NATIONAL FORWARDING CO., INC. MODULATION MODULATION September 2014 Proudly Serving Military Families

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Review of Peak Season 2014

The information presented below is drawn from SDDC's Annual Peak Season "Hotwash" as reported by Scott Michael, Acting President & CEO, AMSA, at the AMSA Fall Board and Committee Meetings held in Washington DC on September 17 through 19. We also relied on information from Chuck White, Director, Military and Government Relations, IAM, as well as SDDC communications and our own experience this summer.

Shipment Volume

With 158,737 shipments awarded between May 15 and August 31, shipment volume was pretty much in line with the average over the last two summers. Shipment awards by market are as follows:

Domestic (dHHG)	International (iHHG)	Int'l Baggage (iUB)
84,323	44,498	29,416

Customer Satisfaction Scores

Industry average customer satisfaction scores have continued to improve indicating high levels of customer satisfaction. Average scores by market for the last three performance periods are as follows:

	5-15-14	8-1-14	10-1-14
dHHG	83.31	84.75	86.21
iHHG	81.20	81.97	82.34
iUB	86.06	86.26	86.43

DPS Enhancements

CACI is finishing up their first year of the DPS contract. Indications are that they have gotten off to somewhat of a slow start which is expected to delay some enhancements to DPS. That is unfortunate, but is not altogether unexpected in light of the difficult handoff from the previous DPS contractor. The following are DPS changes/enhancements planned for the future:

- **Dec 2014:** New rate filing interface. Bulk rate filing will not be impacted.
- Fall 2015: Changes to DPS user roles and document imaging capability.
- Fall 2015: Internet Explorer 10 or 11, Google Chrome and Mozilla Firefox will now be compatible with DPS.
- Fall 2015: The imbedded link in Customer Satisfaction Survey emails sent to service members will be reinstated. The link will take the customer to the DPS website and, once they sign in, directly to the survey.

Review of Peak Season....continued

- Fall 2015: The military services have asked that the questions pertaining to the PPSO be removed from the survey because of confusion on the part of the service member. We believe that removing those questions will inject additional confusion on the part of the service member.
- 2016: NTS will be added to DPS.
- 2016 or 2017: A new claims module will be available.
- 2017 or 2018: DPM will be added.
- Indefinite: A two-way interface added to the shipment management module.
- Indefinite: Refused shipments automatically offered to the next TSP.

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Punitive Actions

SDDC would like to make sure that punitive actions are taken on a uniform basis by all PPSOs and see the focus shift from paperwork violations to quality issues. NFC has seen an overall improvement but there are still some problems in certain areas. We understand that there is a certain level of frustration on the part of many PPSOs in documenting the receipt of origin paperwork. We've also seen a number of PPSOs ask for clarification before issuing a Letter of Warning or Suspension. That has been very helpful.

It was reported that a number of TSPs lost their DOD approval because they failed to meet the financial ratios. Also, TSPs must have their performance bonds and certificates of cargo liability insurance updated on a yearly basis. Failure to do so may result in the loss of DOD approval.

Missed RDDs

There has been great concern about an increase in the number of missed RDDs. Our internal data does indicate a slight increase in the number of missed RDDs but our analysis excludes shipments that are delivered into SIT at destination. We would like to see more data from SDDC outlining the parameters utilized to determine whether or not a missed RDD should be counted. When counseling our customers, we determine their availability to accept delivery at destination and we deploy our resources accordingly. **Most importantly, regardless of the RDD, TSPs must maintain open lines of communication with the customer regarding the estimated time of arrival of their shipment and enter relevant notes in DPS.** It was reported that SDDC has concerns about shipments in SIT at origin and the TSP's ability to meet customers' delivery requirements.

Long Deliveries from SIT

The use of base point city zip codes has resulted in some anomalous results when calculating charges for deliveries out of SIT. In some instances, the actual miles from the warehouse to the destination point of the shipment is more than 50 miles, but the base point city calculation does not provide for additional charges for a long delivery. On the other hand, there are some instances where the opposite is the case. Over time, things will even out.

There are other situations where a SIT approved warehouse is not available within 50 miles of Block 18 of the GBL. Under those circumstances, a long delivery from SIT should be approved. SDDC is taking this matter under consideration.

Unlimited Refusals, Expansion of Short Fuse Window and Shipment Acceptance Timeframe

These issues were discussed at the same time. Allowing unlimited refusals during the peak season has resulted in fewer service failures and increased customer satisfaction. There is some consideration to allowing unlimited refusals year round. During the nonpeak season, the only shipment a TSP will refuse is a shipment that it cannot service. It would be wise to allow a TSP with available capacity to service the shipment.

