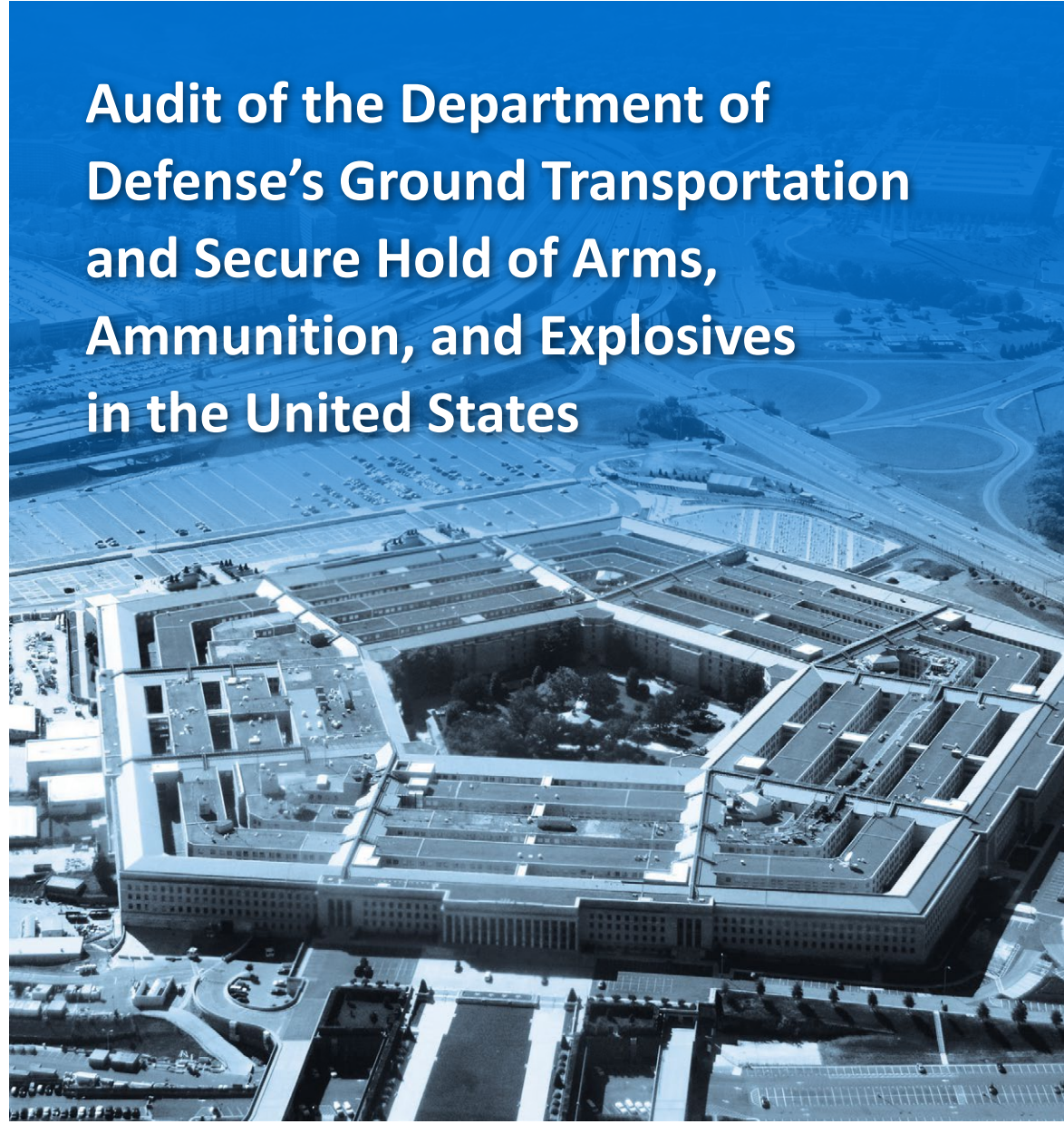




INSPECTOR GENERAL

U.S. Department of Defense

MARCH 23, 2020



Audit of the Department of Defense's Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





Results in Brief

Audit of the Department of Defense's Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States

March 23, 2020

Objective

The objective of this audit was to determine whether the DoD protected arms, ammunition, and explosives (AA&E) transported in the United States by commercial ground carriers in accordance with the Defense Transportation Regulation (DTR).

Background

The DTR provides the overall requirements for transportation within the DoD, including the transportation and secure hold of AA&E. To transport AA&E in the United States, the DoD relies on commercial trucking, rail, and small package couriers.

When shipping AA&E, the DTR requires the DoD to include safeguards, such as satellite tracking of the carrier vehicle. The Military Surface Deployment and Distribution Command (SDDC), an Army subordinate command to the U.S. Transportation Command (USTRANSCOM), uses the Defense Transportation Tracking System (DTTS) to monitor all commercial trucking carriers transporting AA&E within the United States.

DoD officials and commercial carriers are required to report incidents that occur with AA&E shipments, including accident reports, shipments that do not appear in DTTS ("not-in-system" shipments), and reports of denial of entry onto installations to deliver AA&E shipments (known as secure hold denials). Secure hold areas are areas of a military installation specifically designated for securely storing AA&E shipments.

Finding

The DoD and its commercial carriers transported 107,625 AA&E ground shipments (103,853 by truck and 3,772 by rail) from October 2016 through March 2019. Based on our review of 16 accident reports, 20,426 not-in-system shipment records, and 9 reports of secure hold denials, we determined that the DoD and the commercial carriers did not always transport AA&E by ground in accordance with the DTR. Specifically, the DoD did not properly:

- pack at least two AA&E ground shipments, as required by the DTR and DoD Component criteria for AA&E shipments.
- verify that information about the contents of the AA&E shipment was in the tracking system for 20,426 of 103,853 ground shipments made by truck, as required by the DTR. The SDDC categorized these 20,426 shipments as not-in-system shipments. In addition, all 3,772 AA&E rail shipments and all small package shipments of arms and ammunition were not tracked by SDDC systems.
- provide commercial carriers with access to installations so the carrier could deliver nine AA&E truck shipments to the installation, as required by DoD guidance.
- follow up on 12 of the 33 SDDC safety investigation recommendations made in 13 transit accident reports because the SDDC lacked authority to implement and adjudicate the recommendations for non-SDDC organizations.

As a result of these specific packing, tracking, and delivery problems and an accident in 2017, the public was unnecessarily exposed to AA&E that was stolen, damaged, exploded, ignited, or spilled across public highways. Any mishap with AA&E can be catastrophic. There were also safety risks from trucks loaded with



Results in Brief

Audit of the Department of Defense's Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States

Finding (cont'd)

AA&E that were parked at non-secure local truck stops for extended periods or on the street to wait until AA&E cargo could be delivered to its destination. AA&E, when stolen, gives criminals the opportunity to use military grade arms for illegal activities. In addition, when AA&E is stolen, damaged, or exploded, the DoD must replace that ammunition, which costs time and money and can hamper operations if the AA&E is not available when needed. Furthermore, without the ability for the SDDC to hold the Military Services accountable for not following the DTR or for implementing improvements to Military Service processes for AA&E transportation and secure hold, the SDDC is hampered in its ability to mitigate these types of occurrences in the future.

Recommendations

We recommend that the Assistant Secretary of Defense for Sustainment, in coordination with USTRANSCOM and the Military Services, give the SDDC the authority to enforce the Military Services' compliance with:

- the DTR and hold Military Service officials accountable for not complying with the regulations, and for not transmitting bills of lading to the DTTS; and
- SDDC accident investigation recommendations through a system of draft recommendations, command response, SDDC evaluation of those responses, and adjustment of the SDDC recommendations.

We also recommend that the Assistant Secretary of Defense for Sustainment, in coordination with USTRANSCOM and the Military Services:

- develop and implement a methodology or controls to prevent the Military Services from allowing AA&E shipments to leave a military installation until officials confirm that the bill of lading is transmitted to DTTS for tracking, and

- evaluate creating a centralized tracking system to track rail shipments of AA&E and implement that tracking system, if appropriate.

We recommend that the Military Departments, in coordination with the SDDC Commander, develop and implement training for secure hold requirements at military installations and direct the base commanders with secure hold areas to implement the training with appropriate staff.

We recommend that the USTRANSCOM Commander, in coordination with the Military Services, update the DTR to require installations receiving AA&E to send a receipt confirmation of the report of shipment and notify those who work at the installation's delivery access points that there is an incoming shipment of AA&E to reduce the risk of a secure hold denial.

Management Comments and Our Response

Responding for the Assistant Secretary of Defense for Sustainment, the Acting Principal Deputy Assistant Secretary of Defense for Sustainment disagreed with the recommendations to give the SDDC the authority to enforce the Military Services' compliance with the DTR and implement a system of accident investigation recommendations, command response, and SDDC evaluation of those responses. The Acting Principal Deputy stated that there is no requirement for the SDDC to assume an enforcement role, and the SDDC currently provides daily reports to the Military Services. The Acting Principal Deputy also stated that the current process enables SDDC investigation of vehicle accidents and allows the Military Services to address any issues identified.

The Acting Principal Deputy's comments did not address the specifics of the recommendation; therefore, the recommendation is unresolved. DoD regulations clearly entrust the Office of the Assistant Secretary of Defense



Results in Brief

Audit of the Department of Defense's Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States

Finding (cont'd)

for Sustainment with AA&E oversight responsibility. DoD Instruction 5100.76 states that the Assistant Secretary has the responsibility to perform “continuous program and policy oversight . . . to ensure protection of AA&E within the DoD.” While the current process may allow the Military Services to address issues identified in an SDDC accident investigation, the process does not ensure proper vetting and resolution of SDDC accident recommendations.

The Acting Principal Deputy partially agreed with the recommendation to develop and implement a methodology or controls to prevent AA&E shipments from leaving a military installation until officials confirm that the bill of lading is transmitted to DTTS for tracking. The Acting Principal Deputy stated that the Military Services and commercial shippers have the responsibility to implement the DTR and ensure compliance. The Acting Principal Deputy further stated that the SDDC is actively addressing not-in-system cases by providing visibility to the Military Services for review and action, resulting in a downward trend in the number of not-in-system shipments over the past 3 years.

The Acting Principal Deputy's comments partially addressed the recommendation; therefore, the recommendation is unresolved. While the Acting Principal Deputy stated that there was a downward trend over the past 3 years, he did not provide documentation to support his statement. In addition, during our audit the SDDC provided us not-in-system data from October 2016 through February 2019, which showed that not-in-system shipments stayed the same or slightly increased during that 3-year period.

The Acting Principal Deputy agreed with the recommendation to evaluate creating a centralized tracking system to track AA&E rail shipments. Therefore, the recommendation is resolved but will remain open. We will close the recommendation once

we verify that the Assistant Secretary has completed the analysis of the tangible benefits of a centralized rail tracking system and we review the analysis.

Responding for the SDDC Commander, the USTRANSCOM Chief of Staff did not agree with a draft report recommendation that the SDDC develop training for secure hold requirements at military installations. The Chief of Staff noted that DoD regulations task the Military Services with providing secure hold requirements training to installations.

