



NATIONAL FORWARDING COMPANY, INC.

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DATE: November 6th, 2009
TO: All Military Agents of National Van Lines, National Forwarding, Subsidiaries and Affiliates
FROM: Tim Helenthal, VP, Agency Services
SUBJECT: **Update from Personal Property Forum**

SDDC held a Personal Property Forum on November 4th in O'Fallon, IL, near Scott AFB where it is headquartered now. At the meeting, we received an update of where we are with the new DP3 program and an update on some other issues pertaining to the movement of shipments for DOD. Here are some highlights from our notes of that meeting.

- Since Feb. 2009, 15% of all shipments have been moved in the DP3 program.
- 20% of our military customers also have a Personally Procured Move (PPM) where the government pays the military member to move a portion of their household goods and we are paid to move the rest. All of these shipments have been moving in the 'old' TOPS program because DPS wasn't programmed to handle them. In Jan/Feb of 2010, SDDC anticipates having the programming done so that these moves can be a part of the DP3 program, which should result in more shipments moving in DP3 and less in the TOPS program.
- Another 20% or so of all shipments are short-fuse shipments. These shipments have not been a part of DP3 for several months. SDDC is getting new servers installed for the DPS program, and once that is complete, they expect to again start offering short-fuse shipments in the new program. They expect this to be completed in the Jan. 2010 timeframe.
- Adding the 15% of current shipments and the 40% possible from the short-fuse and PPM shipments, it is easy to see that SDDC expects at least 50% of shipments moving in DP3 by February 2010.
- The programming office expects the new computer program, DPS, to be 'fully capable' to handle all shipments by the beginning of the 2011 fiscal year (FY11) which begins on October 1, 2010.
- SDDC is trying to dramatically back away from 3rd party services. They have stated they will no longer pay for any 3rd party crating. They will only pay the crating charges in the tariff. Please make note of this. We continue trying to convince SDDC that this is not the best way to ensure that their customer's household goods are protected.
- The Customer Satisfaction Survey response rate continues to be an important topic. On shipments moved in the TOPS program, the response rate is nearly 30%. On shipments moved in DPS, the response rate is closer to 12%. SDDC reports that they have had seven consecutive months of increasing response rates and are hopeful that they can continue this trend. They have a contractor that is placing between 250 and 400 calls per day to try and get customers to fill out their surveys.
- Even though the rate of response is rising, SDDC reports that only 30% of TSPs have achieved 'statistical validity'. Since 70% of TSPs aren't valid we believe this is one of the most critical items to address.