



NATIONAL FORWARDING COMPANY, INC.

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DATE: August 26, 2008

TO: All Military Agents of National Forwarding Co., National Van Lines, Subsidiaries and Affiliates

FROM: Patrick C. Johnson, President

SUBJECT: **DP3 DPS Update**

Attached is an email recently received from SDDC giving us the latest timeline on DP3. It basically confirms that shipments will begin moving between the 18 "initial sites" on September 10 and that it will include domestic shipments, international household goods and international unaccompanied baggage. All other shipments will continue moving under the current program.

We were also notified that an additional DPS rate filing will commence (sometime after October 27) having application only for those channels which are not covered by the 18 initial test sites.

We are aware of the fact that a "live" shipment was registered in DPS a few days ago. If all goes well, it is expected that DPS implementation will begin on September 10th as scheduled. We expect implementation to go slowly at first, but to accelerate as the system demonstrates its capabilities.

As you know, shipments will be offered to the carrier via the DPS website. When shipment offers are received, we will accept them and offer them to the agents who have been representing us under the current program.

Thank you for your representation of our company. If you have any questions, please contact me, Tim Helenthal or Eileen Sherman.

Very truly yours,

PCJ/lg
Attachment

Transportation Service Providers...Below is the latest information we have on the timeline for DP3 Phase II. This is provided for your information and planning purposes. The same timeline has been released to each of the Services as well. This message is approved for release by Lt Col Daniel J. Bradley, DCS, Passenger & Personal Property.

DP3 TIME LINE

1. 27 August 2008, the USTRANSCOM Joint Program Management Office (JPMO) and the Military Surface Deployment and Distribution Command (SDDC) intends to issue a 60-Day notification to the TSPs announcing the next rate filing for the Defense Personal Property System (DPS).
2. On 2 September 2008, Transportation Service Provider (TSP) Best Value Score (BVS) scores will be revised based on more current interim Customer Satisfaction Survey (iCSS) scores, and will be made available to TSPs.
3. On 10 September 2008, the USTRANSCOM DPS JPMO intends to field DPS to the 18 Government Bill of Lading Locations (GBLOCs) listed below. The initial rollout to these GBLOCs will include shipments that originate and end within the 18 GBLOCs and will consist of domestic household goods, international household goods, and international unaccompanied baggage. All other shipments will continue to use Transportation Operational Personal Property Standard System (TOPS) until completion of the world-wide deployment of DPS.
4. If a customer has multiple shipments and one must be processed using TOPS then all shipments for that customer must be processed through TOPS.
5. The initial 18 GBLOCs include:
 - a) 52 LRS, Spangdahlem AFB, Germany (WFFL)
 - b) JPPSO-NE, Chelmsford, MA (AGFM)
 - c) JPPSO-San Antonio, TX (HAFC)
 - d) JPPSO-Colorado Springs, CO (KKFA)
 - e) Euro Theater CPPSO (WKAS)
 - f) Camp Zama, Japan (OFAC)
 - g) White Sands Missile Range, NM (KLAE)
 - h) Fort Leavenworth, KS (KPAT)
 - i) USA Field Artillery & Fort Sill, OK (HOAT)
 - j) JPPSO-Washington, Fort Belvoir, VA (BGAC)
 - k) Fort Bragg, NC (BKAS)
 - l) USCG PPSO ISC, Miami, FI (CLPK)
 - m) USCG ISC, Alameda, CA (LHNQ)
 - n) CG ISC, Kodiak, AK (MAPS)
 - o) MCB, Camp Lejeune, NC (BKMT)
 - p) NSA, Naples, Italy (UCNQ)
 - q) FISC San Diego, CA (LKNQ)
 - r) FISC Puget Sound, WA (JENQ)
6. Based upon initial rollout to the 18 GBLOCs, the rollout of DPS to all other world-wide locations will follow the below schedule:
 - a) 17 October 2008, TSP Qualification Data update will be completed.
 - a. TSPs will ensure that their qualification data is correct and current

- b. SDDC will verify the adequacy of TSP qualification data
- b) 21 November 2008, the revised rate solicitation will be completed.
 - a. Rates currently filed in DPS remain valid for the 18 initial GBLOCs and their ORs.
 - b. TSPs are required to re-file rates in the current solicitation for all channels that do not originate and terminate at the 18 GBLOCs and their AORs.
 - c. Rates for this revised solicitation will be effective through 14 May 2009
 - d. Current DPS rate ranges will not change
- c) 5 December 2008, Best Value Scores (BVS) will be recalculated and new quartile rankings will be performed and TSPs will be notified of their rankings.
- d) 22 January 2009, DPS is scheduled to be rolled out world wide, and decommissioning of TOPS begins.

7. Subsequent to the final 2008 rate filing activities outlined above, the FY09 solicitation for rate filing is expected to follow the below schedule:

- a) January 2009 - Notice to TSPs to prepare for annual rate filing
- b) March 2009 - TSP qualifications complete
- c) April 2009 - Rate filing complete
- d) April 2009 - BVS published
- e) 15 May 2009 - New rates effective

8. NOTE: Dates used in this message are based on the most current information available. Dates are subject to change as required to meet emerging requirements or program changes.