Based on the Chief of Staff's comments, we revised and redirected this recommendation in the final report to each of the Military Departments, as well as to the SDDC. In the revised recommendation, we request that the SDDC serve a coordination role for the Military Services in implementing consistent secure hold policies.

The Chief of Staff agreed with recommendations that USTRANSCOM, in coordination with the Military Services, update the DTR to require installations receiving AA&E to send a receipt confirmation of the report of shipment and notify those who work at the installation's delivery access points that there is an incoming shipment of AA&E to reduce the risk of a secure hold denial. The USTRANSCOM Chief of Staff stated that the DTR would be updated by September 1, 2020.

The Chief of Staff's comments addressed the recommendations; therefore, the recommendations are resolved but will remain open. We will close the recommendations once we verify that the DTR change has been made.

We request that the Assistant Secretary of Defense for Sustainment and the SDDC Commander provide additional comments in response to unresolved report recommendations. Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Assistant Secretary of Defense for Sustainment	1.a.1, 1.a.2, and 1.b	1.c	
Commander, U.S. Transportation Command		3.a and 3.b	
Commander, Military Surface Deployment and Distribution Command	2		
Assistant Secretary of the Army for Acquisition, Logistics, and Technology	2		
Assistant Secretary of the Navy for Research, Development, and Acquisition	2		
Assistant Secretary of the Air Force for Acquisition, Technology, and Logistics	2		

Please provide Management Comments by April 22, 2020.

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

March 23, 2020

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION
AND SUSTAINMENT
COMMANDER, U.S. TRANSPORTATION COMMAND
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE**

**SUBJECT: Audit of the Department of Defense's Ground Transportation and
Secure Hold of Arms, Ammunition, and Explosives in the United States
(Report No. DODIG-2020-071)**

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

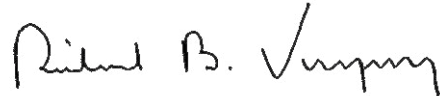
As discussed in the Recommendations, Management Comments, and Our Response section, the report recommendations remain in either an unresolved or a resolved but open status. We will track the recommendations until agreement is reached on the actions to be taken to address the recommendations and adequate documentation has been submitted showing that the agreed-upon actions have been completed.

Responding for the Assistant Secretary of Defense for Sustainment, the Acting Principal Deputy Assistant Secretary for Sustainment agreed to address Recommendation 1.c. Responding for the Commander of U.S. Transportation Command, the U.S. Transportation Command Chief of Staff agreed to address Recommendations 3.a and 3.b; therefore, we consider those recommendations resolved and open.

The Acting Principal Deputy did not agree with report Recommendations 1.a.1, 1.a.2, and 1.b, and, the U.S. Transportation Command Chief of Staff, responding for the Commander of Military Surface Deployment and Distribution Command, did not agree with report Recommendation 2. We consider these recommendations unresolved. We request that the Assistant Secretary and the Commander provide further comments in response to those recommendations. As a result of comments from the U.S. Transportation Command Chief of Staff, we added the Departments of Army, Navy, and Air Force as respondents and request their comments to the revised Recommendation 2.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Your response should be sent to either [REDACTED] if unclassified or [REDACTED] if classified SECRET.

If you have any questions, please contact me at [REDACTED] [REDACTED]. We appreciate the cooperation and assistance received during the audit.



Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

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Introduction

Objective

The objective of this audit was to determine whether the DoD protected arms, ammunition, and explosives (AA&E) transported in the United States by commercial ground carriers in accordance with the Defense Transportation Regulation (DTR).

Background

Arms, Ammunition, and Explosives

The DoD defines AA&E as the following:

- **Arms.** A weapon that will be or is designed to expel a projectile or flame by the action of an explosive, and the frame or receivers of any such weapon.¹ Examples of arms include automatic weapons such as machine guns, handguns, and grenade launchers.
- **Ammunition.** A device charged with explosives, propellants, and pyrotechnics, initiating composition, riot control agents, chemical herbicides, smoke, and flame for the use in connection with defense or offense, including demolition. Excluded from this definition are devices charged with chemical agents and nuclear and biologics material. Ammunition includes cartridges, projectiles, (including missile rounds, grenades, mines, and pyrotechnics) together with bullets, shot, and necessary primers, propellants, fuses, and detonators individually or having unit of issue, container, or package weight of 100 pounds or less.
- **Explosives.** Any chemical compound, mixture, or device, the primary or common purpose of which is to function by explosion. The term includes, but is not limited to, individual landmines, demolition charges, blocks of explosives, and other explosives consisting of 10 pounds or more.²

¹ Title 27 Code of Federal Regulation section 478.11 defines the frame or receiver of a weapon as the part of the weapon that provides housing for the hammer, bolt or breechblock, and firing mechanism.

² DoD Instruction 5100.76, "Safeguarding Sensitive Conventional arms, Ammunition, and Explosives (AA&E)," February 28, 2014, change 1, May 8, 2018.

Policy and Guidance for Safely Transporting and Securely Holding AA&E

The U.S. Government has special shipping requirements for AA&E to ensure the public's safety. The DTR provides the overall requirements for transportation within the DoD, including the transportation and secure hold of AA&E. DoD Components are responsible for developing and implementing security plans and policies that include security measures to safeguard AA&E. DoD Components must also accept AA&E shipments at any time, even after normal duty hours; and establish procedures and response plans for accidents or incidents involving AA&E.

Joint Munitions Command

Joint Munitions Command (JMC), a major subordinate command of Army Materiel Command, provides the Military Services with ammunition, munitions, and missiles. The JMC manages a network of defense ammunition plants, depots, and facilities in the continental United States where ammunition is made or stored. The JMC stores ammunition, munitions, and missiles until they are transported to the end user at a military installation or an ammunition supply point. The Army's 86 ammunition supply points in the continental United States are managed by Army Sustainment Command, another major subordinate command of Army Materiel Command.

U.S. Transportation Command

U.S. Transportation Command (USTRANSCOM) establishes the DTR requirements for safely transporting AA&E. DoD directives, instructions, and manuals and Military Service-level policies also establish requirements for safely transporting and storing AA&E. However, USTRANSCOM is the functional combatant command that sets policy for commercial carriers to transport items, including AA&E, for the other combatant commands, the Military Services, and Defense organizations.

Military Surface Deployment and Distribution Command

The Military Surface Deployment and Distribution Command (SDDC) is the surface (ground) component of USTRANSCOM and is responsible for ground transportation (shipments) of AA&E. The SDDC monitors these shipments at its operations center at USTRANSCOM and SDDC headquarters at Scott Air Force Base, Illinois. Figure 1 shows the operations center at Scott Air Force Base, Illinois.

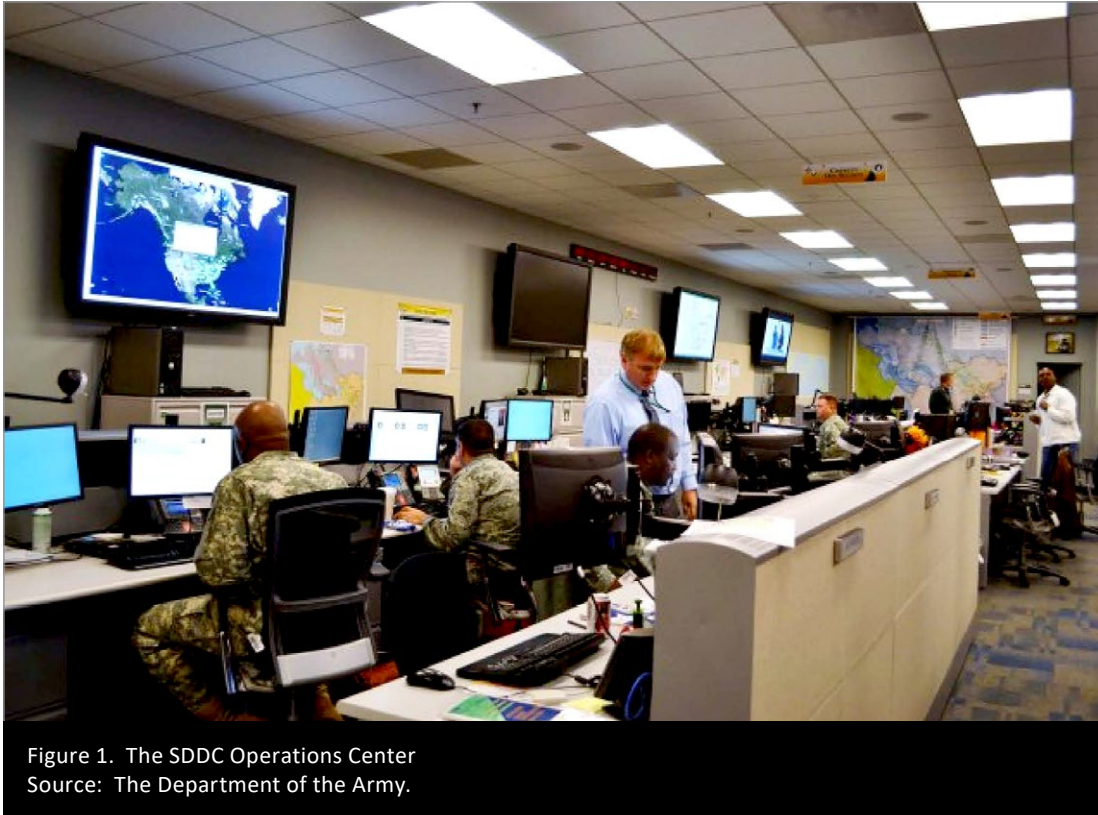


Figure 1. The SDDC Operations Center
Source: The Department of the Army.

AA&E Commercial Ground Carriers

To transport AA&E in the United States, the DTR allows the DoD to use commercial trucking, rail, and small package couriers. The SDDC approved 21 commercial trucking carriers to transport ammunition and explosives within the United States. The SDDC is required to use electronic shipping systems and installation feedback to monitor commercial carrier performance on safety, punctuality, security, and cost-effectiveness in transporting AA&E. The SDDC tracks the performance of those 21 ammunition and explosives carriers on a quarterly basis through the Carrier Performance Evaluation Program. The program allows the SDDC to determine whether a commercial carrier with poor performance should be issued letters of concern or letters of warning, or be placed in a non-use status for a specific time and distance. When placed in a non-use status, these commercial carriers cannot transport AA&E for that specified time or distance.

SDDC Monitoring and Tracking of AA&E Shipments

When shipping AA&E, the DTR requires the DoD to include safeguards, such as satellite tracking of the carrier vehicle. The SDDC is required to use the Defense Transportation Tracking System (DTTS), hosted by the Transportation Geospatial Information System, to monitor all commercial carriers transporting AA&E

within the United States.³ The Transportation Geospatial Information System is a web-based geographical information system that supports DTTS operations. DTTS monitors all AA&E highway shipments from their point of departure until the shipment reaches the receiver.

