



MOVING FORWARD

2020 Fall Personal Property Forum

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FUEL SURCHARGE

ON SEPTEMBER 8, 2020, THE NATIONAL AVERAGE FOR ONE GALLON OF DIESEL FUEL WAS ANNOUNCED BY THE D.O.E AT \$2.435.

TARIFF	09/15/2020-10/14/2020
NVL100	4%
GSA-01	FORMULA BASED
D19/400NG	0%

USTRANSCOM J9 held their Personal Property Forum virtually on September 15th and 16th. Four virtual sessions were offered and very well attended with participants from J9, the Services, JPPSOs and Industry. The new format offered morning and evening sessions allowing for worldwide input from Europe to the Pacific. Overall, there was an improved format when compared to the Spring PPF.

A lot of the discussion focused on changes to the 2020 DP3 Program as well as the proposed changes for 2021.

Below is a summary of the important topics that were discussed during the forum.

2021 Changes

Code 4 Special Solicitation

The most discussed topic during the forum was the proposed Special Solicitation (SS) for Hawaii, Okinawa and Spain Code 4 channels. Under the SS, all shipments moving into and out of these locations would be handled by a single TSP. The DOD has identified these areas as having capacity issues and do not believe the current program with 100 TSPs is gaining access to the capacity needed to service shipments during the peak time of the year. A working group has been formed to further examine this proposed change.

Saturday Customer Service Hours

Under the proposed changes for 2021, TSPs would be required to provide customer support during normal work hours on Saturdays. J9 strongly believes that enough pickups and deliveries occur on a Saturday that this level of customer support is warranted. J9 also made it clear that under the posed change TSP/agent must provide Saturday customer support for normal workday hours in the location of the customer, not the location of the TSP.

2020 Changes

Inconvenience Claims – Timely Delivery from SIT

Under current regulation, a TSP is required to deliver a shipment out of SIT within 5 government business days (GBD). The 5-day spread is expanded to 10 GBD when the delivery is requested between June 15th and August 15th. Failure to meet these delivery timelines results in the TSP having to pay an inconvenience claim to the service member for each day beyond the permitted window. During the PPF, there was a surprising interpretation offered by J9 that basically removed the window of time permitted if the customer's requested date exceeded the 5 or 10-day spread offered. After back and forth discussion, J9 agreed to further engage on this and come up with a policy that both sides could agree to.



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Required Reweighs

Reweigh statistics were provided stating only 62% of required reweighs were being performed. Domestically, the numbers are better than Internationally but both are unacceptable to J9 and the Services. J9 stressed to the services the importance of collecting the \$400 nonperformance fee.

Reporting of Data

While touching several areas including ETAs and other critical data points, the Services continue to plead for better/timelier entry to DPS of the critical QA data points. The JPPSOs feel they are missing opportunities for QA which results in missed opportunities to resolve issues for both the customer and industry.

Links to the slides from the PPF can be found [here](#).



Update on the Global Household Goods Contract

At the time of this writing, we are awaiting GAO's decision on the second round of protests after USTRANSCOM's decision to re-award the massive Global Household Goods Contract (GHC) to American Roll On Roll Off Carrier Group (ARC).

The initial protests, from HomeSafe Alliance LLC and Connected Global Solutions, LLC included the purported failure of ARC to disclose that its parent corporation had pled guilty to fraud and anti-trust violations, and that three of its owner's executives were indicted for price fixing. Following a ruling from GAO, USTRANSCOM agreed to reexamine their decision to award the contract to ARC, but on June 29th, within two weeks of agreeing to reconsider, the contract was re-awarded to the same bidder.



ARC indicated they had accidentally chosen the wrong company from a drop-down menu—a mere clerical error. This explanation was accepted by USTRANSCOM, who promptly re-awarded the contract to ARC.

On July 13th, the original protesters filed a new round of protests. ARC then filed a motion with GAO to dismiss the protests. However, GAO declined that request, which would seem indicative that the new protests at the very least have some merit for consideration. After GAO declined to dismiss the new protests, attorneys from HomeSafe and Connected Global Solutions (CGS) were granted access to the full winning proposal from ARC and were granted access under a protective order, meaning that the information cannot be made widely available to the public.

