Solution: Before exporting the map from Level Edit replace all the .tga textures with .dds versions. Only RenX / 3DS Max need them in tag format, as soon as you move onto the Level Edit stage replace them all with .dds versions.

Level Edit (and Renegade) will automatically try to load textures as .dds, and if not found it will THEN look for .tga. The extension used in RenX / 3DS Max is not even considered.