An expansion of the short fuse window would not be necessary if DPS automatically awarded refused shipments to the next TSP. The discussion indicated that most do not think this enhancement will be in place for the 2015 peak season. If that is the case, the services would like the short fuse window expanded beginning May 15 and extending beyond July 4. If the short fuse window is expanded, we have some concerns about the limitation in the number of "clicks" that a TSP can make in the short fuse queue per hour. It also appears as if there is some inconsistency in the interpretation and application of this restriction. SDDC will clarify.

Review of Peak Season....continued

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There was also discussion about reducing the time within which a TSP must accept or reject a shipment to 2-4 hours. NFC's internal policy is to accept or refuse within four hours. However, that is not always possible in light of the need to consult with origin agents in various time zones and weekends, and the fact that multiple offers are received within a very short timeframe. Any change in this area will require careful consideration. International shipments may require different guidelines. There may be unintended consequences.

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Change in DP3 rate Filing Dates

There was discussion about the possibility of changing the effective date of DP3 rates from May 15 of each year to January 1. Such a change would eliminate much of the confusion regarding booking shipments in advance for the peak season.

Code 2 Service

The expected increase in Code 2 service did not materialize. The bulk of Code 2 shipments were moving to and from Alaska. However, so-called "crate and freight" shipments did increase. For all practical purposes, we would consider them to be Code 2 shipments since they are serviced in exactly the same manner. The increase can be attributed to the continuing shortage of qualified household goods drivers. Since additional expense must be incurred in purchasing military approved lift vans, "crate and freight" services were utilized to move shipments for which a driver could not be found. The need for this service needed to be identified quickly with delivery scheduled in advance with the destination agent in order to avoid delays in delivery.

Weekly Teleconferences between Industry and SDDC

Weekly teleconferences were held between SDDC and industry. The slides which were discussed, SDDC's Peak Season Dashboard, were posted on SDDC's website and contain a lot of useful information as summer unfolded.

Open Season

SDDC previously indicated that they would hold a partial Open Season in the fall of 2014 and a full Open Season in the fall of 2015. The partial Open Season in the fall did not materialize. It is unclear as to whether or not a full Open Season will be held at the end of 2015 as previously indicated.

Was This the Worst Summer Ever?

Although shipment volume was not any greater than last year, and even though customer satisfaction continued to increase, many feel that this summer was much more difficult than last year. We attribute this to a number of factors.

a) ETA servers went off-line due to a freak weather incident. Without ETA, PPSOs, TSPs, and other stakeholders could not access DPS. It took some time for backup servers to be brought online. This caused severe problems for everyone, especially PPSO personnel.

b) The shortage of drivers has resulted in more local pickups, emergency "crate & freight" shipments and customer complaints.

c) Stricter Hours of Service (HOS) rules limited the number of hours that the driver can remain on duty, thereby limiting the most efficient utilization of already scarce linehaul capacity. The "14 hour" rule has been particularly difficult. AMSA has petitioned FMCSA for an exemption when a driver is at residence and the 14 hours of consecutive on-duty time has elapsed.

d) Base access was severely restricted due to security concerns. Personnel who previously had been able to access military installations without any difficulty were prohibited access based upon violations which occurred decades ago. We understand that SDDC and the military services do not have direct control over such security matters. Also, base commanders have a great deal of discretion in establishing their own security protocols.

Review of Peak Season....continued

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Our assessment is that this has been a very difficult summer for everyone. However, we believe that the most disruptive factor was the ETA outage, which prevented DPS access for a substantial period of time during the peak season. SDDC was encouraged to adopt a more effective backup process.

Industry Meetings

AMSA Fall Board & Committee Meetings, Washington, DC
IAM 52 nd Annual Meeting, Orlando, FL
AMSA National Safety and Operations Conference, Alexandria, VA
NDTA-USTRANSCOM Fall Meeting, St. Louis, MO
SDDC Personal Property Forum, Fairview Heights, IL
AMSA 96 th Annual Education and Conference Expo, Orlando, FL

Other Notes: Changes in AMSA Leadership

We are sorry to report that Linda Bauer Darr has resigned as the President & CEO of the American Moving & Storage Association. She was a forward-thinking leader who will be missed. Paul Oakley, Executive Vice President, is retiring at the end of October. Paul played a major role with regard to Government and Legislative Affairs. His leadership of AMPAC, AMSA's Political Action Committee, will be missed.

Fortunately, AMSA has a 21-year veteran available to step into the breach. Scott Michael, formally Vice President, Military & Government Affairs, has assumed the position of Acting President & CEO. The AMSA Board of Directors will meet at its Annual Conference in Orlando, FL in February 2015 to determine the future leadership of the organization.



This expression of sheer joy will be on the faces of future claimants, when they find out they won't have to use DPS to file their claim. That being said, it's going to take a while. Current timelines plan for a 2016 rollout. Initial meetings are already underway, and as of this writing include multiple meetings to discuss Functional Requirements.



