M Avenue, Bldg. 54
New Cumberland Army Depot
New Cumberland, PA 17070-5096

Telephone:
Commercial
(717) 770-6495/6843
AUTOVON
977-6843/6349

AIR FORCE: Commander
Air Force Logistics Command (AFLC)
ATTN: ILC/XMXA
Wright-Patterson AFB OH 45433-5000

Telephone:
Commercial
(513) 257-8157
AUTOVON: 787-8157

NAVY: Commanding Officer
Navy International Logistics Control Office
(NAVILCO)
Code 252
700 Robbins Avenue
Philadelphia, PA 19111-5095

Telephone:
Commercial
(215) 697-4142
AUTOVON: 442-4142

The Navy International Logistics Control Office has also recently installed a toll free number for freight forwarders to call concerning misdirected and frustrated cargo. The number is: (800) 356-6890.

Q: Can anything else be done?

A: The ILCO can be requested to make an assistance visit to the freight forwarder and make recommendations to the country.

Q: Your article recommended retaining an old freight forwarder after a new one is selected. Why should we do this, and if so, for how long?

A: Some material will still be in the pipeline or enroute to your old freight forwarder. Even after selecting a new freight forwarder, arrangements should be made with the old freight forwarder to handle any material which is still delivered to him. Although there is no strict rule as to how long the old freight forwarder should be retained, a minimum of 30 days is recommended.

Q: If my country is thinking of changing its freight forwarder, why can't we just leave the freight forwarder block of the LOA (Letter of Offer and Acceptance) blank when signing for acceptance?

A: The freight forwarder code of the requisition (block 47) is the same as the freight forwarder code of the LOA. If it is left blank, the requisition may not be processed at all, or an invalid or incomplete SHIP TO MAPAC would be produced, and the result could be frustrated cargo.

Q: What is meant by the term "frustrated cargo?"

A: Cargo or material which has been issued but for which the shipper has no idea where to send the material, or material which is stopped in transit.

Q: Instead of changing the MAPAD, why not just modify the freight forwarder block of the requisition to show a new freight forwarder code?

A: The new freight forwarder's address would still have to be entered in the MAPAD. Secondly, modification of all the MILSTRIP requisitions already in the system would be a tremendous task.

Q: Does the U.S. Army screen requisitions submitted to the system?

A: Yes. Among the various items which are reviewed at USASAC is a check between the unit of issue and the national stock number, a verification that money is still in the case against the unobligated balance, and if the material is classified, a determination as to the clearance of the freight forwarder to receive classified material. Additionally, if the material is considered sensitive, a check is made to see if the Delivery Term Code indicates that the Defense Transportation System (DTS) will be used. Finally, the requisition is reviewed to see if the priority of the requisition corresponds to the Force Activity Designator (FAD) which has been assigned to that customer or case.

Q: Why provide an address to the manufacturer when a purchase order is submitted?

A: The DOD Federal Acquisition Regulations(FAR) Supplement, Part 47, Subpart 47.305-10, requires that contractual documents contain a clear text identification of the consignee and destination.

Q: Wouldn't it be easier to provide a shipping address when the material is ready for shipment instead of when the purchase order is submitted?

A: Yes, however, this would require a change to the DOD FAR Supplement. (See discussion in the conclusion of this article.)

Q: My country changed freight forwarders over a month ago. Today, the old freight forwarder called and said he just received some material that was shipped last week by a manufacturer. How did this happen?

A: It is very likely that the material in question was contracted for procurement and direct shipment to your freight forwarder prior to your country having changed its freight forwarder. The manufacturer probably was shipping the material to the address specified on the purchase order.

Q: What do you recommend for the disposition of the material which was sent to my country's old freight forwarder?

A: It would be best for the old freight forwarder to send the material to your country's new freight forwarder for onward shipment.

Q: Who assumes the cost for the extra transportation to my country's new freight forwarder?

A: The customer is responsible for the cost of all transportation of material, including this situation. In some instances, the U.S. Government may assume the additional costs.

CONCLUSION

The process of determining the address to ship material is a relatively straightforward process, which works reasonably well in normal circumstances. When an unusual event occurs, such as a customer switching freight forwarders, there are occasionally some problems which must be corrected. Advance notification to all participants (DASSO, the U.S. military representatives, and the old and the new freight forwarders) tends to correct many problems before they even occur. One problem which still exists is the notification of a change in freight forwarder to the manufacturer. Without the proper notification, the manufacturer will always inadvertently ship the material to the wrong address. DOD regulations currently require a shipping address as part of the original purchase contract. However, if the regulations were changed to require only the SHIP TO MAPAC at the time the purchase contract is initially submitted to the contractor, and the shipping address was provided when the material was ready for shipment, the problem of sending material to an old (superseded) address would be greatly reduced. The manufacturer could obtain the correct shipping address from several sources: the contracting office which prepared the purchase document; DOD procurement representatives at the plant (AFPRO, NAVPRO); regional contract administrators, such as DCASMR; or from their own copy of the MAPAD.

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FOOTNOTES

1. Figure 1 is a replica of a figure contained in the MAPAD.
2. The sample MAPAD listing in Figure 2 is reprinted from the DISAM student notebook for the CONUS Studies Course.
3. Table 1 is extracted from the student notes for the DISAM Foreign Purchaser Course.

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