

NATIONAL FORWARDING CO., INC.

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DATE: October 16, 2018

TO: Agents & Haulers of National Forwarding Co., Inc. & Affiliates

FROM: Michael Wilson, Director, DoD Programs

SUBJECT: Household Goods Code 2 Rollout

Recently, USTRANSCOM announced a Concept of Operations for a HHG Code 2 Rollout. The CONOPS mandates that by December 1, 2018, any Domestic shipment that does not have a delivery address on the GBL will be booked as a Code 2 shipment. This could potentially lead up to 50% of all domestic shipments to be booked as Code 2.

Click here to read in detail the Concept of Operations for the HHG Code 2 Rollout.

A soft roll out will begin on Nov 1 on shipments moving from:

- US25 (Virginia) to Region 6 (Texas, Oklahoma, Arkansas, Louisiana)
- US66 (Texas-North) and US 68 (Texas-South) to Region 10 (Virginia, West Virginia, District of Columbia, Maryland, Delaware)

National Forwarding Co., Inc. is strongly opposed to this aggressive "one size fits all" approach that has resulted from USTC's Claims Reduction Initiative. We feel strongly that this approach carries severe unintended consequences and negative impact to our industry.

NFC has been and will continue to be in contact with USTRANSCOM and the Associations regarding this CONOPS. However, we encourage you as an agent to submit your comments to them at transcom.scott.tcj5j4.mbx.pp-ops@mail.mil and to your Associations.

We must however continue to position ourselves accordingly and assume this rollout will take place. Please reply to this email and advise if you are in a position where you are able to service inbound and outbound Code 2 shipments tendered to NFC.

Thank you for your service and for taking the time to provide feedback on this matter. If you have any question or concerns, please do not hesitate to contact us.

MDW/sc