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Date: April 10, 2008

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

From: Tim Helenthal, VP, Agency Services

Subject: DP3 and JPPSO COS Carrier Agent Meeting

I attended the JPPSO COS Carrier/Agent Meeting at the Air Force Academy on April 8th. Here are some highlights from that meeting.

1. According to Lt. Col. Holt, Director, JPPSO COS, the service branches have jointly sent a letter to TRANSCOM, SDDC and the Secretary of Defense stating that they will not participate in DP3 until the DPS system has been tested from 'end to end'. Further the letter specifically recommends an October 1st start date for any shipments to start moving in DPS.

2. Charles White, from the Household Goods Forwarders Association provided an update on the protests filed with GAO.

a. The first protest had to do with the rate solicitations and DPS. GAO combined those into one protest. GAO has stated that they don't have jurisdiction to rule over this since it is not a FAR (Federal Acquisition Regulation) contract. They have referred HHGFAA to the Court of Contract Appeal or the Board of Contract of Appeals.

b. The 2nd protest was based on the fact that there are new business rules that occurred after carriers filed rates, that some of the business rules were incomplete and that we were bidding on the same shipments for two different programs. GAO has stated that no shipments can move in DP3 until they render a ruling – the current timeline for that ruling puts the earliest date a shipment can move in DPS at sometime in mid-June or July.

Recently, HHGFAA has been contacted by the government and asked what can be done to convince HHGFAA to withdraw the protest. This is a positive development that seems to suggest that some of our concerns might be addressed prior to implementation of DP3.

Note: It is widely speculated that DP3 will be formally postponed until Oct. 1, 2008.

3. The most recent module of DPS to be rolled out is the military's PPCIG (Personal Property Consignment Guide). This is the 'database' that contains all of the contact and detail information for the PPSOs. PPSOs are supposed to be updating their information in the PPCIG right now. However, JPPSO COS reports that it isn't working. Refer to our previous memo about the 'spiraled' implementation approach where SDDC was releasing DPS on a module by module basis until all modules were spiraled into the system.
4. BVS (Best Value Scores) – Recently SDDC provided carriers with our BVS which is a number that is based on our Customer Satisfaction Score and the rates that we filed. The higher the number the better our value – and theoretically, the more shipments we'll receive. SDDC has issued the BVS calculations based on a corrected formula. Only international business scores were affected.
5. Lt. Col. Holt told us that each of the super JPPSOs are understaffed. JPPSO COS is authorized 83 personnel currently, but should be allowed to have 120 employees. They are working on getting this amount corrected, but it has to be budgeted and approved – so it will likely be 2010 before it is addressed. JPPSO San Antonio and JPPSO Northeast are in similar situations.
6. Sgt. Harn reminded agents and carriers that requests for accessorial approval must be done **before** the service is provided.
7. Inventory Preparation – make sure and put whether or not items are disassembled by owner or by the carrier on the inventory.
8. NTS – interesting fact from John Kluesner at Central RSMO – there are 107,000 shipments in the NTS with a total weight of 258 million pounds.
9. DPM – if you are a DPM contractor and your contract hasn't been updated to reflect the inclusion of Full Replacement Value you need to contact your transportation office – otherwise they will not move shipments by DPM and you'll be missing out on business. You should have the opportunity to adjust your rates to take into account your increased liability.
10. End to End Testing – it is apparent that the moving industry associations and the services are all onboard in their belief that DPS needs to be fully tested before implementation. That includes invoicing – which has only had one invoice fully tested.