DoD officials and commercial carriers are required to report incidents that occur with AA&E shipments to the SDDC. These reports include accident reports, shipments that do not appear in DTTS (“not-in-system” shipments), reports of denial of entry onto installations to deliver AA&E shipments (known as secure hold denials), and transportation discrepancy reports. Secure hold areas are areas of a military installation specifically designated for securely holding AA&E shipments.

- **Accident Reports.** As the DoD executive agent for emergency response to transportation mishaps involving DoD military munitions, the Army’s SDDC writes an accident report to describe the facts and state whether shippers, carriers, and receivers followed DTR requirements.⁴
- **Not-in-system Shipments.** For all AA&E shipments within the United States, the DTR requires the shipper to verify that the bill of lading (BOL) is released and transmitted to the satellite tracking system (DTTS). A BOL includes general information about the shipment, and the DTR requires that a BOL, at a minimum, include the origin and destination address; equipment type, quantity, and dimensions; and point of contact information.⁵ When an AA&E shipment BOL is not in DTTS, the DTR considers the shipment to be a not-in-system shipment.
- **Secure Hold Denials.** The DTR states that if a carrier is denied access to an installation to securely hold AA&E, the carrier must contact the SDDC operations center for assistance with obtaining a secure hold area at the nearest installation. Once the driver calls to alert SDDC that the receiving installation will not allow the truck on base, DTTS creates a report to document the secure hold denial. According to SDDC officials, DTTS then sends the report to the appropriate Military Services point of contact at the Joint Strategic Working Group. The Joint Strategic Working Group includes a Military Service representative for each service that follows-up with the installation and ensures that installation policies and practices comply with DTR requirements.

³ DTR Part II, Chapter 205, “Transportation Protective Service,” October 10, 2018, requires the SDDC to use DTTS to monitor all shipments requiring satellite motor (trucking) surveillance services. Therefore, all highway commercial carriers transporting AA&E within the United States are required by the DTR to be tracked by DTTS.

⁴ DoD Directive 6055.09E, “Explosives Safety Management (ESM),” Change 1, July 28, 2017; and Department of the Army Pamphlet 385-10, “Army Safety Program,” May 23, 2008.

⁵ DTR, Part II, “Cargo Movement,” Chapter 202, “Cargo Routing and Movement,” October 10, 2018.

- **Transportation Discrepancy Reports.** The DTR requires a transportation discrepancy report when Government-owned material, including AA&E shipped by an SDDC transportation service provider, is damaged, lost, or not shipped in accordance with the DTR. The base-level transportation officer who receives the shipment prepares the transportation discrepancy report.

Review of AA&E Shipments

To determine whether the DoD protects AA&E transported in the United States by commercial ground carriers in accordance with the DTR, we analyzed the shipping, tracking, and receiving of AA&E, as well as the reporting of and response to accidents involving AA&E shipments. Our review of these four areas included 103,853 AA&E ground shipments made by truck from October 2016 through March 2019. Specifically, we reviewed the following documentation obtained from the SDDC:

- accident investigation reports,
- not-in-system shipment records, and
- reports of secure hold denials.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.⁶

We identified internal control weaknesses related to packaging, shipping, tracking, and receiving AA&E. The proposed recommendations in this report will help to alleviate the internal control deficiencies. We will provide a copy of the report to the senior officials responsible for internal controls in the Military Services and USTRANSCOM.

⁶ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

The DoD Needs to Improve Ground Transportation of AA&E in the United States

The DoD and its commercial carriers transported 107,625 AA&E ground shipments by truck and rail from October 2016 through March 2019. Based on our review of these shipments and the associated 20,426 not-in-system shipment records, 16 accident reports during the timeframe, and 9 reports of secure hold denials, we determined that the DoD and the commercial carriers did not always transport AA&E by ground in accordance with the DTR. Specifically, we determined that the DoD did not properly:

- pack at least two AA&E ground shipments, as required by the DTR and DoD Component criteria for blocking and bracing AA&E shipments. This occurred because one shipper did not perform the blocking and bracing in accordance with the Army drawing standards, and another shipper performed the blocking and bracing of a load using an outdated Navy drawing standard.⁷
- verify that information about the contents of the AA&E shipment was in the tracking system for 20,426 of 103,853 truck ground shipments, as required by the DTR. The SDDC categorized these 20,426 shipments as not-in-system shipments (shipments that are tracked in DTTS but the BOL is not in DTTS to identify the items in the shipment).⁸ This occurred because DoD shippers did not verify that the BOLs for shipments were in the SDDC's tracking systems, as required by the DTR. In addition, all 3,772 AA&E rail shipments and all 1,078,417 small package shipments of arms and ammunition were not tracked in the SDDC tracking systems.⁹
- provide commercial carriers with access to installations so the carrier could deliver nine AA&E ground shipments to the installation, as required by DoD guidance.¹⁰ This occurred because receiving installations were unaware of DoD requirements to accept AA&E shipments regardless of arrival time or final receiver. In addition, according to SDDC officials, some of the shippers did not notify receiving installations of the

⁷ MIL-STD-1320D, "DoD Standard Practice for Designing Unit Loads, Truckloads, Railcar Loads, and Intermodal Loads for Ammunition and Explosives," April 8, 2014, defines drawings as the approved methods for loading AA&E. A drawing details the proper procedures on how to load specific items when planning to move AA&E by truck.

⁸ The SDDC identified these 20,426 AA&E ground shipments.

⁹ The 1,078,417 figure is based on packages marked as hazardous materials. However, the package may not always be marked that way by the shipper, so the actual number of small package shipments of AA&E could be higher.

¹⁰ DoD Instruction 5100.76, "Safeguarding Sensitive Conventional arms, Ammunition, and Explosives (AA&E)," February 28, 2014, change 1, May 8, 2018, requires DoD installations to accept AA&E shipments for safe haven or secure hold regardless of arrival time or final receipt or provide an alternate secure hold location.

shipment, and therefore did not receive confirmation from the receiver acknowledging that the shipment was coming before the shipment left the origin location.

- follow up on 12 of the 33 SDDC safety investigation recommendations made in 13 transit accident reports. SDDC officials stated that this occurred because the SDDC lacked authority to implement and adjudicate the recommendations for non-SDDC organizations involved in shipping and receiving the AA&E.

As a result of these specific packing, tracking, and delivery problems and an accident in 2017, the public was unnecessarily exposed to AA&E that was stolen, damaged, exploded, ignited, or spilled across public highways. Any mishap with AA&E can be catastrophic. There were also safety risks for the trucks loaded with AA&E that were parked at non-secure local truck stops for extended periods or on the street to wait until AA&E cargo could be delivered to its destination. AA&E, when stolen, gives criminals the opportunity to use military grade arms for illegal activities. In addition, when AA&E is stolen, damaged, or exploded, the DoD must replace that ammunition, which costs time and money and can hamper operations if the AA&E is not available when needed. Furthermore, without the ability for the SDDC to hold the Military Services accountable for not following the DTR or for implementing improvements to Military Service processes for AA&E transportation and secure hold, the SDDC is hampered in its ability to mitigate these types of occurrences in the future.

The DoD Made More Than 107,000 Ground Shipments

The DoD and its commercial carriers transported 103,853 AA&E truck shipments and 3,772 rail shipments from October 2016 through March 2019. The DoD, USTRANSCOM, the Military Services, and other DoD Components have policies to implement requirements for packing, shipping, tracking, and receiving AA&E shipments to ensure public safety, with the primary policy being the DTR. Based on our review of 16 accident reports, 20,426 not-in-system shipments, and 9 secure hold denials reports, we determined that the DoD and the commercial carriers did not always transport AA&E inside the United States in accordance with the DTR. To ensure quality and safety, the SDDC and Military Services have AA&E quality assurance programs that are designed to evaluate commercial trucking carriers and AA&E shipping, transportation, accident response, and receiving functions.

AA&E Transportation Quality Assurance

SDDC officials stated that they expanded their office and its compliance reviews of the commercial carriers as a result of an accident that occurred in February 2017. The SDDC conducted quality assurance reviews of the performance and compliance of the 21 commercial ammunition and explosives carriers with DoD standards for explosives safety management. The following describes the February 2017 accident.

Ozark, Arkansas, Accident and Resulting Changes to the SDDC

Truck crashed, resulting in two fatalities, and caused an explosion of AA&E on an interstate highway.

On February 22, 2017, the Army shipped 10,772 rounds of smoke hand-grenades from the Pine Bluff Army Arsenal, Arkansas, to the McAlester Army Ammunition Plant, Oklahoma, by commercial carrier. While in transit, the truck crashed, resulting in two fatalities, and caused an explosion of AA&E on an interstate highway in Ozark, Arkansas. The cause of the crash was a tire blowout that resulted in the driver losing control of the truck.

Due to the impact of the accident, neither driver was able to hit the panic button.¹¹ Thus, the SDDC was not initially aware of the accident and did not connect with first responders at the crash site for more than an hour after the accident. As a result, SDDC officials stated that personnel were unable to provide first responders critical information about the hazardous AA&E cargo, which also led to the public exposure to the AA&E.



Figure 2. M106 Smoke Grenades
Source: The U.S. Army.

¹¹ The “panic button” is located both on a dashboard device and on a key fob.

SDDC officials stated that, as a result of the SDDC's delayed awareness of the accident, the SDDC took corrective action and increased the SDDC Safety Office staffing from three staff to eight staff to better monitor the AA&E commercial carriers. With the increased staffing, the SDDC Safety Office was able to increase investigations of AA&E truck transportation accidents and begin periodic on-site evaluations of the 21 ammunition and explosives trucking carriers.

Quality Assurance at SDDC and the Military Services for Commercial Carriers

The SDDC evaluates the performance of commercial carriers on a quarterly basis. The SDDC evaluates the commercial trucking carriers on their:

- compliance with driver qualifications,
- controlled substance and alcohol testing,
- punctuality,
- ability to meet AA&E transportation repair and maintenance requirements, and
- maintaining an accident register and supporting files.

Depending on the carrier's overall rating, the program categorizes the carrier as (1) in good standing, (2) should be issued a letter of concern, or (3) should be issued a letter of warning. The SDDC can also place a commercial carrier in "non-use," restricting the location and distance that the DoD can use the commercial carrier for a certain amount of time.

The Army and Navy have dedicated safety organizations that perform AA&E quality assurance reviews of the AA&E shipping, transportation, accident response, and receiving functions. While the Air Force has an equivalent safety organization, that organization does not perform AA&E safety reviews and leaves such reviews to the discretion of Air Force component major commands that are shipping the AA&E.

At the Army Defense Ammunition Center, we reviewed FYs 2018 and 2019 Army AA&E safety review and technical assistance documentation, including the Center's FY 2019 safety review guide, its FY 2018 summary report, and individual FYs 2018 and 2019 base AA&E assessment reports. We determined that the scope of the Army Defense Ammunition Center AA&E transportation coverage is limited to reviewing shipping and receiving processes and standard operating procedures related to material management, physical security, and storage within the installations. The Defense Ammunition Center does not review in-transit AA&E.

