NATIONAL FORWARDING CO., INC.

MOVING FORWARD



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Proudly Serving Military Families

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CONTENTS

1
4
4
5
6

FUEL SURCHARGE

ON OCT 1 THE NATIONAL AVERAGE FOR ONE GALLON OF DIESEL FUEL WAS ANNOUNCED BY THE D.O.E AT \$3.313.

TARIFF	10/15/18- 11/14/18
NVL100	10%
GSA-01	FORMULA BASED
D19/400NG	7%



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Report on the 2018 Personal Property Forum

The 2018 Fall Personal Property Forum was held in Fairview Heights, Illinois, just outside Scott Air Force Base. It was an extensive meeting with multiple slide presentations discussed by USTRANSCOM representatives. A copy of the slides can be found <u>here</u>.

Address by Rear Admiral Peter J. Clarke, Director, Strategy, Capabilities, Policy and Logistics for USTRANSCOM

RDML Clarke provided opening remarks for the meeting. He was candid and heartfelt, calling the 2018 peak season 'unsuccessful' due to a series of bad moves and increased visibility of those bad moves in social media. According to RDML Clarke, these bad moves have subsequently shined a light on a problem that needs fixing. He noted program interest was received from both Congress and the Office of the Secretary of Defense due to the negative publicity the program received this summer.

The challenge was issued during the meeting to come up with "radical" ideas and RDML Clarke encouraged everyone to keep an open mind and not dismiss any of them. While acknowledging that the peak season has far more moves than nonpeak, he stated that they are looking at what can be done to move some shipments out of the peak season (termed as demand smoothing). However, the reality is that the military must do everything that is necessary to accomplish its mission and maintain its readiness.

RDML Clarke finished by acknowledging the extremely complex system the government has created. His challenge for everyone is to find a solution that will uncover the quality capacity he believes is out there but buried due to the current system.

The Rear Admiral was on the schedule for fifteen-minute appearance, however, he made himself available for nearly an hour. Several questions were answered and suggestions made regarding the program. Many of those topics were further points of conversation later in the meeting and will be noted in the bullet points to follow.

COL Ralph A. Lounsbrough Chief, Defense Personal Property Program

Col. Lounsbrough followed RDML Clarke by acknowledging the challenges faced this summer with driver and labor shortages and the impact they had on the peak season. Like RDML Clarke, he is looks for ways to counter these issues. He began by identifying the efforts they have underway at USTC. The Col. acknowledged a lack of standardization for Personal Property training and that an effort is underway to implement a universal training plan for PPSO/PPPO personal. This training is still being finalized but with the goal of presenting that plan in the next six weeks to the General Officers Steering Committee.

Continued from page 1

The following is a summary of the further items that were discussed during the meeting.

