



DEFENSE SECURITY COOPERATION AGENCY

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Establishment of Unique Transportation Account Codes (TACs) for the Shipment of Material for U.S. Government Funded Foreign Military Sale (FMS) Like Cases (Pseudo Cases) (DSCA Policy 09-51)

REFERENCE: Department of Defense (DoD) 4500.9-R: Defense Transportation Regulation (DTR), Part II, Cargo Movement, Appendix V and V7

Department of Defense requires shippers of material using the Defense Transportation System (DTS) to use a Transportation Account Code (TAC) as a short hand abbreviation for a line of accounting. The TAC is a four character, alphanumeric code and its purpose is to identify the appropriate DoD Component (i.e. Army, Air Force, Navy) and appropriation (i.e. O&M, FMS) chargeable for movement of material through the DTS which requires reimbursement for services rendered. The TACs are also used by the transportation service providers to apply the appropriate transportation charge to recover their cost. The transportation rates vary based on the customer (i.e. USG entities, nonfederal agencies, foreign governments) incurring the transportation service. Generally, the rates applied to non-federal agencies and foreign customers are higher than the rates applied to USG entities.

Increasingly, FMS procedures and data systems are being used to process and execute DoD funded "pseudo cases" in support of Security Cooperation programs. Because these "pseudo cases" are fully funded with US appropriated dollars, any transportation provided by the U.S. Government, generally through the DTS, must be billed using the DoD transportation rates and not the FMS rates. Since the FMS rate is higher than the DoD rate, it is important that the correct rate be applied to avoid over-billing.

In order to assist the transportation service providers with applying the correct rates, the Implementing Agencies (IAs) are directed to establish unique TACs for all "pseudo cases" that will use the DTS. The unique TACs should be



developed in accordance with the referenced DoD 4500.9-R, Part II, Appendix V and V7, which provides definitions, instructions, and other information pertaining to assignment of TACs to DoD sponsored shipment of Security Assistance Programs to include, FMS and Grant Aid. Upon establishment of the TACs, each IA should submit a list of these TACs to DSCA/DBO-FPIO and the United States Transportation Command to ensure that the appropriate rates are applied to transportation related to “pseudo cases” being transported through the DTS. The list of unique TACs should be updated as new cases are implemented that will require the use of DTS.

We thank you for assisting us in our efforts to facilitate the application of the correct rates for transportation related with “pseudo cases.” If you have any questions, please contact Rita Chico at (703) 602-3632 or e-mail at rita.chico@dscamil.



Ann Cataldo
Principal Director
Business Operations

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