



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Global Container Management Policy

The attached policy provides guidance on the efficient and effective use of common user containers during contingency operations, including responsibilities for container detention payments and the requirement for supported Combatant Commands to include container management provisions in all contingency plans and operational orders. The objective of this policy is to improve the management and use of common user containers and to reduce the danger to personnel responsible for recovering containers in unstable, contingency environments. This policy will be incorporated in the next update to DoD Instruction 4500.57, "Transportation and Traffic Management."

Attachment:
As stated



GLOBAL CONTAINER MANAGEMENT POLICY

The purpose of this policy is to improve the management and use of common user containers and to reduce the danger to personnel responsible for recovering containers in unstable contingency environments.

During contingency operations, DoD Components shall use containers in the below listed order of precedence, subject to operational requirements of the Combatant Command.

- DoD-owned common user containers already in inventory
- Leased containers available from the central lease contract
- Carrier-owned containers under the U.S. Transportation Command (USTRANSCOM) Universal Services Contract (USC) or other applicable contract

Whether containers are DoD-owned, leased, or carrier-owned, once they reach their final destination, it is critical that they be processed and expeditiously discharged and returned to the common user container fleet and/or to the owning carrier. All contingency plans and operational orders will include guidance making this possible. Exceptions to this policy must be approved by the supported Combatant Commander.

Supported Combatant Commanders will assess the use of common user containers for non-transportation purposes. This assessment will prioritize the return of carrier-owned containers, leased containers, and then DoD-owned containers. Service-unique containers are not available for common user service.

The transfer of contents from one container to another container followed by additional transportation (transloading) shall be avoided, unless deemed temporarily essential by the supported Combatant Commander in coordination with USTRANSCOM.

Container detention charges for contingency operations will be billed separately from ocean charges and shall be assessed against the lead Military Department, as specified by the supported Combatant Commander, for those countries in the Area of Responsibility (AOR) where container detention occurs. Designated Executive Agents will be billed for container detention charges (e.g., the Army, as Executive Agent for Army and Air Force Exchange Service (AAFES), pays detention cost for containers consigned to AAFES). Contractors shipping containers to the AOR for their own use in supporting DoD, shall be responsible for any container detention costs, as specified in the contract terms and conditions. This requirement shall be included in new contracts.

Damaged, destroyed, and lost leased containers shall be processed in accordance with the provisions of the individual lease under which the containers were ordered.

For non-contingency operations, detention costs will continue to be paid by the responsible party in accordance with the Defense Transportation Regulation.

ROLES and RESPONSIBILITIES:

The Under Secretary of Defense for Acquisition, Technology & Logistics, as the Defense Logistics Executive (DLE), or designee, shall oversee the implementation of container distribution process changes to ensure they comply with this policy.

The Under Secretary of Defense for Comptroller will ensure that requirements for container detention payments, payments for damaged, destroyed, and lost leased and carrier-owned containers are considered in the formulation and execution of budgets for contingency operations.

The Director, Defense Logistics Agency (DLA), shall:

- Collaborate with USTRANSCOM in support of container distribution process improvements.
- Contract for the acquisition of common user containers, when requested, on behalf of DoD Components.

The Heads of DoD Components shall:

- Collaborate with USTRANSCOM to identify container process improvements, and required container quantities for contingency operations.
- Program and budget for the container quantities required to support and enhance the operational capability and the individual Military Department's mission.
- Fund their respective container requirements, whether procured by DLA for common user containers or by the Military Departments for other than common user containers.
- Fund and pay all transportation container detention, purchase, and leased costs in contingency operations, when the Military Department is the designated lead for a specific country, unless otherwise specified.

The Secretary of the Army, or designee, shall maintain a central repository of data associated with all DoD-owned, leased, and carrier-owned containers.