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As a result of information, the attorneys found in the proposal, both HomeSafe and CGS filed supplemental protests, on August 17th and 24th respectively. The newer protests included a reiteration that ARC failed to disclose criminal conduct, and also pointed out the cost of the winning bid exceeded the next qualified bid by two billion dollars.



According to an [August 4 article on Military.com](#), New Jersey based ARC is owned by Wallenius Wilhelmsen ASA (WWASA), a Norwegian-Swedish shipping company formed in 2017. WWASA also owns Wallenius Wilhelmsen Logistics (WWLAS), who paid nearly \$100 million in fines in 2016 for conspiring to fix prices and rig international cargo bids in the port of Baltimore and elsewhere. The article also reports the current chairman of the board for ARC's parent company represented WWLAS in the 2016 court proceedings in the United States.

Questions over criminal conduct were echoed by lawmakers, including Rep. David B. McKinley, (R-W.Va.), who stated in an August 4 letter to the House Armed Services Committee that the "decision to accept a higher priced bid, from a subsidiary of a foreign-owned company with a questionable track record, is deeply troubling." Rep. McKinley disagreed that the failure to disclose was a mere clerical error, stating "just two weeks of review is not a serious reconsideration."

Sen. Thom Tillis (R-NC), a member of the Senate Armed Services Committee, echoed these concerns according to an [August 4 article in Military Times](#), questioning whether the allegations were fully vetted by USTRANSCOM, and stating "failure to accurately disclose ownership and a criminal history makes a bidder ineligible for the award." Senator Tillis also had serious questions over whether ARC and its subcontractors had the ability to handle the type of volume that the GHC would demand.

Tom Schatz, the President of [Citizens Against Government Waste](#), provided in his [August 6th opinion piece for Federal News Network](#) his own view of the relationship between ARC's parent and the company associated with criminal conduct, stating "It defies common sense to argue that this is anything but a single, vertically integrated operation under the same ownership." Mr. Schatz also questioned in general the wisdom of handing over the entire program to a single entity.

Where things stand now

GAO has 100 days to make a determination on the 2nd round of protests, meaning they must render a decision by October 21, 2020. In addition, the supplemental protests which HomeSafe filed on August 17th and CGS filed on August 24th is each subject to a 100-day clock just as the initial protests are. While they may make this decision at any time, it is our understanding that they are typically running close to the 100-day window. This may make it difficult to get the new program started prior to peak season 2021, and in a [July 14 article for the Military Times](#), John Becker of the American Moving & Storage Association indicated the protests could push back the start of the new contract to October of 2021, regardless of which contractor prevails.

Finally, the above referenced Military Times' article also points out that even if GAO denies the protests, there would remain the option of the U.S. Court of Federal Claims.

Masks and Health Form Requirements

COVID-19 continues to have an impact on daily life, as well as the military household good industry. Masks and the Certification of Health Form continue to remain requirements when servicing military shipments.

Masks need to be worn at all times while servicing a shipment. This regulation is being treated with regulations similar to those of smoking; masks are to be worn at all times while in the home, and within 50 feet of the residence and household goods. This means that masks must be worn in the truck while loading items as well. When crews need to take a break, take a drink, or eat lunch, they should be greater than 50 feet from the home, truck, and household goods, while maintaining social distancing in accordance with CDC guidelines.

The wearing of masks is not an optional requirement, even if the service member says he/she doesn't care if the crews wear masks. In addition to this not being optional for crews, the service member and his/her family are also required to wear masks. If the member and/or his/her family refuse, please contact NFC ASAP so we can contact the local base.

The Certification of Health Protection Protocol form also remains a requirement for each day a shipment is serviced. This not only includes the day of the pre-move survey and packing/loading, but it is also necessary at destination for delivery – whether out of SIT or on a direct delivery. The form must be completed and presented to the member before any work begins each day. The form must contain all of the names of the individuals working at the residence that day, and be signed by the agent's dispatcher or by the crew leader. The crew should have two copies each day: one copy for the member and the other copy to keep and provide to NFC.