For the Navy, the Naval Ordnance Safety and Security Activity (Naval Activity) performs inspections of Navy installation AA&E transportation and storage functions. The Naval Activity also reviews the physical security of AA&E, AA&E residue, and AA&E inventory on Navy installations. Finally, the Naval Activity annually tracks trends related to the above areas to determine which specific areas need improvement. We reviewed the annual trends for FY 2017, FY 2018, and the first two quarters of FY 2019, specifically in the inspection of explosives administration, management, facilities, operations, and transportation equipment programs, and determined that the Navy reported that it reduced noncompliance with requirements for administration, management, storage, transportation, and packing equipment for transporting AA&E by 70 percent between 2017 and 2019.

Marine Corps quality assurance reviews are performed by the Marine Corps Field Supply and Maintenance Analysis Office team. The reviews cover transportation office administration of AA&E, AA&E training, and AA&E-related security clearances. The team also reviews whether shipment identification tags include appropriate AA&E shipment data, whether transportation personnel submit reports of shipment for all AA&E shipments, and whether appropriate shipment information is in DTTS.¹²

Improper Packing of AA&E Shipments

Improperly packed shipments contributed to damages to AA&E during two transit accidents.

The DoD did not properly pack at least 2 of the 107,625 AA&E ground shipments as required by the DTR and other DoD Component criteria. These improperly packed shipments contributed to damages to AA&E during two transit accidents.

Specifically, once in March 2018 and once in February 2019, Army personnel responsible for loading AA&E improperly packed projectiles, resulting in spillage of the ammunition from trucks while in transit.

The DTR states that AA&E shipments must be loaded, blocked, and braced in accordance with Title 49 of the Code of Federal Regulation and DoD-approved standards.¹³ Specifically, personnel responsible for loading AA&E must use blocking and bracing to secure material. Blocking refers to the use of lumber or wedges to prevent the cargo from shifting in transit. Bracing prevents the lateral movement of the material within the container. Braces secure the AA&E to the interior walls or to the inside top of the container. The following paragraphs describe the two accidents related to packing.

¹² DTR Part II, Chapter 205, "Transportation Protective Service," October 10, 2018, requires the transportation officer to ensure that the shipping activity submits a report of shipment for all AA&E shipments to notify the destination of the commercial carrier information and the required delivery date.

¹³ DTR Part III, Appendix J, "Hazardous Materials Certification and Mobility Procedures," June 2016.

Sanders, Arizona, Accident

On March 11, 2018, the Army shipped 360 rounds of 155-millimeter projectiles from Letterkenny Munitions Center, Pennsylvania, to the Marine Corps Air Ground Combat Center, Twentynine Palms, California, by a commercial carrier. The truck transporting the projectiles hit standing water on a highway, causing the truck to hydroplane. The projectiles came loose and punched a hole in the right side of the truck.

On March 14, 2019, the SDDC completed a preliminary accident investigation report for the accident. The SDDC safety officials found that the shipper, Letterkenny Munitions Center, did not block and brace the load in accordance with Army Materiel Command drawing standards. Specifically, the report stated that the shipper “cut corners” during the securement of the load, which contributed to the incident. For example, the shipper did not secure the load with the correct amount of end blockings to keep the cargo from shifting in transit as required by the Army Materiel Command drawing standards. The shipper was required to use end blockings in seven areas. However, SDDC safety officials found that the shipper only used one end blocking for the shipment. Therefore, the SDDC safety officials recommended that another SDDC office address the shipper’s failure to properly block and brace the load and promote awareness of this incident across the transportation enterprise.

On March 16, 2018, an SDDC official e-mailed JMC officials to notify them of the accident and to address the shipper’s failure to properly block and brace the load. The SDDC official contacted JMC officials because Letterkenny Munitions Center was one of the ammunition facilities that the JMC managed. In the e-mail, the SDDC official stated that JMC officials should ensure that the blocking and bracing mistake did not repeat across the shipping locations. In addition, the SDDC official requested that the JMC ensure wide dissemination of the e-mail in an effort to prevent reoccurrence. However, in an April 12, 2018, memorandum to the JMC, a Letterkenny Munitions Center official disagreed with the SDDC finding. The Letterkenny Munitions Center official stated that the Army Materiel Command drawing standards gave latitude to support the Letterkenny Munitions Center position to block and brace the shipment in an alternative way.

On April 24, 2018, a JMC official forwarded the Letterkenny Munitions Center response memorandum to SDDC Safety Office officials. However, during an August 2019 meeting, SDDC Safety Office officials stated to us that they were not aware of the Letterkenny Munitions Center response memorandum.

The SDDC did not require a response and resolution on its investigation report and recommendation; and the SDDC officials did not follow up with JMC or Letterkenny Munitions Center officials to ensure that Letterkenny Munitions Center officials took action to implement the recommendation.

In addition, the SDDC did not have the authority to require the Letterkenny Munitions Center officials to comply with its recommendations for blocking and bracing. Specifically, a DoD Directive gives the USTRANSCOM Commander the authority to investigate carrier accidents involving ammunition and explosives, determine potential root causes, and identify corrective actions that could mitigate the recurrence of the mishap or the potential for more significant mishaps.¹⁴ The SDDC Safety Office implements this authority for USTRANSCOM. However, the Directive did not provide the USTRANSCOM Commander with the tasking authority over the DoD installations involved in AA&E shipments to assign corrective actions based on recommendations from accident investigations.

Hammond, Montana, Accident

On February 10, 2019, the Army shipped 480 rounds of 5-inch, 54 caliber projectiles from the Crane Army Ammunition Activity, Crane, Indiana, to the Navy Munitions Command Pacific Continental U.S. West Division Detachment, Indian Island, Port Hadlock, Washington, by commercial carrier. The truck transporting the projectiles was traveling through Montana during adverse

Three pallets of the 5-inch, 54 caliber projectiles were ejected from the truck.

weather conditions, when another truck slid on the opposite side of a two-lane road and crossed over into the path of the commercial carrier, resulting in a collision.

Upon impact, three pallets of the 5-inch, 54 caliber projectiles were ejected from the truck. Of the three pallets, two pallets broke apart and scattered projectiles across the highway.

On March 20, 2019, the SDDC completed an accident investigation report for the accident. The SDDC safety official found that the shipper, Crane Army Ammunition Activity, used an outdated drawing to block and brace the load. The SDDC recommended to the Crane Army Ammunition Activity's Transportation Office that personnel assigned to blocking and bracing tasks comply with the blocking and bracing procedures required by the DTR and approved DoD drawings.

A March 28, 2019, SDDC Safety Office e-mail to the SDDC Commanding General stated that the SDDC Safety Office shared the draft accident report with the JMC Director of Safety, who agreed with the report finding and recommendation.

¹⁴ DoD Directive 6055.09E, "Explosives Safety Management (ESM)," Change 1, July 28, 2017.

The SDDC Safety Office shared the accident report with the JMC because the Crane Army Ammunition Activity was one of the ammunition facilities that the JMC managed. The JMC officials then coordinated with the Crane Army Ammunition Activity officials, who also agreed with the SDDC Safety Office finding and recommendation. Crane Army Ammunition Activity officials stated that they had used an outdated drawing standard for the blocking and bracing, because they were not aware of the applicable drawing standard. Crane Army Ammunition Activity officials were required to start using the updated drawing standard effective September 22, 2005. Between September 22, 2005, and the date of the accident (February 10, 2019), the Crane Army Ammunition Activity officials made approximately 451 shipments using the outdated drawing standards. However, Crane Army Ammunition Activity officials implemented the new drawing standard in March 2019. Therefore, we concluded that the Crane Army Ammunition Activity complied with the SDDC recommendation and that the JMC acted as an intermediary for the SDDC recommendation with Crane Army Ammunition Activity.



Figure 3. Photo of Hammond, Montana, AA&E Accident
Source: The SDDC.

AA&E Shipping Locations Did Not Block and Brace Shipments in Accordance With the DTR and DoD Component Standards

Officials from at least two AA&E shipping locations did not properly block and brace AA&E shipments in accordance with DTR and DoD-approved standards. This contributed to AA&E damage incurred in two commercial carrier accidents. The SDDC Safety Office made recommendations to address the failure to properly block and brace AA&E shipments at shipping locations and for the shipping locations to ensure that personnel assigned to blocking and bracing tasks adhere to the blocking and bracing procedures required by the DTR and DoD standards.

However, as of October 2019, USTRANSCOM and the SDDC did not have the authority to enforce Military Services' compliance with the DTR and SDDC's recommendations. Specifically, as of October 2019, the DoD Directive that gives the USTRANSCOM Commander the authority to investigate carrier accidents involving ammunition and explosives was not updated. The DoD Directive was not updated to provide the USTRANSCOM Commander with the tasking authority over the DoD installations involved in AA&E shipments to assign corrective actions based on recommendations from accident reports. Another cause was the lack of a feedback loop where the Military Services must reply and respond to the SDDC regarding its accident investigation report findings and recommendations. Therefore, the Assistant Secretary of Defense for Sustainment, in coordination with USTRANSCOM and the Military Services, should give the SDDC the authority and ability to enforce the Military Services' compliance with the DTR and hold Military Service officials accountable for not complying with the regulations. Later in this report, we will make a recommendation related to developing a process to receive feedback and resolve discrepancies between the SDDC and the Military Services related to SDDC findings and recommendations in accident investigation reports.

Contents of AA&E Shipments Not Always Known to the SDDC

DoD did not verify that information about the contents of the AA&E was in the DTTS for 20,426 of 103,853 truck ground shipments.

The DoD did not verify that information about the contents of the AA&E shipment was in the DTTS for 20,426 of 103,853 truck ground shipments, as required by the DTR. Additionally, SDDC and USTRANSCOM officials stated that all AA&E rail shipments

and all small package shipments made by commercial couriers of arms and ammunition are outside the SDDC tracking systems.

The DoD is required to use DTTS to track shipments of AA&E by truck from the shipping location to the receiving destination. DTTS monitors the movement of AA&E truck shipments using satellites, cellular technology, and notifications from a transponder on the truck to help ensure safe and secure transport. Commercial carriers use a transponder in their trucks to notify the SDDC of their status (such as departing, stopping for a break, an accident, or incident) and location. In addition to AA&E truck shipments, the SDDC officials stated that the DoD ships AA&E by rail, using commercial rail carriers. USTRANSCOM officials stated that the DoD also ships arms and ammunition in small packages using couriers such

as Federal Express and the United Parcel Service. SDDC officials stated that SDDC systems do not track AA&E rail shipments and small package shipments of arms and ammunition because those commercial couriers use alternative tracking processes, which we discuss later in the report.

Not-in-System Shipments of AA&E by Truck

The DoD did not verify that information about the contents of the AA&E shipment was in the tracking system for 20,426 of 103,853 AA&E ground shipments by truck. Those 20,426 shipments did not appear in DTTS for tracking and were therefore categorized by the SDDC as not-in-system shipments. For the SDDC to track an AA&E shipment, the shipper must first create a description of the shipment's characteristics (bill of lading [BOL]) in its shipping system. The BOL describes item name, security level, type, weight, and quantity. Next, the DTR requires the shipper to transmit that BOL to DTTS for satellite tracking.¹⁵ Upon the BOL's transmittal to DTTS, DTTS generates an indicator number for the shipment, which the shipper includes on the BOL. SDDC officials stated that the commercial carrier will send the departure message through DTTS on the DTTS transponder in the truck for DTTS to start tracking the AA&E shipment.

