

**Military Surface Deployment and Distribution Command**

**Customer and Carrier Advisory**

**August 19, 2025**

**CA-25-06-10/0034**

**Update 1**

**Subject:** Foreign Flag Waiver Requirements and Process for U.S. Government Cargo

**Purpose:** To inform and provide guidance to Department of Defense (DoD) Transportation Officers, Contracting Officers, and shippers on U.S. Cargo Preference laws and the foreign-flag waiver (FFW) process. This advisory is not applicable to cargo booked using one of SDDC's strategic sealift contracts – Universal Services Contract (USC), Commercial Multimodal (CMM), and Sealift Transportation Services contract-Naval Station Guantanamo Bay Cuba (NSGB).

**Be Advised:** Pursuant to the Military Cargo Preference Act of 1904 (MCPA) and the Cargo Preference Act of 1954, U.S. Government cargo is required to be transported on U.S.-flag vessels. Specifically, the MCPA requires that 100 percent of all DoD cargo or cargo transported by the DoD be shipped on a U.S.-flag vessel. However, in some cases, a U.S.-flag vessel is not available, or a U.S.-flag vessel is available, but is not available at a reasonable rate for a commercial vessel of the United States, e.g., the rate is unreasonable compared to the going rate for a similarly situated U.S.-flag vessel, and therefore, it is necessary to transport the cargo on a foreign-flag vessel. A FFW for ocean liner and intermodal transportation must be requested prior to shipping cargo by the DoD regardless of ownership of the cargo. This advisory addresses the FFW processes for ocean-liner or intermodal transportation. Neither Contracting Officers nor requiring commands are permitted to issue FFWs.

For more information on U.S. Cargo Preference Laws please review the U.S. Department of Transportation Maritime Administration website at <https://www.maritime.dot.gov/ports/cargo-preference/cargo-preference>

See also, Defense Procedures, Guidance, and Information (PGI) PGI 247.5 – Ocean Transportation by U.S.-Flag Vessels at [https://www.acq.osd.mil/dpap/dars/pgi/pgi\\_hm/current/PGI247\\_5.htm](https://www.acq.osd.mil/dpap/dars/pgi/pgi_hm/current/PGI247_5.htm)

A. Nonavailability of U.S.-flag vessels. SDDC is the waiver approval authority for use of a foreign-flag vessel when a U.S.-flag vessel for ocean liner and intermodal transportation is not available.

(1) FFW requests must be submitted no later than 45 days prior to vessel sailing, which aligns with the timeline in Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.247-7023, Transportation of Supplies by Sea. Transportation Officers, Contracting Officers, or shippers must request a FFW from SDDC utilizing the attached Excel request form, which shall be sent to the FFW Org Box at [usarmy.scott.sddc.mbx.g3-ffw-team@army.mil](mailto:usarmy.scott.sddc.mbx.g3-ffw-team@army.mil). A class FFW may be requested for shipments over a period of time, typically 30 to 90 days, on a case- by-case basis when the cargo is pre-determined, the frequency is known, and there is a unique POE and POD routing combination.

(2) SDDC will review, track, and forward the FFW request to MARAD who will survey the ocean carriers for U.S.-flag vessel availability. The MARAD survey can take up to 14 calendar days to process. Once the survey closes, MARAD will review the results and send a recommendation to SDDC for review and final determination. Concerns with the final determination shall be addressed to the FFW Org Box at [usarmy.scott.sddc.mbx.g3-ffw-team@army.mil](mailto:usarmy.scott.sddc.mbx.g3-ffw-team@army.mil).

B. Unreasonable Ocean Rates. The USTRANSCOM Director of Acquisition is the FFW authority when the proposed freight charges for U.S.-flag vessels are not fair and reasonable for commercial vessels of the United States. Contracting Officers, or appointed Ordering Officers, must contact the USTRANSCOM Director of Acquisition, through the Sealift Services Division at [transcom.scott.tcaq.mbx.i-foreign-flag-waiver@mail.mil](mailto:transcom.scott.tcaq.mbx.i-foreign-flag-waiver@mail.mil) to request a FFW based on unreasonable ocean rates.

C. **Required data for the FFW request:**

- Prime Contract #/Shipper – This is the contract that the shipment is moved under or the name of the unit/mission who is requesting the movement.
- Available Date (Origin) – This should be the earliest date the cargo is available at the origin to be picked-up.
- Requested Sail Date – If a possible vessel/vessel schedule is known, list the date that the vessel would sail. If a vessel hasn't been selected but a desired timeline is known, list the earliest possible sail date.

- Origin – Location that cargo originates from.
- POE – Port City or Port area that requestor would like cargo to be loaded onto a vessel.
- POD – Port City or Port Area that requestor would like cargo to be unloaded from a vessel.
- Destination – Location that cargo is to be delivered.
- RDD – Required Delivery Date – The latest date the cargo can arrive at destination or POD.
- Number of Pieces – The approximate number of items. If cargo is loaded in a container or other box, then just the number of containers is required. For large cargo loads with a variety of cargo types (containers, vehicles, etc.) provide a cargo list either in an additional document or on a separate tab.
- Requested Service – although the PGI doesn't require this, SDDC does require this information in order to process the waiver, see Flag/Service types below and choose P2 or P3 as appropriate for the vessel.
- For class waiver requests (e.g., 30 to 90 days), the Available Date (Origin), RDD, and Number of Pieces should indicate the time period the cargo will move, the frequency of the moves, and the amount of cargo being moved.

**Flag/Service types:**

- U.S.-flag (P1) – Cargo transits from port of embarkation (POE) to port of debarkation (POD) solely on U.S.-flagged vessels.
- Combination flag (P2) – Cargo transits from POE to POD on at least one U.S.-flag vessel and one or more foreign-flag vessels.
- Foreign-flag (P3) – Cargo transits from POE to POD solely on foreign-flag vessels.

**POC:** International Sealift Contract Management Branch usarmy.scott.sddc.mbx.g3-ffw-team@army.mil

**Expiration:** N/A

**Category:** Ocean/Barge

## **MARAD ASSISTANCE IN LOCATING U.S.-FLAG SERVICE**

Transportation of military supplies by sea must be shipped on U.S.-flag ships per 10 USC 2631. This requirement is included as a contract clause in all DOD contracts and is cited at DFARS 252.247-7023.

**Only the applicable transportation command (SDDC/MSC)** can issue a waiver allowing the use of a foreign vessel for the shipment of military cargo.

To assist with MARAD's U.S.-flag vessel availability determinations, the following basic information is needed:

Cargo (description, type, weight and dimensions of cargo, units if containerized cargo)

Available for Loading Date (i.e. ready for pick-up at port): Required Shipping Date (must be shipped by):

Required Delivery Date (to POD):

Origin:

Preferred Port of Embarkation (POE):

Preferred Port of Debarkation (POD):

Final Destination:

Name of Shipper:

Name of Consignee:

Point of Contact:

Alternate POC from shipping unit:

Special Instructions (Hazmat? Other concerns?):

Proposed movement plan:

**Prime Contract Number (if under government contract):**