NFC's Do's, Don'ts and FYI's Regarding Origin Crating & 3rd Party Services

2020 has been an exciting year for NFC as we took on arranging all Origin Crating and 3rd party services. Effective as of 5/15/20, we're a few months in and are starting to see some common questions and practices taking place. In hopes to provide clarity, we've put together some helpful tips to address the most frequently seen concerns regarding these services.

- **DO advise NFC Preapprovals** of all date changes when you are aware a shipment contains origin crating and/or 3rd party services. Failure to do so can result in coverage issues and possible overflows.
- **DON'T** service or pack an item in which you've received notification a 3rd party order has been placed.
- Origin crating and 3rd party services can take place at any time, **up to and including load date**.
- 3rd party scheduling is handled directly between the 3rd party and the member. ETAs are provided to the customer by the 3rd party, **on the actual morning of service**.
- The customer is sent an email at the same time the agents receive notification an order has been placed, advising them what items are on the order and providing them the 3rd party contact info.
- **DON'T** forget to note crating and/or Origin 3rd party requests on the [NFC Pre-move Survey Certification Form](#).
- **DO contact NFC Preapprovals** with any questions or concerns regarding Origin 3rd party services at preapprovals@nationalforwarding.com.

Automatic Reweighs

One of the most impactful rule changes for the 2020 Peak Season has been the implementation of automatic reweighs. This reweigh requirement has dramatically increased the number of reweighs being performed, as well as placed added responsibility on the agents and drivers to be cognizant of shipment details.

- Standard reweigh requests can still come through situationally.
- Automatic reweighs are required on all shipments over 12,500 lbs.
- Shipments less than 12,500 lbs. may be subject to an automatic reweigh based on the member's weight, rank/grade, and dependent status as outlined in the chart below. (I.E. an E-5 with dependents, with a shipment weight of 8,200 lbs. would qualify for an automatic reweigh. The rank and dependents can be found in Block 10 of the GBL.)

Reweigh Table - DP3 Per Shipment Automatic Reweigh Thresholds (Pounds)			
	Grade	With Dependents	Without Dependents
1	O-4 to O-10, W4-W5, Civilians	12,500	12,500
4	O-3 or W-3	12,500	11,700
5	O-2 or W-2	12,150	11,250
6	O-1, W-1, or Service Academy Graduate	10,800	9,000
7	E-9	13,500	11,700
8	E-8	12,600	10,800
9	E-7	11,700	9,900
10	E-6	9,900	7,200
11	E-5	8,100	6,300
12	E-4	7,200	6,300
13	E-3 to E-1	7,200	4,500
14	Aviation Cadet	7,200	6,300
15	Service Academy Cadet or Midshipman		315

Failure to perform an automatic reweigh on shipments over 12,500 lbs., or based on the above chart, will lead to a \$400 government-imposed penalty which may be charged back to the agents that fail to perform the reweigh.

NFC sends automated emails to the hauler, and D/A if going to SIT, to remind of the automatic reweigh requirement once we get the weights. We also pre-emptively notify of automatic reweighs prior to the shipment being serviced in our "ETA emails." The email will say "reweigh if >=XXXXX lbs."

As a note, the above also applies to NTS shipments. An origin weight when picking up a shipment out of NTS, even if it releasing from your NTS warehouse, IS NOT a reweigh. ALL NTS shipments must be weighed after loading from NTS, and may still be subject to a destination reweigh based on the criteria outlined above. NTS weights cannot be used, as that weight was obtained prior to the issuance of the GBL generated to release the NTS shipment.

Claims Liability Business Rules are in Full Swing!

The new Claims Liability Business Rules are now in effect for all shipments **picked up on 5/15/2020 and after**. Please make sure you're aware of these impactful changes:

Inconvenience Claims for Missed Pickups or Missed RDDs - Inconvenience claims will be based on the member's per diem rate for meals and incidentals for the DoD customer only at 100% per day. The service member must file a claim with the TSP for payment. The maximum amount owed to the service member, without receipts is limited to 7 days, and in no case will payment be for less than the 100% rate for the number of affected days. Out-of-pocket expenses, exceeding the baseline rate outlined above, requires the submission of itemized list and receipts. An inconvenience claim is also due to member if shipment is put into SIT without notification. An inconvenience claim is not due if the member cannot accept a direct delivery on the first available date, or if the shipment goes into SIT – unless the delivery out of storage is not made within 5 business days (off-peak season) and/or 10 business days (peak season).