According to the DTTS user guide, most not-in-system shipments occur when the shipper neglects to mark the BOL with the DTTS indicator number or when the DoD Component shipping the AA&E does not verify that the BOL is transmitted to DTTS.¹⁶ The DTR states that the truck driver should not leave the AA&E shipping location without a BOL number released to DTTS.¹⁷

It is important that shippers transmit the BOL to DTTS, or the SDDC will end up tracking the movement of a truck shipment without knowing what items are in it and, in the event of an accident or incident, DTTS cannot provide crucial information to emergency responders because there is no information for the shipment in the system. This creates a safety risk for the carriers, first responders, and the public. Therefore, the Assistant Secretary of Defense for Sustainment, in coordination with USTRANSCOM and the Military Services, should:

- give SDDC the authority and ability to enforce compliance with the DTR and task the Military Services to hold their officials accountable for not transmitting BOLs to DTTS; and
- develop and implement a methodology or controls to prevent the Military Services from allowing AA&E shipments to leave a military installation until officials confirm that the BOL is transmitted to DTTS for tracking.

¹⁵ DTR Part II, Chapter 205, "Transportation Protective Service," October 10, 2018. The shipper must enter the AA&E shipment data moving under satellite motor surveillance into DTTS before the commercial carrier leaves the installation.

¹⁶ "Defense Transportation Tracking System (DTTS) Users Guide Satellite Motor Surveillance (SNS) Shipment Entry," December 2018.

¹⁷ DTR Part II, Chapter 205, "Transportation Protective Service," October 10, 2018.

Although USTRANSCOM and the SDDC have only oversight capability and not enforcement capability over the transportation of AA&E, they have taken actions that are intended to reduce the amount of not-in-system shipments. On November 19, 2018, and August 19, 2019, USTRANSCOM and the SDDC Safety Office released two advisories to Army transportation officers detailing transportation mishaps involving DoD military munitions identified as not-in-system shipments. The advisories reiterated DTR requirements to transmit truck AA&E shipments to DTTS.¹⁸ The SDDC released the two advisories to the Army because the Army is the designated DoD executive agent for emergency response to transportation mishaps involving AA&E and is responsible for coordinating timely responses to transportation incidents, mishaps, or mechanical breakdowns involving DoD military munitions.¹⁹

Rail AA&E Shipments

SDDC tracks AA&E rail shipments using 1990s technology that has gaps in tracking coverage.

The DoD made 3,772 AA&E rail shipments from October 2016 through March 2019. The DoD does not track AA&E rail shipments the same way

it tracks AA&E ground shipments. The SDDC tracks AA&E rail shipments using 1990s technology that has gaps in tracking coverage of rail movement. The SDDC contracts with individual AA&E rail carriers to transport the AA&E to the east or west coast for further shipment overseas.²⁰

SDDC officials stated that rail carriers use the radio frequency identification system to monitor railcar movement. SDDC personnel stated that the system is not in real-time because it shows points of progress only every 4 hours while in transit. If there is a delay, the SDDC, shipper, and receiver do not know of the delay or the reasons for the delay in real-time. They will not be made aware of the delay until the train is more than 4 hours late. Furthermore, when rail shipments are delayed in transit and not tracked on a real-time basis, the exposure to possible theft and damage is increased.

For example, in 2017, the pilferage of grenades from a Marine Corps rail shipment from the U. S. Marine Corps Support facility, Blount Island, Florida to the Letterkenny Munitions Center resulted in renewed DoD emphasis in improving how the DoD tracks AA&E rail shipments.²¹ On July 11, 2017, six rail cars that

¹⁸ "DoD Executive Agent For Emergency Response For Transportation Mishaps Involving DoD Military Munitions," November 19, 2018; "HQDA EXORD 093-19 Shipments Requiring Satellite Motor Surveillance," August 19, 2019.

¹⁹ DoD Directive 6055.09E, "Explosives Safety Management (ESM)," Change 1, July 28, 2017.

²⁰ Most SDDC contracted rail shipments are to the SDDC-operated military ocean terminals in Concord, California, and Sunny Point, North Carolina.

²¹ The 2017 pilferage resulted in two Naval Criminal Investigation Service investigations and further emphasized the lack of proper security for rail shipments of AA&E.

arrived at Letterkenny with 32 missing grenades. From the departure location to the destination location, the rail cars made multiple stops resulting in a total travel time of 17 days. In addition, the rail cars sat outside the Letterkenny facility in an unsecured area for a day before being brought onto the base for unloading the following day, when the grenade theft was discovered. In February 2018, Atlanta, Georgia, police recovered 30 of the 32 grenades. Authorities have not filed charges for the theft.

SDDC stated that the railroads have their own tracking systems, and the SDDC has access through the contractor's website to track the AA&E shipments. In addition, the rail carrier is responsible for security while the AA&E shipment is in transit—meaning that the shipper and receiver locations are not responsible for an AA&E shipment unless it is in the installation. The rail carriers hold great responsibility as non-DoD carriers.

SDDC officials stated that the DoD does not have its own centralized tracking system for AA&E rail shipments. According to SDDC officials, the DoD does not have a “real-time” tracking system for rail because the rail carriers would raise prices to implement a new system to replace their existing commercial tracking processes. According to the Director of Transportation within the Office of the Assistant Secretary of Defense for Sustainment, the Transportation Office was researching systems to track rail shipments of AA&E in real-time. Therefore, the Assistant Secretary of Defense for Sustainment, in coordination with USTRANSCOM and the Military Services, should evaluate creating a centralized tracking system to track rail shipments of AA&E and implement that tracking system, if appropriate.

Small Package Shipments of Arms and Ammunition

Small package shipments are defined as arms and ammunition shipments of less than 15 in quantity, and less than 150 pounds that are shipped by standard commercial courier service providers, such as Federal Express and the United Parcel Service.²² The DTR requires the DoD to ship arms separately from the ammunition. In addition, the DTR does not permit the DoD to ship explosives as part of the small package process. To remain discreet, the DoD does not label small packages of arms or ammunition. USTRANSCOM personnel stated that before 2010, the DoD conducted a review of the shipments of small arms and ammunition and determined that the small package shipping program had a low safety risk. Based on that review and no reported incidents by receiving destinations, USTRANSCOM stopped tracking these small package shipments. The USTRANSCOM personnel stated that they believed that commercial tracking methods used for small package shipments were sufficient. Therefore, we are not making a recommendation related to small package shipments.

²² DTR Part II, Chapter 205, “Transportation Protective Service,” October 10, 2018.

Receipt of AA&E Shipments Inappropriately Denied

The DoD did not provide commercial carriers with access to installations to receive nine AA&E ground shipments between October 2016 and March 2019, resulting in nine secure hold denials.

DoD did not provide commercial carriers with access to installations to receive AA&E ground shipments resulting in nine secure hold denials.

Installation access for AA&E deliveries is required by DoD Instruction. Military installations also have specific areas of the base designated for securely holding AA&E shipments called secure hold areas. DoD Instruction 5100.76 specifically requires DoD installations to accept AA&E shipments for safe haven or secure hold, regardless of arrival time or final destination or provide an alternate secure hold location.²³

For secure hold denials, once the driver calls the SDDC to alert it that the receiving installation will not allow the truck on base, DTTS creates a report to document the secure hold denial. According to SDDC officials, the SDDC provides the report to the appropriate Military Service point of contact at the Joint Strategic Working Group. The Joint Strategic Working Group includes a Military Service representative for each service that receive DTTS reports and follows up with the installation to ensure installation policies comply with DTR requirements and to ensure the installation receives any additional training. After reviewing the DTTS reports, we performed followup interviews with transportation officers at the following three locations, which accounted for three of the nine secure hold denials, to identify the results of the DTTS reports.

Radford Army Ammunition Plant

On February 7, 2019, a commercial carrier transporting explosives arrived at the gate of the Radford Army Ammunition Plant, Radford, Virginia. The Radford Army Ammunition Plant gate guard denied the truck entry to the base because the Radford Army Ammunition Plant personnel were unaware of the shipment. This occurred because the shipper did not send a report of shipment to notify the Radford Army Ammunition Plant of the incoming shipment. In addition, the carrier did not schedule an appointment for arrival at Radford Army Ammunition Plant, nor did the carrier complete the base-required security clearance form, which would have alerted Radford officials of the truck's pending arrival.

²³ Safe haven is defined as on-installation parking for emergency situations such as, but not limited to, vehicle breakdown, driver illness, terrorist or criminal suspicious activity, civil disturbance, or natural disaster. Secure hold is defined as on-installation parking for after-hours AA&E arrivals during non-emergency circumstances. Secure hold must meet constant surveillance requirements through the driver remaining with the vehicle, installation security forces, or enclosed fenced area with monitored closed circuit television.

The gate guard told the drivers that they could not park the truck on the base or outside the base gate, so the truck drivers had to wait at a truck stop until an available delivery appointment time. The DTR states that temporary parking should be conducted only at an SDDC-approved and contractor-owned secure holding facility or a DoD secure AA&E holding facility. Waiting at an unsecured truck stop rather than on a secured on-base area with restricted access created a public safety risk and increased the risk of theft of the AA&E. According to SDDC officials, the SDDC does not make recommendations to resolve secure hold denials and it is the Military Service's responsibility to enforce access to installations. Therefore, the only record of the incident is when the SDDC writes the DTTS report and provides the report to the appropriate Military Service point of contact at the Joint Strategic Working Group. According to SDDC officials, the Military Services' points of contact at the Joint Strategic Working Group are then expected to reach out to the base to resolve the denial and provide any training deemed necessary to prevent a secure hold denial recurrence. If the base commander or appropriate official is not made aware of the denial, there is no opportunity to mitigate secure hold denials at this base in the future.

Vandenberg Air Force Base

On November 28, 2018, a commercial carrier transporting explosives arrived at the gate of Vandenberg Air Force Base, California. The Vandenberg Air Force Base gate guard denied the commercial carrier entry because the truck arrived after hours and no one was available to accept the shipment, even though the base received the report of shipment before the shipment arrived. This occurred because the gate guards at Vandenberg Air Force Base who denied access to the base were unaware of the DoD secure hold and safe haven requirements.

Because the gate guard did not allow the truck to stay on base, the truck drivers departed the gate to park off base until the base reopened in the morning. According to SDDC officials, the carrier was able to offload the shipment at Vandenberg Air Force Base later in the morning. However, parking off base in an unsecured environment created a public safety risk and increased the risk of theft of the AA&E waiting at an unsecured area rather than a secured on-base area with restricted access, created a public safety risk and increased the risk of theft of the AA&E. When asked about the outcome of the secure hold denial, the traffic management officer stated that the traffic management office is reviewing its plan with the base security forces unit to ensure the installation's procedures meet the DoD Instruction 5100.76 requirements. The Instruction requires DoD installations to accept AA&E shipments for safe haven or secure hold regardless of arrival time or final destination. The Instruction also states that if safe haven or secure hold cannot be provided, the DoD activity will provide an alternate secure hold location.