- Destination Blackouts The lack of destination blackout granularity (there is excellent granularity at origin) was addressed as one area where the government was losing capacity. Currently, a TSP is only able to blackout to a multi-state destination region. For example, a TSP may have an agent that is able to service short haul shipments from Virginia to Pennsylvania or New Jersey in Region 9, but not to states on the outer edges of the region such as Maine, New Hampshire and Vermont. This forces the TSP to pick between blacking out to the entire destination region resulting in a loss of real capacity, or keeping it open running the risk of having to accept a shipment they will not be able to service thereby resulting in poor service to the customer. By referring to the map of DP3 Regions, you can see that this is a scenario that plays itself out in many areas of the country. A solution is to change DPS programming to allow the TSP to blackout to individual states. That might not be feasible. The other solution, which does not require a change in programming is to allow the TSP to refuse shipments, especially during the Peak Season. See that discussion below.
- **Shipment Refusals** For the past three years, TSPs have not been able to refuse shipments during peak season even though a System Change Request (SCR) was completed in 2015. This SCR allowed refused shipments to automatically roll down to the next TSP on the TDL without manual rebooking by the PPSO. The ability to refuse shipments during the Peak Season addresses the limitations in destination blackout granularity as mentioned above. It will result in more capacity, especially on short haul shipments. It will also prevent the service failures that commonly occur when a TSP is forced to accept a shipment which it knows it cannot effectively service. Also, agent capacity changes on a moment's notice. It is simply not possible for agents to advise TSPs they are at capacity quickly enough so that those TSPs can enter blackouts in DPS before more shipments are awarded. This becomes more critical, when considering the rapidity of awarded shipments, often after normal business hours. Another major issue is the manner in which blackouts are assessed. The TSP must make sure that it blacks out the dates on which packing and pickup might be made. Since it may be that a large shipment might require 3 days of packing and 2 days for pick-up, the TSP needs to black out 5 days when only one or two days would normally suffice. If a TSP can refuse shipments, it will not be necessary to enter "protective" blackouts in order to avoid being awarded shipments which it knows it can't service. Another TSP with capacity would then have the opportunity to participate.
- **Base Access** Everyone in attendance understands the impact that base access restrictions have had on our ability to provide the capacity needed during the peak season. This is especially true in combination with hours of service limitations which our drivers must contend with. USTC is fully aware of the matter as is the office of the Secretary of Defense. It is understood that they are continuing to work on the issue and are hopeful of having a solution at some point in the near future. The latest on base access can be accessed <u>here</u>.
- **Labor Shortage** The booming economy and historically low unemployment have dampened labor supply. Forum attendees advocated resuming the use of government visas to attract foreign labor. This includes the H2B (temporary non-agricultural workers) & J 1 (exchange visitor program) visas no longer available to the moving and storage industry.
- **Quality Assurance** There is a strong push to increase QA inspections, thereby providing improved quality assurance overall. The change published in the DTR on 17 Aug 18 calls for a physical inspection of at least half of all shipments, with 100% inspection being the ultimate goal.

Continued from page 2

- **DPS Update/ETA Access** The Col. advised the audience that USTRANSCOM will need DPS for at least a couple more years. The login process within DPS via ETA is recognized as a problem and USTRANSCOM will be utilizing login.gov for access to the eventual DPS replacement, My Move. Login.gov will be available for DPS users in the near future.
- Code 2 USTC wants to further increase Code 2 shipment volume through all appropriate channels, starting between Virginia and Texas. USTRANSCOM looked at claim's statistics on Code 2 moves and found the data clearly points to a better customer experience with lower claims.
- **CSS Pack Quality Score** A reexamination of the Best Value Score is underway. Col. Lounsbrough advised that they are considering a change in the "weighting" assigned to Question 1 which assess the quality of the packing service, so as to increase its impact on the overall CSS.
- Hard-to-Service Areas For low-demand volume areas (Northern Tier) in CONUS that are hard to service, USTC is looking at additional ideas to obtain capacity. One idea pertains to contracting these areas to a single provider or having a winner-take-all bidding process.
- **New Mileage Calculation Tool for MyMove** Mileage calculation for MyMove will utilize here.com instead of DTOD (PC Miler) or the Mileage Guide (Rand McNally).
- **Demand Smoothing** The concept of Peak Season "Demand Smoothing" was introduced. This USTC effort will look at moving shipments out of the Peak Season when possible. This includes moving more shipments at the beginning and end of the Peak Season.
- Inconvenience Claims on SIT Delivery Delays USTC plans on adding language into the DTR establishing inconvenience claims for shipments that do not deliver out of SIT within 5 days. The right number of days remains a topic of discussion and a Peak Season adjustment was discussed.
- **Tariff Updates** USTC plans on adding a requirement requiring that certain items such as shuttle service and crating/uncrating be passed through in full to the agent providing the service.
- MyMove Inbound Clearing Process A rewrite is underway for the inbound-clearing process for the DTR. The released draft of that process has caused confusion and concern that the new process may prevent delivery into SIT even though the he or she is not available to accept delivery. This is a result of USTC's concerns regarding unnecessary SIT and delays in delivery out.
- Claims Changes Proposed changes to the claim valuation levels from \$4.00/lb to \$6.00/lb and increased maximum liability from \$50,000 to \$100,000.