Residence damage - Service members are required to report residence damage within 5 GBDs for both origin and destination addresses.

Performance requirement - Not necessarily claims related, but we are required to return missed calls/voicemails to the service member and/or government within the same business day that the message was left.

Notification of loss/damage - Service members will now have 180 days to note loss and damage with the TSP – **note that this applies to shipments picked up on 5/15/2020 and after!** If you still have a stockpile of 1850/1/51s with the '75 days' to report loss and damage, please scratch out this information and handwrite '180 days.' We understand it will take some time for previous stockpiles to run out, but we are still required to provide accurate information, even if '180 days' is written in. Also, of note, TSPs are now required to notify the member at delivery of the 180 days rule three times: At delivery on the 1850/1851; then again at 60 days after delivery; and one more time at 150 days after delivery.

Authorizing repairs to damaged items on a claim - Repairs are now 'at the customer's option,' meaning that if we have the repair cost for a damaged item, it is up to the service member if they want the TSP to authorize repairs and pay the repair firm; or the member can request to accept a direct payment for the full repair cost, with no reductions.

High risk/High value items locked in safes/storage containers - TSPs will not be held liable for high risk/high value items in locked safes (or other locked storage container) if they were not declared to the TSP or annotated on the inventory; so please make triple sure to have your crews inventory anything left in locked containers!!!

Change in timeline to settle claims – TSPs are now required to make an offer on claims **\$1,000 and under within 30 days of the claim being filed**. All other claims need to be settled within the 60 day limit as we previously worked on. It is extremely important for ALL origin, hauling and delivery paperwork, including riders, paperwork to be sent to us as immediately as possible – otherwise, we will be forced to review and settle claims without all documentation, which may lead to incorrect agent chargebacks.



If you have any questions, please call our Claims Department at 800-325-6889 to discuss!!!

WHAT OUR CUSTOMERS ARE SAYING

Positive Customer Satisfaction Survey Comments

The driver was awesome.

Hauler: Hampton Roads Moving & Stg, Suffolk, VA

The team that loaded us out, both ends were just great at the move.

Origin: Lippincott Moving, North Haven, CT,

Destination: Ackley Enterprises, Poway, CA

Out of 12 moves you were our best moving company. TSP at Fort Belvoir was also fantastic being able to adapt to COVID.

Origin & hauler: Cornerstone Moving & Storage, Fredricksburg, VA



This was our 5th Cross-Country PCS and by far the best experience we had. The TSP was courteous, professional, and timely. Everyone, from the packers, to the loaders, and the driver, went above and beyond and took GREAT care of us. Virtually everything arrived at our new home unscathed.. in fact, the only thing we found broken in our entire shipment was a single wine glass... which is absolutely amazing. I am beyond happy with this move and the services provided. Thank you!

Origin: Allstate Van & Storage, Oceanside, CAL

Hauler: Gerber Transfer, Bonner Springs, KS

Both ends were both helpful, professional, and friendly. They made it really easy for the service member.

Origin: Barstow Transfer & Storage, Barstow, CA

Destination: Action Mobility, Bossier City, LA

The pick up teams was very helpful and patient with all the problems we had with getting them on to base. The delivery guy was great. He was on time and kept in contact with me. I am completely happy.

Origin & Hauling: Woodland Moving & Warehouse, West Hartford, CT

Excellent service throughout the HHG experience. Would recommend this company for future moves.

Origin & hauling: J. Barber Moving & Stge, Fredericksburg, VA

Zach from Lone Star Moving was excellent. Very professional, competent, and friendly. He made the process run with smooth efficiency. One of the best moves we have had because of his attention to details.

Hauler: Lone Star Van Lines, Fort Worth, TX