Cape Canaveral Aerospace Fuels Laboratory

On August 14, 2018, a commercial carrier transporting rocket fuel arrived at the gate of the Cape Canaveral Aerospace Fuels Laboratory, Florida. According to Cape Canaveral officials, the gate guard denied the truck entry to the base because Cape Canaveral Aerospace Fuels Laboratory personnel were unaware of the shipment. This occurred because the shipper did not send a report of shipment to notify the officials of the shipment. In addition, the shipment arrived after working hours when no Cape Canaveral Aerospace Fuel Laboratory official was available to allow the use of the secure hold area.

Because the Cape Canaveral gate guard did not allow the truck to stay on base, the truck driver departed from the gate and parked in a public area off base until the base reopened in the morning. Cape Canaveral gate guards allowed the truck onto the base in the morning, and the shipment was accepted and offloaded. However, parking off base created a public safety risk and increased the risk of theft of the AA&E. The Cape Canaveral transportation officer stated that the transportation office will ensure the base security forces have afterhours contact information at the gate to try and mitigate secure hold denials in the future.

Receiving Locations Not Following Secure Hold Policies

Of the nine secure hold denials, three occurred because shipping personnel did not notify the receiving installations that a shipment was arriving or because the shipment arrived outside of the receiving installation working hours. The DTR requires the shipper to send the receiver a report of shipment to notify the receiving installation that a shipment is on the way to that installation. The report of shipment is received through an e-mail alert containing a link where the destination may confirm report of shipment receipt. Once the destination confirms the report of shipment, an e-mail is automatically generated and sent back to the shipper. However, there is no requirement for the receiver to acknowledge receipt of the report of shipment. From October 2016 through March 2019, the SDDC received 3,987 transportation discrepancy reports related to shippers not sending reports of shipment to the receiver. Therefore, the USTRANSCOM Commander, in coordination with the Military Services, should update the DTR to:

- require installations receiving AA&E to send a receipt confirmation of the report of shipment to reduce the risk of a secure hold denial, and
- notify those who work at the installation's delivery access points that there is an incoming shipment of AA&E to reduce the risk of a secure hold denial.

The DTR requires that DoD installations provide secure hold for AA&E or provide an alternate location until the receiver can accept the shipment. However, the gate guards involved in the secure hold denials were not always aware of the DoD requirement. Therefore, for five of the secure hold denials, the SDDC official had to inform the gate guard of the requirement. Therefore, the Departments of the Army, Navy, and Air Force, in coordination with the SDDC Commander, should develop and implement training for secure hold requirements at their respective military installations and direct the base commanders with secure hold areas to implement the training with appropriate staff.

AA&E Safety Recommendations Not Implemented in Some Cases

DoD Components or commercial carriers did not implement 12 of the 33 SDDC safety investigation recommendations made in 13 transit accident reports. According to SDDC officials, this occurred because the SDDC lacked authority to formally implement and adjudicate the recommendations for non-SDDC organizations involved in shipping and receiving the AA&E.

DoD Components or commercial carriers did not implement 12 of 33 SDDC safety investigation recommendations.

A DoD Directive gives the USTRANSCOM Commander the authority to investigate carrier accidents involving ammunition and explosives, determine potential root causes, and identify corrective actions that could mitigate the recurrence of the mishap or the potential for more significant mishaps.²⁴ The SDDC Safety Office implements this authority for USTRANSCOM. However, the Directive did not provide the USTRANSCOM Commander with the tasking authority over the DoD installations involved in AA&E shipments to assign corrective actions based on recommendations from accident investigations. Therefore, the responses from the DoD installations and commercial carriers are voluntary and, in some cases, they did not respond to the recommendations. For example, in the Hammond, Montana, accident the commercial carrier officials at the accident site secured a forklift from a local land owner to use to transfer the AA&E from the damaged trailer to a new trailer. The mechanical condition of the forklift was unknown. Therefore, the SDDC safety officials recommended that the commercial carrier ensure that its employees only use appropriately sourced and maintained equipment for munitions movement. However, the commercial carrier company did not take any action to address the recommendation.

²⁴ DoD Directive 6055.09E, "Explosives Safety Management (ESM)," Change 1, July 28, 2017.

Therefore, the Assistant Secretary of Defense for Sustainment, in coordination with USTRANSCOM and the Military Services, should give the SDDC the authority and ability to enforce the Military Services' compliance with SDDC accident investigation recommendations by tasking the Military Services to take specific action through a system of draft recommendations, command response, SDDC evaluation of those responses, and adjustment of the SDDC recommendations.

The Public Was Unnecessarily Exposed to AA&E Transportation Risks

As a result of these packing, tracking, and delivery problems and an accident in 2017, the public was unnecessarily exposed to AA&E risks, including theft, damage, explosion, fire, spillage across public highways, and the risk of trucks loaded with AA&E being parked at non-secure local truck stops. For example, on February 22, 2017, the Army shipped 10,772 rounds of smoke hand-grenades from the Pine Bluff Army Arsenal, Arkansas, to the McAlester Army Ammunition Plant, Oklahoma, by commercial carrier. While in transit, the truck crashed and the

In June 2019 a large train accident occurred that exposed the public to potential risk of AA&E.

AA&E exploded, resulting in two fatalities and an explosion of AA&E on an interstate highway in Ozark, Arkansas. Also, in June 2019 a large train accident occurred that exposed the public to the potential risk of rail transportation of AA&E.²⁵

This report previously discusses two other occasions the public was unnecessarily exposed to AA&E risk when AA&E shipping locations did not properly pack AA&E.

In addition to the safety risk, when AA&E is stolen, damaged, or exploded, the DoD must replace that ammunition, which costs time and money and can hamper military readiness if the AA&E is not available when needed. For example, as a result of the Hammond, Montana, accident, the projectiles that hit the ground were destroyed at a nearby site and the remaining ones were returned to the shipper for inspection and disposition. Furthermore, AA&E, when stolen, gives criminals the opportunity to use military grade arms for illegal activities.

Without the ability for the SDDC to hold the Military Services accountable for not following the DTR or for implementing improvements to Service processes for AA&E transportation and secure hold, the SDDC is at a disadvantage to mitigate these types of occurrences in the future.

²⁵ On June 19, 2019, a train carrying AA&E from Military Ocean Terminal Sunny Point, North Carolina, to Hawthorne Army Depot, Nevada, had some railcars that derailed in Wells, Nevada. Twenty-three rail cars derailed with the release of white aluminum oxide resulting in the closing of the Interstate. The SDDC officials confirmed that none of the derailed cars contained AA&E and that the derailment did not affect 20 AA&E rail cars that were part of the train.

Recommendations, Management Comments, and Our Response

Revised Recommendation

As a result of management comments, we revised Recommendation 2 to include the Military Departments as the primary action agent to develop and implement training for secure hold requirements at installations with the SDDC acting as a coordination and development resource for the Military Services.

Recommendation 1

We recommend that the Assistant Secretary of Defense for Sustainment, in coordination with U.S. Transportation Command and the Military Services:

- a. Give the Military Surface Deployment and Distribution Command the authority and ability to enforce the Military Services' compliance with:**
 - 1. The Defense Transportation Regulation and task the Military Services to hold their officials accountable for not complying with the regulations, and for not transmitting bills of lading to the Defense Transportation Tracking System, and**

Office of the Assistant Secretary of Defense for Sustainment Comments

Responding for the Assistant Secretary of Defense for Sustainment, the Acting Principal Deputy Assistant Secretary of Defense for Sustainment did not agree with the recommendation, stating that the DTR is prescriptive (enforceable) and includes procedures for the operation and tracking of AA&E shipments. The Acting Principal Deputy stated that there is no requirement for the SDDC to assume an enforcement role, and the SDDC currently provides daily reports of not-in-system shipments to the Military Services, which are actively investigating and addressing those errors.

U.S. Transportation Command Comments

Though not required to comment, the USTRANSCOM Chief of Staff disagreed with the recommendation, stating that the Military Services were already responsible for holding their officials accountable for noncompliance with regulations. The USTRANSCOM Chief of Staff also noted that the SDDC reports to the Military Services daily on not-in-system shipments.

Our Response

Comments from the Acting Principal Deputy did not address the specifics of the recommendation; therefore, the recommendation is unresolved. While we agree that the Military Services are responsible for holding their officials accountable for noncompliance with regulations, we disagree that DTR enforcement rests solely with the Military Services. As indicated by the Acting Principal Deputy, the SDDC already participates in a DTR oversight role by providing AA&E transportation data to the Military Services. DoD Instruction 5100.76 states that the Assistant Secretary has the responsibility to perform “continuous program and policy oversight . . . to ensure protection of AA&E within the DoD.” Therefore, the Office of the Assistant Secretary of Defense for Sustainment has AA&E oversight responsibility. The Office of the Assistant Secretary of Defense for Sustainment should expand its role in oversight of BOLs not being transmitted, which results in not-in-system AA&E shipments. We request that the Assistant Secretary provide further comments on this recommendation that describe the expanded oversight role the Assistant Secretary will undertake or controls the Assistant Secretary will implement to ensure that the Military Services take appropriate action to transmit the BOL to DTTS, thereby reducing not-in-system AA&E shipments.

- 2. Military Surface Deployment and Distribution Command accident investigation recommendations by tasking the Military Services to take specific action through a system of draft recommendations, command response, Military Surface Deployment and Distribution Command evaluation of those responses, and adjustment of the Military Surface Deployment and Distribution Command recommendations.**

Office of the Assistant Secretary of Defense for Sustainment Comments

The Acting Principal Deputy did not agree with the recommendation and stated that the current process enables SDDC investigation of vehicle accidents and allows the Military Services to address any issues identified in their own or the SDDC’s investigation.

Our Response

Comments from the Acting Principal Deputy did not address the specifics of the recommendation; therefore, the recommendation is unresolved. While the current process allows the Military Services to address issues identified in an SDDC accident investigation, the process does not ensure proper vetting and resolution of SDDC findings or recommendations. We request that the Assistant Secretary provide further comments on this recommendation that specifically address vetting and resolving SDDC accident investigation findings and recommendations,

as well as ensuring that all Military Services learn lessons derived from the recommendations.

- b. Develop and implement a methodology or controls to prevent the Military Services from allowing arms, ammunition, and explosives shipments to leave a military installation until officials confirm that the bill of lading is transmitted to the Defense Transportation Tracking System for tracking.**

Office of the Assistant Secretary of Defense for Sustainment Comments

The Acting Principal Deputy partially agreed with the recommendation, stating that the DTR requires the shipper to transmit the BOL to DTTS before the shipment departs from the origin location. The Acting Principal Deputy agreed with the report findings of not-in-system cases, but noted that the Military Services and commercial shippers have the responsibility to implement the regulation and ensure compliance. The Acting Principal Deputy stated that the SDDC is actively addressing not-in-system cases by providing visibility to the Military Services for review and action, resulting in a downward trend in the number of not-in-system shipments over the past 3 years.

