



NATIONAL FORWARDING COMPANY, INC.

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DATE: November 11, 2008

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

FROM: Patrick C. Johnson, President

SUBJECT: **Update on the DP3 Personal Property Program**

As you know, Phase II of DP3 incorporating the DPS Program was scheduled to begin on November 6 with regard to shipments moving between the 18 test sites. Implementation to all other PPSOs worldwide was scheduled for January 22, 2009.

A Protest was filed by a number of TSPs on October 27. The filing of the Protest is supposed to trigger an automatic Stay in the implementation of DP3. It would remain in effect until GAO decides the Protest which, based upon the normal timeframe utilized by the government's Answer, the Protestor's Reply, and GAO's Decision, would delay implementation to February 2009.

SDDC filed a Motion to Dismiss the Protest, which included an allegation that they did not believe that the statutory Stay prevented SDDC from distributing shipments moving between the 18 test sites. Although SDDC's Motion to Dismiss was denied by GAO, **SDDC has, nevertheless, stated that it will still roll out DPS at the original 18 sites beginning November 19.** As a reminder, please note that the 18 GBLOCs are as follows:

DOMESTIC PPSOs

GBLOC INSTALLATION NAME

MAPS USCG SC, Kodiak, AK
LHNQ CG ISC, Alameda, CA
LKNQ FISC San Diego, CA
KKFA JPPSO-Colorado Springs, CO
CLPK CG ISC, Miami, FL
KPAT Fort Leavenworth, KS
AGFM JPPSO-NE, Chelmsford, MA
BKAS PPSO Ft. Bragg, NC
BKMT MCB, Camp Lejeune, NC
KLAE White Sands Missile Range, NM
HOAT USA Field Artillery & Ft Sill, OK
HAFC JPPSO-San Antonio, TX
BGAC JPPSO-WA Ft. Belvoir, VA
JENQ FISC Puget Sound, WA

INTERNATIONAL PPSOs

GBLOC INSTALLATION NAME

QFAC Camp Zama, Japan
UCNQ Nav Support Act, Naples, Italy
WFFL Spangdahlem AB, Germany
WKAS Euro Theater CPPSO

SDDC has advised that the individual military services are responsible for the speed with which they implement DPS at their participating installations. We understand that the Air Force will field DPS at the four principal installations with a subsequent rollout on a sequential basis to other PPPOs associated with them. The other services will initiate DPS at their sites, but they are not expected to book all eligible shipments in DPS immediately.

I do not know whether or not the Protestors will take further legal action in an effort to require SDDC to honor the Stay. If they have a viable legal option, I expect that they will exercise it. The bottom line, however, is that those agents doing business at any of the 18 test sites should be prepared to begin receiving shipments moving in DPS beginning November 19. I would like to point out that the actual activity that will take place beginning November 19 is somewhat open to question. It may include shipment distribution beginning on that date, or it may simply refer to member counseling with pickup scheduled shortly thereafter. We will keep you advised as we learn more.

Very truly yours,

A handwritten signature in black ink, appearing to read "Patrick Johnson". The signature is fluid and cursive, with a large initial "P" and "J".

PCJ/lg