



# NATIONAL FORWARDING COMPANY, INC.

2800 ROOSEVELT ROAD – BROADVIEW, ILLINOIS 60155

Telephones: (708) 345-0550 1-800-323-9125

Fax: (708) 345-9112

DATE: August 19, 2009

TO: Military Agents of National Forwarding Co., National Van Lines and all Wholly-Owned Subsidiaries and Affiliates

FROM: Patrick C. Johnson, President

SUBJECT: **Success in the DP3 Program – Customer Satisfaction Scores**

For the last several years, we have been emphasizing the importance of maintaining high Customer Satisfaction scores in order to successfully participate in the DP3 Program. We give our agents feedback in terms of the results of our own move management process, the actual Customer Satisfaction Survey, and a monthly report providing shipment-by-shipment Customer Satisfaction Survey information along with a breakdown of claims statistics for a three-year and one-year time period. Much progress has been made, but more needs to be done.

We are paying special attention to the score received on Question 4, Packing Quality. We think that it is most indicative of origin agent performance and has the largest impact on overall customer satisfaction. It is also the question that we receive the lowest overall score for.

We are now at the point where we must take steps to protect the interests of our company as well as the interests of all of our other agents and drivers who depend upon DoD business. We consider an average score for packing quality of less than 7.5 to be unsatisfactory. Agents maintaining a score of less than 7.5 will be reviewed for possible elimination from our DoD program.

I would like to emphasize that we understand that there are many factors involved, and that using a mindless cut-off of 7.5 would not be fair in all circumstances. All aspects of origin agent performance will be considered, including the number of shipments scored (which affects the validity of the score itself), the number and frequency of “0” scores, the number and frequency of “12” scores, the agent’s claims ratio, etc. We are capable of taking the overall picture into account, and we intend to do so. However, it is still necessary for us to give our agents adequate notice as to what is required to successfully participate in the DoD Personal Property Program.

Thank you for your efforts to improve customer satisfaction. Our scores have improved dramatically every year, but the bar is being raised every year also. Continuous improvement is what is called for.

Very truly yours,

PCJ/lg