Recording a Proper Inventory

CONTRACTOR OR CARRIER	DESCRIPTIVE INVENTO				AGE NO.NO. OF	DAGES
			Red NOS. 91	THEU 120		
National Van Lines, Inc.	NZ	TIONAL AGENT		THEU IAU	30-1	INCE NO.
Broadview, Illinois 60155	U S. DOT No. 76628		tional Van	Lines	333333	NCE NO.
AME, RANK/GRADE, SSN	F a				CONTRACTOR OR	
Smith, Joh	n E·8				6B6ACOC	
RIGIN LOADING ADDRESS	Stor of	VI:	minic Ros	ich VA	GOVT. SERVICE O	RDER NO.
123 Fake	Street	Vi	rginia Bed	cn yn	VAN NUMBER	
CSTIMPETION		5	an Diego	, CA	VAN NUMBER	
DESCRIPTIV	E SYMBOLS	1	EXCEPTION SYMBOLS	,	LOC	TION SYMBOLS
W - BLACK & WHITE TV - COLOR TV	DED - DISASSEMIRED BY OWNER P2 - PRC/PESSIONAL BOOKS	BE - BEN? BR - BROKEN	D - DENTED MO - MOTHE F - FADEO P - PEELING	SATEN SO - SOLED ST - STAINED	1. ARM 8 2. SOFTOM 1	I RIGHT 15. SEAT
- CANRIER PACKED IO - PACKED BY OWNER	PE - PROFESSIONAL EQUIPMENT PP - PROFESSIONAL NAVERS	BU - SURNED OH - OHIMED	G - GOUGED R - RUBBED L - LOOSE RU - RUSTED	5 - STRETCHED T - TORN	4. FRONT 1	0. TOP 17. DOOR 1. VENEER 18. SHELF
0 + CARRIER DISASSEMBLED V - STRETCH WRAPPED	MCU - MECHANICAL CONDITION UNICIONIN	OU - CONTENTS & CONDITION UNKNOWN	M - MARGED SC - SCRATCH MI - MILDEW SH - SHORT	ED W - BADLY WORN Z - CMACKED	6. LEG5 1	2. EDGE 19. HARDWARE 3. CENTER
NOTE: T	RE OMISSION OF THESE SYM	BOLS INDICATES GOOD	CONDITION EXCEPT FO	DR NORMAL WEAR.	7, REAR	4, INSIDE
LI ANSE DRIVER WHEE SHIPPER C. CROSS CHECK CHECK CHECK REP	ARTICLE	S	CONDITIO	N AT ORIGIN	EXC	EPTIONS (IF ANY) DESTINATION
954	5.tn . Flight	poket 1	1. Pro Gear	35#1		DESTINATION
31	Echo Deferi		· Pro Geo			
	Del C.C. PC 1	ACC IMATCINAL	· NO DEG	I ad tt.	>	
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150	ik wood Chai	n, CH, 1 G	6			
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5 11/5 6	Red Tool Box	- Full of T	OULS · LOCKE	d		
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REMARKS/EXCEPTIONS	S					
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		HER BRUND	HUSING A	UBLIN	HEINY	
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	RTY HAS BEEN RECEIVED AN					
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	ARIER OR REPRESENTATIVE (DRIVER			VER SATISFACTORILY UNI	Edward	
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Charles IV	Smith	HAI YIY	ISIGN	ATURE OF OWNER OR W	Survice	9/n/
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	Costomer to initial at left.		J	Custome	r to initial at left.	
	ERY RECEIPT					

1. List tag color and item numbers on every page

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- 2. List page numbers (1 of 3 pages or 5 of 7 pages, etc)
- 3. Agency Name
- 4. Carrier Bill of Lading
- 5. Customer full name and rank (if available)
- 6. Government Bill of Lading
- 7. Complete origin loading address
- 8. Destination address, if unknown, list city and state
- 9. Pro Gear- list carton size, item description, M(member) or S(spouse) and the weight should be listed for each individual item as constructed (C) or weight on a scale (S)
- 10. List furniture item with brief description and don't over write condition at origin
- 11. List tool boxes or dressers as full/empty or locked/unlocked with brief description of contents
- 12. Electronics should include a brief description with make, model number and serial number
- 13. Make sure the driver and customer sign and date at completion of loading
- 14. Make sure the driver and customer sign and date at the completion of delivery

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If you have never booked International shipments, consider this:

MOVING forward...6

- It is a way to diversify your business
- You will be a full service agent
- International shipments bring in additional revenue
- There is no tariff, so you set your own price

What you need to succeed:

- Knowledgeable Sales Person
- Dedicated Crew
- A Sense of Adventure

When you call us you will receive:

- Best Value Competitive Pricing
- Professional Service
- Country Information
- Customs Regulations
- Documentation Requirements
- Confident, Knowledgeable, Multi-Lingual Coordinators

Call 800-323-1963 or 708-450-2941 for your next international quote. By Land, By Sea, By Air...Anywhere!