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FX: 708-345-3245	MOVE MANAGEMENT:	INTERNATIONAL:			
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Claims	ncs@ncsclaims.com	Hauling Invoice/Paperwork	hauling-docs@nationalforwarding.com
Admin.	admin@nationalforwarding.com	Clearing & Delivery Info	clearing@nationalforwarding.com
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		Notice of Delivery out of SIT	movemanagers@nationalforwarding.com
		Fast Pay Paperwork	fastpay@nationalforwarding.com

ACRONYM REFERENCE

AFB	Air Force Base	PPPO	Personal Property Processing Office
BL	Bill of Lading	LOS	Letter of Suspension
BVS	Best Value Score	LOW	Letter of Warning
CONUS	Continental United States	NLT	Not Later Than
COS	Code of Service	NTS	Non-Temporary Storage
СР	Contractor Packed	OTO	One-Time Only
CSS	Customer Satisfaction Survey	PBP&E	Professional Books, Papers and Equipment
CSSS	Customer Satisfaction Survey Score	PPPO	Personal Property Processing Office
DoD	Department of Defense	PPSO	Personal Property Shipping Office
DP3	Defense Personal Property Program	RDD	Required Delivery Date
DPS	Defense Personal Property System	SCAC	Standard Carrier Alpha Code
DTR	Defense Transportation Regulations	SIT	Storage-in-Transit
ETA	Estimated Time of Arrival	SMO	Storage Management Office
FRV	Full Replacement Value	ТМО	Traffic Management Office
GBD	Government Business Day	ТО	Transportation Office/Officer
GBL	Government Bill of Lading	TOS	Tender of Service
GBLOC	Government Bill of Lading Office Code	TSP	Transportation Service Provider
HHG	Household Goods	USTRANSCOM	US Transportation Command
iHHG	International Household Goods	UTC	Coordinated Universal Time
IT	International Tender	J4-HB	
JPPSO	Joint Personal Property Shipping Office	ТСЈ 4-Н	USTRANSCOM, Personal Property Division
MCO	Military Claims Office	TCJ4-H	(formerly known as SDDC)
NTS	Non-Temporary Storage	TCJ4-HB	
PCS	Permanent Change of Station		

WHAT OUR CUSTOMERS ARE SAYING

Positive Customer Satisfaction Survey Comments

They were awesome. They picked up and packed up quickly and they delivered quickly. It was one of my best moves in 21 years. Origin & hauler: Atlantic Relocation System, Sarasota, FL intrastate Florida

Did 17 moves in 28 years. This was the best. Origin & hauler: Ciceros' Moving & Storage, LLC, Macon, GA intrastate Georgia

I was really happy with this move. None of my things were damaged, lost or stolen. The initial crew was great, they were helpful, courteous and quick. The same goes for the crew on the destination side in Juneau. The men were very helpful and assisted me with setting up my bed (I would normally do it myself, but an injury prevented me from doing so). They were also kind enough to pick up the boxes once I had unpacked them. Thank you to them all for sure! Origin: Quality Services Moving, Lorton, VA Hauler: National Van Lines, Broadview, IL Destination: Trans-World Moving System, Juneau, AK

I appreciate the movers. They were very patient, they made the move very pleasing! Origin: Coastal Moving & Storage, Columbia, SC Hauler: Joyce Van Lines, Inc., Oxford, CT

Thank you very much, very good contact! Origin, hauler, destination: Hampton Roads Moving & Stg Suffolk, VA

I loved the movers, and the moving company. I would go through them again and I appreciate the hard work. Origin and hauler: Stewart Moving & Stge, Midlothian, VA







COMPANY NEWS

HAPPY ANNIVERSARY

October 25 Rachel Davis

Billing Supervisor

8 years

Julian Calendars

NFC's well-known Julian Calendars will be mailed out in late November. If your office receives them and would like more, please contact Agency Services at <u>agencyservices@nationalforwarding.com</u>.

SEPTEMBER 2018 POWERTRACK FEE INCREASE

Recently, the Fed announced that it would increase its prime lending rate to 5.25% from 5.00%. As a result of the change, the PowerTrack fee has increased to 1.505%. As in the past, we will assess this change to all future shipments billed that are picked up on or after 9/15/18, and on all SIT and supplemental invoices billed on or after 10/1/18.