Our Response

Comments from the Acting Principal Deputy partially addressed the recommendation; therefore, the recommendation is unresolved. While the Acting Principal Deputy stated that there was a downward trend over the past 3 years, he did not provide documentation to support his statement. During the course of the audit, the SDDC provided us not-in-system data from October 2016 through February 2019, which showed that not-in-system shipments stayed the same or slightly increased during the 3-year period. As noted previously, the Office of the Assistant Secretary of Defense for Sustainment must provide continuous AA&E program and policy oversight responsibility as required by DoD Instruction 5100.76. Therefore, we request further comment from the Assistant Secretary identifying a specific oversight methodology or control to reduce not-in-system AA&E shipments.

- c. Evaluate creating a centralized tracking system to track rail shipments of arms, ammunition, and explosives and implement that tracking system, if appropriate.**

Office of the Assistant Secretary of Defense for Sustainment Comments

The Acting Principal Deputy agreed with the recommendation, stating that continued analysis is required to determine whether a proposed railroad tracking system will provide additional benefit beyond the current contracted service

provided by rail carriers. The Acting Principal Deputy also noted that the analysis must determine whether available technology solutions will provide a tangible safety and security benefit.

Our Response

Comments from the Acting Principal Deputy addressed all specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify that the Assistant Secretary has completed the analysis of the tangible benefits of a centralized rail tracking system and we review the analysis.

Recommendation 2

We recommend that the Assistant Secretary of the Army for Acquisition, Logistics, and Technology; the Assistant Secretary of the Navy for Research, Development, and Acquisition; and the Assistant Secretary of the Air Force for Acquisition, Technology, and Logistics, in coordination with the Commander of Military Surface Deployment and Distribution Command, develop and implement training for secure hold requirements at their respective military installations and direct the base commanders with secure hold areas to implement the training with appropriate staff.

Military Surface Deployment and Distribution Command Comments

Responding for the SDDC Commander, the USTRANSCOM Chief of Staff did not agree with a draft report recommendation that the SDDC Commander develop training for secure hold requirements at military installations and request that the base commanders with secure hold areas implement the training with appropriate staff. The Chief of Staff stated that secure hold and safe haven functions are the responsibility of the Military Services and the component installation commanders. The Chief of Staff noted several statements within DoD Instructions 5100.76 and 4500.57 and associated Military Department guidance that imply that the Military Services are responsible for training on secure hold requirements at their respective installations. The SDDC Commander concluded that we should recommend that the Military Services enhance, develop, and implement secure hold and safe haven security training in accordance with DoD guidance.

Our Response

Based on the Chief of Staff's comments, we revised and redirected this recommendation in the final report to each of the Military Departments as well as to the SDDC. In the revised recommendation, we request that the SDDC play a coordination role for the Military Departments in implementing consistent secure hold policies.

Recommendation 3

We recommend that the Commander of U.S. Transportation Command, in coordination with the Military Services, update the Defense Transportation Regulation to require installations receiving arms, ammunition, and explosives to:

- a. Send a receipt confirmation of the report of shipment to reduce the risk of a secure hold denial.**
- b. Notify those who work at the installation's delivery access points that there is an incoming shipment of arms, ammunition, and explosives to reduce the risk of a secure hold denial.**

U.S. Transportation Command Comments

Responding for the USTRANSCOM Commander, the USTRANSCOM Chief of Staff agreed with the recommendation, stating that, in coordination with the Military Services, USTRANSCOM officials will update the DTR by September 1, 2020.

The update will require receipt of confirmation of shipment for all AA&E categories and will require the destination travel office to coordinate delivery of inbound AA&E shipments with installation personnel.

Our Response

The USTRANSCOM Chief of Staff's comments addressed the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify that USTRANSCOM officials have changed the DTR.

Appendix

Scope and Methodology

We conducted this performance audit from February 2019 through January 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

What We Reviewed

To determine whether the DoD protects AA&E transported in the United States by commercial ground carriers in accordance with the DTR, we analyzed the shipping, tracking, and receiving of AA&E. We compared the obtained documentation to AA&E transportation criteria, including the DTR and applicable Military Service, USTRANSCOM, and SDDC criteria.

We visited USTRANSCOM and the SDDC at Scott Air Force Base, Illinois, to gain an understanding of ground transportation of AA&E, the roles of their organizations and the Military Services in transporting AA&E, and to gather truck and rail shipment data from October 2016 through March 2019. The universe of data included 103,853 AA&E ground shipments by truck and 3,722 rail shipments.

While visiting the SDDC, we also discussed and obtained documentation on the systems and processes the SDDC uses to monitor and track truck and rail AA&E shipments. Specifically, we obtained and reviewed DTTS documentation to establish the universe of nine secure hold denial reports and 20,426 not-in-system shipments that occurred from October 2016 through March 2019. In addition, we obtained and reviewed data from the SDDC Discrepancy Information System to establish the universe of 26,323 transportation discrepancy reports that occurred from October 2016 through March 2019. Also, we obtained and analyzed 16 SDDC highway accident reports for AA&E ground shipments that occurred from October 2016 through March 2019. We reviewed the outcome of SDDC safety recommendations made in the accident reports through contact, interview, and documentation obtained from the SDDC, and selected shipping and receiving locations including the Letterkenny Munitions Center, Pennsylvania, and Crane Army Ammunition Activity, Indiana.

In addition to USTRANSCOM and the SDDC, the JMC serves a major role in ground transportation of AA&E. We visited the JMC and Army Sustainment Command–Rock Island, Illinois, to review Army management of AA&E shipping and receiving functions. We interviewed traffic management specialists from the JMC to gain an understanding of how the JMC managed a network of five regional defense ammunition depots. We also interviewed logistics management specialists from Army Sustainment Command to gain an understanding of how the Command managed 86 ammunition supply points in the continental United States. At both commands, we obtained and reviewed transportation process and systems documentation related to shipping, monitoring, and receiving AA&E by truck and rail.

We also selected three base-level AA&E shipping and receiving locations, one from each Military Department, to observe and test selected AA&E shipping, receiving, and tracking functions. These locations included:

- McAlester Army Ammunition Plant, McAlester, Oklahoma;
- Yorktown Naval Weapons Station, Virginia; and
- Dover Air Force Base, Delaware.

To determine how each Military Service safely transports AA&E in accordance with the DTR, we met with each base’s shipping officials to discuss and observe their AA&E shipping and receiving practices and procedures. We also obtained and reviewed shipping and receiving systems documentation to determine whether the base was transporting AA&E in accordance with the DTR. Additionally, we interviewed officials and observed shipping processes required by the DTR, such as:

- placing a seal on the truck to prevent and detect tampering with the shipment,
- transmitting the BOL to DTTS so officials know the contents of the shipment and to avoid a not-in-system shipment,
- submitting a report of shipment to the receiving location so the receiving location is aware that the shipment is coming and to avoid a secure hold denial, and
- ensuring someone is available at the base in case of an emergency.

For receiving, we observed the process of inspecting seals for signs of tampering, determined whether the location had a secure hold location to comply with the DoD Instruction requirement, and determined whether the sites had any instances of missing or stolen AA&E.

Of the nine identified secure hold denial locations, we selected the four most egregious examples to determine what caused the denial at each location.

The locations included:

- Radford Army Ammunition Plant, Virginia;
- Vandenberg Air Force Base, California;
- Cape Canaveral Aerospace Fuels Laboratory, Florida; and
- Holloman Air Force Base, New Mexico.

At each location, we interviewed transportation officials and obtained documentation to identify reasons that the secure hold denials occurred.

We interviewed officials and obtained documentation regarding the Military Department's AA&E quality assurance program at the:

- U.S. Army Defense Ammunition Center, McAlester, Oklahoma;
- Naval Ordnance Safety and Security Activity offices at Indian Head, Maryland, and the Norfolk Naval Base, Virginia;
- Air Force Safety Center, Kirtland Air Force Base, New Mexico; and
- Marine Corps Headquarters Installations and Logistics Distribution Policy Branch, Arlington, Virginia.

Use of Computer-Processed Data

We relied on computer-processed data to perform this audit. Specifically, we received the total number of AA&E truck and rail shipments, total number of not-in-system shipments, and total number of transportation discrepancy reports from SDDC officials. The SDDC officials extracted the data from three information systems—DTTS, Quality Transportation Service system, and the Discrepancy Information System.

We reviewed the reliability of selected DTTS transportation discrepancy reports data related to report of shipment discrepancies we reviewed. During our site visit to McAlester Army Ammunition Plant, McAlester, Oklahoma, we asked officials whether they were aware of the types of report of shipment discrepancies that were on the transportation discrepancy reports for that specific location. The officials confirmed that they were aware of the discrepancies and explained why the officials for the receiving locations created the transportation discrepancy reports. Based on the validity of the report of shipment discrepancies from the transportation discrepancy reports, we found no reason to question the validity of the other transportation discrepancy reports data.

We did not have a method to validate the total number of AA&E truck and rail shipments and total number of not-in-system shipments. However, nothing came to our attention to cause us to question the validity of the truck and rail shipment data that the SDDC provided.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) issued two reports discussing AA&E ground transportation or secure hold. Neither the DoD Office of Inspector General nor the Military Service audit agencies reviewed the subject area during the 5-year period.

Unrestricted GAO reports can be accessed at <http://www.gao.gov>.

GAO

Report No. GAO-19-118, “Actions Needed to Enhance the Security of High-Risk Ammunition at Storage Locations,” November 5, 2018

The GAO evaluated the extent to which Military Service guidance was consistent with the DoD’s requirements for safeguarding Security Risk Category I ammunition and whether the Military Services identified and resolved physical security deficiencies at selected locations that store high-risk ammunition.²⁶ The GAO found that Military Service guidance for safeguarding Security Risk Category I ammunition was not consistent with all of the DoD’s minimum requirements. The GAO made five recommendations, including that the Military Services take action to ensure physical security inspections of Security Risk Category I ammunition locations were completed in accordance with policy; and that the DoD revise guidance to require the Military Services to establish a process to consistently document resolution of all identified physical security deficiencies. The DoD concurred with the recommendations and described planned actions to address them.

²⁶ Security Risk Category I ammunition refers to nonnuclear, portable missiles and rockets in a ready-to-fire configuration.

Report No. GAO-17-498, “Defense Transportation DoD Has Taken Actions to Address Hazardous Material Transportation Issues but It Is Too Soon to Evaluate the Effectiveness of These Efforts,” July 21, 2017

The GAO performed the review in response to a House Armed Services Committee provision to validate DoD actions outlined in the DoD’s “Report on the Department of Defense’s Transportation of Hazardous Materials,” September 29, 2015.²⁷ GAO found that the DoD had addressed identifying the root causes (human error) for the improper documentation and packaging of hazardous material shipments, but it was too soon to evaluate the effectiveness of corrective actions. While the GAO found that the DoD did not include detail on the assumptions or limitations used in its analysis, the GAO concurred with the DoD report’s general conclusion that the DoD had used the Transportation Protective Service unnecessarily to transport hazardous material during the period studied and that the additional cost associated with these shipments was relatively small.²⁸ The GAO report noted that, as part of its plan of action, the DoD has identified a corrective action to preclude future unnecessary use of the Transportation Protective Service, which, if properly implemented, should help ensure that the DoD uses the service only when necessary. The GAO report did not contain any recommendations. The DoD reviewed a draft of the GAO report but had no comments.

