Department of War (DoW) Personal Property Activity (PPA)

Personal Property Advisory #26-0108

Date: 15 July 2026

From: Department of War (DoW) Personal Property Activity (PPA), Scott AFB, IL 62225

To: All Military Service Headquarters Representatives, Worldwide Personal Property Shipping Offices (PPSOs), Personal Property Processing Offices (PPPOs), and DoW-Approved Transportation Service Providers (TSPs).

Subject: Change of Ownership Novation Update

1. This advisory provides an update to Advisory #24-0067. Effective 15 July 2026 Change of Ownership Novation requests.

    a. **Change of Ownership** (**Novation Required)**: The transfer of all the TSP's assets, or the entire portion of the assets involved in performing under the ToS, to a third party (e.g., via sale of physical assets, corporate consolidation, or merger). Under this transaction the legal contracting entity changes.

    b. **Stock Purchase / Equity Transfer (Novation Not Required)**: A change in the ownership of a contractor because of a stock purchase (whether majority or minority), a transfer to a qualified Employee Stock Ownership Plan Trust, a transfer to a legal heir/trust, or an internal corporate restructuring. In this transaction, there is no legal change in the contracting party, and the original entity retains its Employer Identification Number (EIN), Department of Transportation (DOT) number, operating authority, and control of its assets.

2. Guidelines and Procedures

    a. Change of Ownership Procedures: A formal Novation Agreement is mandatory for the Transferee to legally assume all liabilities and ensure continued payment eligibility.

    b. During the novation review process, the associated Standard Carrier Alpha Code(s) (SCACs) is placed in non-use.

    c. SCACs are not transferred to the new company when the assets of a company are bought out; the acquiring entity must utilize its own operating authority and SCAC.

3. Stock Purchase / Equity Transfer Procedures: A formal novation agreement is unnecessary when the contracting entity remains legally intact.

    a. PPA J3 will process these equity transfers and structural updates administratively.

    b. The SCAC(s) are not placed in non-use.

c. The original corporate entity remains the party responsible for all contractual obligations without requiring a formal agreement between the Transferor and Transferee.

4. Any questions or concerns regarding this advisory, contact dow-ppa-quality-mbx@mail.mil.

5. The DoW PPA J3 Director approved release of this message.