The Commander, USTRANSCOM, in coordination with the DoD Components shall:

- Oversee the overall efficiency, effectiveness, and interoperability of the global container management program.
- Assess the impact of the transfer of contents from one container to another container followed by additional transportation (transloading) in contingency operations. This assessment should include the impact to the speed and overall inventory requirements for the DoD supply chain.
- Develop processes and procedures and oversee carrier-provided or leased containers acquired through the purchase of carrier-owned containers during contingency operations with DoD funds, and coordinate the disposition of these containers after the operation has concluded. Develop and recommend DoD global container technology investments for Automated Identification Technology and tracking of container locations.
- Negotiate the USC to minimize detention payments in accordance with guidance in this policy. Consider the rates to ship DoD-owned and leased containers, potential carrier detention charges, and container purchase of carrier-owned containers procedures and rates.
- When requested by a lead Military Department, perform analysis to determine expected annual detention costs for an assigned location.
- Verify and fund detention and other associated claims and invoices and forward to the appropriate Military Department for reimbursement.
- Fund and facilitate any unresolved claims between contractors and ocean carriers.
- Maintain the DoD-owned International Standardization Organization (ISO) Container Database and Registry, which is the single DoD database of all owned, leased, and carrier containers used by the DoD and the Military Departments to meet mission requirements.

The Supported Combatant Commands and US Special Operations Command shall:

- Include container management provisions in all contingency plans and operational orders.
- Appoint a Theater Container Manager with overall responsibility for container control functions within the AOR.
- Establish a management structure and process within the assigned theater that manages, monitors, and tracks all containers moving into, within, and out of the theater. This responsibility includes validation of detention, port storage, and reefer maintenance claims and invoices submitted from commercial carriers.

- Provide for effective and efficient receipt, movement, and return of containers entering the AOR. Establish a process for identifying, controlling, and managing containers authorized for non-transportation uses.
- Designate and issue an annual list of the lead Military Department, by country, to pay detention during contingency operations.
- Advise USTRANSCOM as soon as practicable, of all instances in which common user containers are used for other-than-transportation purposes.
- Establish plans to return containers to the common user inventory or the owning carriers as soon as practicable upon expeditious unloading of contents. Plans should include reporting and procedures to mitigate detention.
- Advise the DLE or designee as soon as practicable, of all instances in which actions contrary to this policy were deemed necessary.
- Report instances of temporarily essential transloading operations, as designated by the supported Combatant Commander, to the DLE or designee.

DEFINITIONS:

Terms used in this Policy are defined as follows:

Carrier-Owned Containers: Any container owned or leased by the ocean liner carrier that is used by the carrier to meet the contracted commitment for the movement of DoD cargo.

Common Use Containers: The central container fleet of DoD-owned, leased, and commercial 20 and 40-foot containers controlled by the DoD. DoD controlled containers are those containers under DoD control and managed by Military Surface Deployment and Distribution Command (SDDC). Any DoD-owned, leased, or controlled container found abandoned in a theater of operation after attempting to identify its rightful owner will become a common user container.

Detention Charges: A charge made on a carrier conveyance held by or for a consignor or consignee beyond the allowable free time for loading or unloading, for forwarding directions, or for any other purpose authorized and documented by the consignor or consignee. Charges for detention are in addition to all other transportation charges. With respect to vessel charter, it is the amount owed by the charterer to the vessel owner for actions of the charterer for detaining the owner's ship or other equipment beyond the time allowed when demurrage charges are not applied.

Government-Leased Containers: Those containers that are under long term lease to the U.S. Government. USTRANSCOM is the procuring contracting office responsible for the award and management of the DoD-leased container contract. All DoD Components use this contract for the leasing of common user containers worldwide. Government-leased containers are typically used to fill local shortages of Government-owned containers in support of unit deployment and redeployment and are treated as such within the AOR. Container leases typically last from 1 to 2 years and do not incur detention charges. Government-leased containers might also be leased for special purposes such as ammunition shipments or other sustainment uses.

Government-Owned Containers: Those containers purchased by the U.S. Government. Most have ISO numbers starting with "USAU" or "USAX" and are painted in recognizable tan or olive colors. Government-owned containers are typically used to support unit deployment and redeployment where a DoD operated shipping port of debarkation is available to support Joint Reception, Staging, Onward Movement, and Integration. They are also used to support transloading operations and are the preferred category of container for long-term temporary storage in the AOR. Government-owned containers do not incur detention charges but can incur port storage assessments.

Transloading: A process that occurs when a shipment is being transferred from one mode of transportation to another or from one type of container asset to another (e.g., from carrier-owned container to government-owned container).

Universal Services Contract: Contracts between USTRANSCOM and commercial ocean liner carriers for international cargo transportation and distribution services using common or contract carriers offering regularly scheduled commercial liner service.