



Forwarder Military Rule Retreats

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It's a little late for one air forwarder, but freight companies now have the freedom to choose the most efficient method of transportation when handling expedited goods for the Department of Defense.

The 2009 Defense Authorization Act that President Bush signed this month includes a provision throwing out a long-standing directive that had required that a freight forwarder offering express service to the military put the goods on an aircraft. With much domestic expedited shipping moving toward trucks, forwarders saw the requirement as an anachronism.

"The passage of this bill ... is a victory for taxpayers as well as the forwarding industry, as mode-neutrality achieves the just-in-time efficiency needed at the best value proposition available for shipment," said Brandon Fried, executive director of the **Airforwarders Association**. "The revision will provide much needed clarification for those involved in the transport of freight and restricted to a single mode of transport for cargo, regardless of cost to the DOD."

The requirement was behind claim that Buffalo, N.Y.-based forwarder National Air Cargo, said to be the largest commercial shipper of Defense Department material to the war zones in Iraq and Afghanistan.

National agreed this year to pay a \$28 million penalty to settle charges that it falsified documents for expedited shipments that were sent by truck rather than air. The company's leadership stepped down in the wake of the settlement.

Guidelines for contractors handling goods for the Pentagon had said all shipments tendered to air carriers or air forwarders for air service within the U.S. must move by air unless extreme circumstances warranted a shift to motor services. Since many DOD delivery locations are in remote locations, it often would take additional time and costs to move the shipment by air than expedited trucking.

Forwarding officials said the restriction posed a tough choice for many forwarders struggling to comply with a delivery window and a single mode of transport.