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"Proudly Serving Military Families"

DATE: February 3, 2010
TO: Military Agents of National Forwarding Co. and Affiliates
FROM: Patrick C. Johnson, President
SUBJECT: **Defense Personal Property Program (DP3) Update**

Beginning last summer, SDDC took steps to limit the number of shipments being moved through DP3 because of the need to iron out some system issues in the Defense Personal Property System (DPS). Please note that DPS is the computer system forming the backbone of the DP3 Program. The abbreviations, DP3 and DPS, are sometimes used interchangeably.

System testing and enhancements were implemented and additional equipment brought online. SDDC now believes that it is quickly reaching the point where the majority of shipments will be booked in DPS. The following enhancements have been made or are pending:

- In the beginning of December, shipments moving to and from Alaska were booked through DPS.
- System testing continued through January, and new servers to support DPS were brought on line.
- Beginning this week, SDDC began offering short fuse shipments through DPS.
- SDDC expects to have the Personally Procured Move Module (PPM) operational in March. That will result in a fairly large increase in shipments booked through DPS because many PCS moves have a PPM component.
- Beginning January 1, SDDC changed the shipment distribution periods as follows:

New Distribution Periods

1 January to 14 May
15 May to 31 July
1 August to 30 September
1 October to 31 December

Previous Distribution Periods

1 January to 31 March
1 April to 30 June
1 July to 31 July
1 August to 31 August
1 September to 30 September
1 October to 31 December

The extended distribution periods should result in the distribution of shipments to more TSPs. Previously, the short distribution periods meant that the Tonnage Distribution Lists were reset before getting very deep into the list of TSPs.

- SDDC also announced the schedule for the annual rate filing. Round 1 is scheduled from 10 March 2010 through 20 March 2010. Round 2 is scheduled from 29 March 2010 to 7 April 2010.

Domestic rates are filed from a domestic rate area to a region. Attached for your ready reference is a breakdown of the U.S. rate areas and the destination regions. Two rates are filed. One is a bottom line discount, and the other is a discount applying only to SIT and delivery in/out.

NOTE: If you have not already done so, you can obtain an updated copy of the 400NG disk through American Moving & Storage Association; phone 888-849-2672. A general rate increase of .08% was put into effect beginning with shipments picking up on and after January 1, 2010.

Based upon the above enhancements, SDDC expects to have most DoD shipments moving through DPS by the end of the summer.

We also have some news from the Navy's Personal Property Headquarters.

- The Navy previously had a limitation on PCS moves because of funding issues. Those issues have been resolved, and the Navy has now begun a normal rotation.
- Navy Headquarters is going to direct their PPSOs to book more shipments through DPS.
- The Navy also intends to implement a regionalization program similar to the process currently being followed by the Air Force. They expect to have four super-JPPSOs established for the Southeast, Southwest, Northwest and Northeast.

Customer Satisfaction Survey response rates have improved markedly with regard to shipments moving in the TOPS Program. However, the response rate on DPS shipments is still low, because DPS does not currently provide for an encrypted link through which the service member can submit the survey. SDDC is working on having an encrypted link available in the near future, but they have not yet committed to a firm implementation date.

As a result of the changes noted above, we have seen a substantial increase in the number of shipments being distributed to us through DPS. We expect that to continue and accelerate as the year progresses.

Upcoming Meetings

We will be attending the American Moving & Storage Association Annual Education Conference and Expo in Phoenix, AZ, February 21st through 24th. We will keep you advised, especially with regard to their "Military Moving Summit." We will also be attending the SDDC Training Symposium in Atlanta, GA, March 8th through 10th. Both of these events should provide useful information which we will share with you.

In conclusion, I would like to thank you for your representation of our company. We hope you have a busy and profitable 2010. Please call upon us if we can assist you in any way.

PCJ/Ig
Encl.

Appendix A

Domestic and International Origin and Destination States and Regions

Domestic

Table A-1. CONUS States

No	Rate area name	Rate area code	Abbreviated name
1	Alaska (Zone) I	US8101000	AK1
2	Alaska (Zone) II	US8190100	AK2
3	Alaska (Zone) III	US8050500	AK3
4	Alaska (Zone) V *	US8030400	AK5
5	Alabama	US47	AL
6	Arizona	US79	AZ
7	Arkansas	US60	AR
8	California-North	US87	CAn
9	California-South	US88	CAs
10	Colorado	US74	CO
11	Connecticut	US16	CT
12	Delaware	US22	DE
13	District Of Columbia	US24	DC
14	Florida-North	US49	FLn
15	Florida-South	US4964400	FLs
16	Georgia	US45	GA
17	Idaho	US83	ID
18	Illinois	US38	IL
19	Indiana	US36	IN
20	Iowa	US53	IA
21	Kansas	US58	KS
22	Kentucky	US28	KY
23	Louisiana	US64	LA
24	Maine	US11	ME
25	Maryland	US23	MD
26	Massachusetts	US14	MA
27	Michigan	US30	MI
28	Minnesota	US50	MN
29	Mississippi	US48	MS
30	Missouri	US56	MO
31	Montana	US70	MT

* Shipments to/from Alaska (Zone IV), rate area code US8142800, are currently moved as OTO only.

Table A-1. CONUS States (continued)

No	Rate area name	Rate area code	Abbreviated name
32	Nebraska	US55	NE
33	Nevada	US86	NV
34	New Hampshire	US12	NH
35	New Jersey	US19	NJ
36	New Mexico	US77	NM
37	New York	US17	NY
38	North Carolina	US40	NC
39	North Dakota	US51	ND
40	Ohio	US34	OH
41	Oklahoma	US62	OK
42	Oregon	US85	OR
43	Pennsylvania	US20	PA
44	Rhode Island	US15	RI
45	South Carolina	US44	SC
46	South Dakota	US52	SD
47	Tennessee	US42	TN
48	Texas-North	US66	TXn
49	Texas-South	US68	TXs
50	Utah	US76	UT
51	Vermont	US13	VT
52	Virginia	US25	VA
53	Washington	US84	WA
54	West Virginia	US27	WV
55	Wisconsin	US32	WI
56	Wyoming	US72	WY

Table A-2 lists the states associated with each CONUS destination region.

Table A-2. CONUS Regions

Region	States
Region 1	Idaho, Oregon, Washington
Region 2	California, Nevada
Region 3	Arizona, New Mexico, Utah
Region 4	Montana, North Dakota, South Dakota, Wyoming
Region 5	Colorado, Kansas, Missouri, Nebraska
Region 6	Arkansas, Louisiana, Oklahoma, Texas
Region 7	Iowa, Michigan, Minnesota, Wisconsin
Region 8	Illinois, Indiana, Ohio
Region 9	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont
Region 10	Delaware, District of Columbia, Maryland, Virginia, West Virginia
Region 11	Alabama, Kentucky, Mississippi, Tennessee
Region 12	Georgia, North Carolina, South Carolina
Region 13	Florida
Region 14	Alaska (Alaska is a domestic Destination for some shipments)
Region 15	Intrastate