²⁷ H.R. 4435, 113., 2d sess., (2014).

²⁸ Part II, Chapter 205, “Transportation Protective Service,” October 10, 2018 identifies the security requirements for the movement of sensitive and classified material, including AA&E.

Management Comments

Office of the Assistant Secretary of Defense for Sustainment



SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

14 Feb 2020

MEMORANDUM FOR PROGRAM DIRECTOR FOR AUDIT READINESS AND GLOBAL
OPERATIONS, DEPARTMENT OF DEFENSE INSPECTOR
GENERAL

SUBJECT: Response to DoDIG Draft Report on the DoD's Ground Transportation and Secure
Hold of Arms, Ammunition, and Explosives in the United States (Project No.
D2019-D0000RK-0114.000)

As requested, I am providing responses to the general content and recommendations
contained in the subject report.

Recommendation 1(a): We recommend that Assistant Secretary of Defense for Sustainment, in
coordination with U.S. Transportation Command and the Military Services:

- (a) Give the Military Surface Deployment and Distribution Command the authority and
ability to enforce the Military Services' compliance with:
1. The Defense Transportation Regulation and task the Military Services to hold
their officials accountable for not complying with the regulations, and for not
transmitting bills of lading to the Defense Transportation Tracking System, and
 2. Military Surface Deployment and Distribution Command accident
investigation recommendations by tasking the Military Services to take
specific action through a system of draft recommendations, command
response, Military Surface Deployment and Distribution Command evaluation
of those responses, and adjustment of the Military Surface Deployment and
Distribution Command recommendations.

Response:

Non-concur. The Defense Transportation is prescriptive and directs compliance with all
portions, including procedures for operations and tracking of Arms, Ammunition, and Explosive
shipments. Therefore, there is no requirement for SDDC to assume an enforcement role. SDDC
currently provides daily reports of not in system shipments to the Services who are actively
investigating and addressing these errors. For accident investigations, the current process
enables SDDC to appropriately investigate the vehicle accident and allows the Services and
owning organization of the shipping office to appropriately address any issues identified in their
own or SDDC's investigation.

Recommendation 1(b): We recommend that Assistant Secretary of Defense for Sustainment, in
coordination with U.S. Transportation Command and the Military Services develop and
implement a methodology or controls to prevent the Military Services from allowing arms,
ammunition, and explosives shipments to leave a military installation until officials confirm that
the bill of lading is transmitted to the Defense Transportation Tracking System for tracking.

Office of the Assistant Secretary of Defense for Sustainment (cont'd)

Response:

Partially Concur. The Defense Transportation Regulation today requires that the bill of lading is transmitted from the shipper system to the Defense Transportation Tracking System prior to departure from origin. As noted in the findings, there are cases where shipping organizations are not complying with this requirement. The Services and commercial shippers have the responsibility to implement the regulation and ensure compliance. SDDC actively addresses these cases and provides visibility to the Services for their review and action. OASD(S) continues to engage with the Services and SDDC and has seen a downward trend in the number of NIS shipments over the past 3 years.

Recommendation 1(c): Evaluate creating a centralized tracking system to track rail shipments of arms, ammunition, and explosives and implement that tracking system, if appropriate.

Response:

Concur. OASD(S) in coordination with the Services has discussed the possibility of implementing near real time rail tracking. Continued analysis is required to determine if the proposed tracking system will provide additional benefit beyond the current contracted Rail Inspection Service provided by the rail carriers. Additionally, the analysis will need to determine if the technology solutions available will provide a tangible benefit for safety and security.



Steven P. Whitney
Acting Principal Deputy Assistant Secretary of
Defense for Sustainment

United States Transportation Command



UNITED STATES TRANSPORTATION COMMAND
OFFICE OF THE CHIEF OF STAFF
508 SCOTT DRIVE
SCOTT AIR FORCE BASE, ILLINOIS 62225-5357

3 March 2020

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

FROM: TCCS

SUBJECT: Response to DoD IG Draft Report “Audit of the DoD’s Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives (AA&E) in the United States (D2019-D000RK-0114.000)”

1. The United States Transportation Command (USTRANSCOM) provides management responses to recommendations 1.a.1, 2, 3.a, and 3.b found in the subject report.
2. The point of contact in this matter is [REDACTED] who can be reached at [REDACTED] or email: (unclassified) [REDACTED] (classified) [REDACTED] with any questions or concerns.

KOTULICH.DEBORAH.L
AH.LOUISE [REDACTED]

DEBORAH L. KOTULICH
Major General, U.S. Army
Chief of Staff

1 Attachment
USTRANSCOM Response

cc:
SDDC

United States Transportation Command (cont'd)

Final
Report Reference

DoD IG Draft Report (Project No. D2019-D000RK-0114.000)

“Audit of the DoD’s Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States” Dated 17 January 2020

Recommendation 1.a.1: We recommend that the Assistant Secretary of Defense for Sustainment, in coordination with U.S. Transportation Command and the Military Services give the Military Surface Deployment and Distribution Command the authority and ability to enforce the Military Services’ compliance with the Defense Transportation Regulation and task the Military Services to hold their officials accountable for not complying with the regulations, and for not transmitting bills of lading to the Defense Transportation Tracking System.

USTRANSCOM/SDDC Response: Non-concur. While USTRANSCOM agrees with the ultimate goal of this recommendation (i.e. improved compliance with the Defense Transportation Regulation and improved documenting of key information), SDDC is not the appropriate Command to exercise this recommendation. The Military Services are already responsible for holding their officials accountable for not complying with regulations. SDDC currently provides daily reports of not in system shipments to multiple DOD stakeholders, to include the Military Services, who are actively investigating and addressing these errors.

Recommendation 2: We recommend that the Commander of Military Surface Deployment and Distribution Command develop training for secure hold requirements at military installations and request that the base commanders with secure hold areas implement the training with appropriate staff.

USTRANSCOM/SDDC Response: Partially Concur. SDDC agrees that DoD did not always provide commercial carriers with access to installations receiving AA&E ground shipments which resulted in secure hold denials. SDDC addresses secure hold denials on a case by case basis as they are notified by the carrier when issues arise. However, SDDC non-concurs with the recommendation to develop training for secure hold requirements at military installations because installation access, to include secure hold and safe haven, is the responsibility of service components and their installation commanders. Each Military Service and installation has unique and specific security requirements that are influenced by a number of factors (e.g., location, force protection condition (FPC) etc.). Title X, U.S.C. requires Military Services to organize, train and equip forces and multiple statements within DoDI 5100.76 imply that the Military Services are tasked with providing training to installations on secure hold requirements, for example:

- ENCLOSURE 2, Para. 5.a. “Oversee, within their respective Components, compliance with the policy established in this instruction to include planning and programming fiscal and personnel resources necessary to implement this function.”
- ENCLOSURE 2, Para. 5.k. “Accept AA&E shipments, at any time, for safe haven or after normal duty hours for secure hold as outlined in this instruction and Reference.”

If the Military Services are responsible for overseeing compliance and operationally accepting AA&E shipments, it is implied that they would also be responsible for the training required to perform this mission.

Revised
and Redirected
Recommendation 2

United States Transportation Command (cont'd)

In addition, DoDM 5100.76 has the below tasked to the Services:

- ENCLOSURE 2, Para. 4.a. "Implement the procedures in this Manual and develop supplemental guidance for the protection of AA&E in accordance with Reference (c)."

DoDI 4500.57, Para. 5.6.b. states, USTRANSCOM, in collaboration with the DoD Components: Develops and maintains procedures in accordance with the DTR, from which the DoD Components can implement curricula for training the DoD transportation work force on AA&E transportation regulations and processes. All DoD Component heads will standardize their AA&E transportation training in accordance with DoDI 5100.76 and DoDM 5100.76. Implementing procedures and developing supplemental guidance (i.e., training) are placed on the Component Head (i.e., Military Services).

The Services also provide guidance regarding the secure store of AA&E. Specifically,

- AR 190-11, Chapter 7-7. a. states that after normal working hours, AA&E shipments arriving at Army installations and activities will be accepted by consignees and provided appropriate secure holding protection commensurate with the sensitivity category of the delivered items under such circumstances. Additionally, Para. b. states that Army installations and activities will provide a secure holding area for AA&E shipments during emergency conditions (vehicle breakdowns, criminal/ terrorist threats, and so on) per DTR 1500.9-R.
- AFI 31-101, 8.4.2.26. states AA&E shipments arriving at DoD installations and activities during non-delivery hours must be accepted and provided secure holding protection commensurate with the sensitivity category of the delivered items. Additionally, DoD installations and activities must provide a safe haven for AA&E shipments during emergency conditions (e.g., vehicle breakdowns, weather, or criminal/terrorist threat) in accordance with DoDM5100.76. DoD installations must accept AA&E shipments for secure holding and/or safe haven regardless of arrival time or final destination.
- OPNAVINST 5530.13C, Chapter 0613 a. states that in the interests of safeguarding shipment security and public safety, DON activities involved in the receipt, storage, and issue, of DoD-owned AA&E are required to assist commercial carriers by providing temporary parking and secure holding for motor vehicles engaged in the transport of these sensitive materials.

Recommendation 3: We recommend that the Commander of U.S. Transportation Command, in coordination with the Military Services, update the Defense Transportation Regulation (DTR) to require installations receiving arms, ammunition, and explosives to:

3a. Send a receipt confirmation of the report of shipment to reduce the risk of a secure hold denial.

USTRANSCOM Response: Concur. Currently, the DTR requires receipt of confirmation of the Report of Shipment (REPSHIP) for Security Risk Category (SRC) I, II and Nuclear Weapons Related Material (NWRM) shipments only. USTRANSCOM, in coordination with the Military Services, will update the DTR to extend the requirement for receipt of confirmation of the REPSHIP to all categories of AA&E. (ECD: 1 September 2020)

United States Transportation Command (cont'd)

3b. Notify those who work at the installation's delivery access points that there is an incoming shipment of arms, ammunition, and explosives to reduce the risk of a secure hold denial.

USTRANSCOM Response: Concur. USTRANSCOM, in coordination with the Military Services, will update the DTR to define the destination responsibility to coordinate delivery of inbound AA&E shipments with installation security/force protection personnel.
(ECD: 1 September 2020)

Acronyms and Abbreviations

AA&E	Arms, Ammunition, and Explosives
BOL	Bill of Lading
DTR	Defense Transportation Regulation
DTTS	Defense Transportation Tracking System
JMC	Joint Munitions Command
SDDC	Military Surface Deployment and Distribution Command
USTRANSCOM	U.S. Transportation Command

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