Contest: What's your WOW factor?

Welcome to Fall! You may have begun to notice more phone calls on shipments you are handling from our office. National Forwarding Company, Inc. is being more proactive in making sure our shipments load and deliver on time. Every score counts and we are working together to make sure our agents are aware that we need excellent service, especially on our *Watch Shipments*.

We believe strongly that good communication with the customer is the key to getting a good score. We have also noticed that it is the small things that an agent does that really leave a lasting impression on the customer. These small things greatly improve our chances to get a 100 score. We have mentioned in the past that some agents and drivers are vacuuming the customer's residence before leaving. This *"Wow Factor"* treatment is the type of thing that can move a customer to complete their CSS.

We would like to know what you do to make each move the best possible move for your customers. With that being said, NFC is having a contest! Please email us at <u>nfcnewsletter@nationalvanlines.com</u> by October 1st and share one of your unique things that you do to get a 100 score. A \$50.00 Visa gift card will be awarded by random drawing and announced in our October NFC Newsletter.



WHAT OUR CUSTOMERS ARE SAYING

POSITIVE CUSTOMER SATISFACTION SURVEYS

Delivery crew was phenomenal. Delivered in 100 degree heat with no air conditioning and up two flights of stairs. They had the best attitude. No complaining. Came early too. Hauler: Midwest Moving & Storage, Elk Grove Village, IL

The driver was very attentive, concerned, and always ready to assist. He was fantastic. Hauler: Lone Star Van Lines, Fort Worth, TX

The TSP was good at origin and absolutely amazing at destination. The destination delivery team was fantastic and clearly went above and beyond. They arrived on time, brought a large crew, and accommodated all of our wishes. They were the best crew I've seen in over 23 years of military moving.

Origin: J. Barber Moving & Storage, Fredericksburg, VA Destination: Arrowdene Moving & Storage, Thetford, England

7th move and did not have a single thing broken, were professional and had contact with us through the whole move. Origin: Troy Humphrey Mov & Stor, Jacksonville, NC

Hauler: Seal Van Lines, Inc., Ft. Pierce, FL

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Of my 4 PCS military moves and 14 years of active military service, this was by far the best move I endured. Lippincott Van Lines is

absolutely amazing at what they do. They accommodated every request by exceeding my expectations. The 3 gentlemen who actually performed the work were phenomenal; Dominick (the lead), Willard and Kevin. They were very professional, knew their job and swift with perfection. Our overall weight was 11,700 pounds and I had ZERO problems (breaks, cracks, faults). This company knows their job and I highly recommend them to anybody who is moving. I will be sure (and have since the move) to recommend Lippincott to others so they can enjoy the best movers ever! Origin & Hauling: Lippincott Van Lines, Winsted, CT

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COMPANY NEWS

Happy Anniversary

MOVING forward...s ~

September 9	Maggie Obediah
September 12	Deanna Munizza
September 16	Jill Finnigan
September 29	Linda Griffin

1 year	Move Manager
8 years	Authorizations
1 year	Director, Sales & Operations
34 years	Administrative Services Manage

<u>Welcome to the World</u>

Andrew Edward Kazmiersky, born on August 22, weighing in at 8 lbs., 2oz. Proud grandmother is Pam Johnson, our NFC claims manager.

<u>Twitter</u>

Follow us on Twitter @NFC_Inc. We provide daily tweets on happenings at NFC, the DOD Personal Property Program, SDDC and more!

Departmental Email		Specific Task Email	
Operations	nfcoperations@nationalvanlines.com	Origin Agent Invoice/Ppwk	Origin-docs@nationalvanlines.com
Move Mgt.	movemanagers@nationalvanlines.com	Hauling Invoice/Ppwk	Hauling-docs@nationalvanlines.com
Agency	agencyservices@nationalvanlines.com	SIT Invoice/Ppwk	Storage-docs@nationalvanlines.com
Billing	nfcbilling@nationalvanlines.com	Pre-move Surveys	premovesurveys@nationalvanlines.com
International	international@nationalvanlines.com	Preapprovals	preapprovals@nationalvanlines.com
Claims	ncs@nationalvanlines.com	Pickup Weights	originweights@nationalvanlines.com
Administration	admin@nationalvanlines.com	Tonnage List Request	nfctonnage@nationalvanlines.com
	·	International Quotes	quote@worldrelocations.com
		Clearing & Delivery Info	nfcoperations@nationalvanlines.com
		Notice of Delivery out of SIT	movemanagers@nationalvanlines.com

Departmental and Specific Tark Emails