

NATIONAL FORWARDING CO., INC.

2 8 0 0 R O O S E V E L T R O A D - B R O A D V I E W, I L L I N O I S 6 0 1 5 5 Telephones: (708) 345- 0550 1-800-323-9125

Fax: (708) 345-9112

April 26, 2019

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

FROM: Eileen Sherman, Executive Vice President, Operations

SUBJECT: Shipment Refusals Going Live

This morning USTRANSCOM sent <u>Advisory #19-0057</u> and <u>Concept of Operations for 2019</u>
<u>Peak Season Shipment Refusals</u>. These documents outline shipment refusals, which will become effective on <u>Monday</u>, <u>29 April 2019</u> on shipments picking up from 15 May to 31 August.

The Concept of Operations outlines the criteria for shipment refusals on domestic shipments:

- The refusal window is 4 hours (a welcome change from 2 hours previously ustranscom)
- Punitive action may result if a shipment is refused after the 4 hour window

For international shipments, the following will apply:

- TSPs will have 12 hours to refuse a shipment
- The shipment will auto-reoffer after those 12 hours

We are asking our agents to **RESPOND WITHIN 1 HOUR** of receipt of a shipment offer from NFC. Unfortunately, we are going to have to move on to another agent if we do not hear from you within that time.

Per USTRANSCOM, this initiative does not provide "unlimited refusals" environment, meaning we still must maintain blackouts in saturated areas. Please continue to send your DOMESTIC blackouts to blackouts@nationalforwarding.com, and INTERNATIONAL blackouts to blackouts@nationalvanlines.com, so that we can closely monitor shipment offers. If you have any questions, please feel free to reach out to us.

USTRANSCOM Personal Property Advisory #19-0057

Date: 26 April 2019

From: USTRANSCOM, Personal Property Division (J4-H), Scott AFB, IL 62225

To: All Military Service Headquarters Representatives, Worldwide Personal Property Shipping Offices (PPSO), Personal Property Processing Offices (PPPOs), and DoD Approved Personal Property Transportation Service Providers (TSPs)

Subject: Defense Personal Property Program (DP3) Shipment Refusals during 2019 Peak Season

- 1. Effective 29 April 2019, USTRANSCOM will allow the TSP to refuse shipments, within prescribed timelines, offered with pickup dates between 15 May and 31 Aug 19 without punitive action. For further guidance on the refusal process see the CONOPS attached to this document.
- 2. Under the PPSO user role, PPSO shall turn on the reoffer function by updating the status to enable.
- 3. PPSOs and TSPs shall use the CONOPS to guide them through the process of executing the refusal process. USTRANSCOM will evaluate the impact of refusals and reserves the right to update the criteria, if required.
- 4. Questions should be directed to TCJ4-H at transcom.scott.tcj5j4.mbx.pp-ops@mail.mil.
- 5. Please report technical issues to the DPS Systems Response Center (SRC) at:
 - a. Email: usarmy.scott.sddc.mbx.g6-src-dps-hd@mail.mil
 - b. Telephone: Toll free (800) 462-2176; Commercial (618) 589-9445, Option 5.
 - c. Internet: https://src.service-now.com/src
- 6. This message is approved for release by the Chief of Operations, Defense Personal Property Program, TCJ4-H.

CONCEPT OF OPERATIONS

FOR

DEFENSE PERSONAL PROPERTY PROGRAM (DP3)

SHIPMENT REFUSALS DURING THE 2019 PEAK SEASON

I. Purpose

This Concept of Operations (CONOPS) provides the procedures to implement shipment "refusals" in the DP3. Unless otherwise stated, DP3 shipments will be executed following the transportation guidelines outlined in the Defense Transportation Regulations (DTR), 400NG, and other DP3 business rules and instructions. The goal of this change is to allow the Transportation Service Providers (TSP) time to assess shipment capability and reduce unnecessary use of DPS blackouts, with the intent of opening up capacity and providing better service to our DoD customers. This initiative is in response to the Moving Industry's feedback that refusals will increase capacity and improve customer service.

II. Scope

For shipments awarded with a pickup date between 15 May and 31 August 2019, this CONOPS will allow refusals. During this period, the following provisions will be temporarily suspended as outlined DTR Part IV, Chapter 402 rule which states: "Shipment refusals are not allowed in the DP3 (except for short-fused shipments or shipments with RDDs less than the established days) because of the utilization of TSP blackout dates. If a TSP refuses a shipment, the TSP may be declared ineligible to receive shipments in that PPSOs market for 30 calendar days."

III. Assumptions

- a. This initiative does not provide an "unlimited refusals" environment. TSPs should refuse a shipment when capacity is exhausted and availability cannot otherwise be managed by blackouts.
- b. TSPs will continue to actively manage their blackouts.
- c. System Change Request 6975, implemented in 2014 will result in fewer unnecessary blackouts when capacity exists. For reference, TSP Blackout usage is listed in Table 1.

Year	Total Blackouts	3 way blackouts	2 way blackouts	1 way Blackouts
2014	4008	218	1382	2408
2015	6994	947	2946	3101
2016	5878	835	2420	2623
2017	5616	1001	2226	2389
2018	6439	1018	2583	2838

Table 1. DP3 Blackout Usage (2014-2018)

- d. Refusals should decrease the number of overall blackouts to pre-2015 levels. It is expected that granular (2-way and 3-way) blackout types to remain above the low 2014 numbers, given TSPs experience in utilizing blackouts.
- e. An optimal mix of blackouts and refusals will provide access to more capacity, which will provide a better move experience for the DoD customer.
- f. The following parameters in the Defense Personal Property System (DPS) are able to be modified to one standard for all shipments: "timeout" duration for shipments (1-24 hours); duration a shipment remains in the auto-reoffer queue (1-72) hour; and number of refusals allowed (1-350) during each instance in the auto-reoffer queue.
 - i. These parameters will be set to one value, for both the domestic and international markets, as follows:

a) Shipment Timeout: 12 hours

b) Auto-reoffer queue: 72 hours

c) Number of Refusals: 50 refusals

ii. The domestic and international markets have different refusal windows (section IV.b and c). Due to DPS limitations, the timeout must be set to the highest authorized refusal window (international) and the lower refusal window (domestic) will be monitored for compliance, but will not automatically timeout.

IV. Criteria for Allowing Refusals

- a. PPSO will enable the "auto-reoffer" capability in DPS immediately.
- b. Domestic Shipments: TSPs will be given 4 hours to refuse a shipment. Since auto-reoffer on the shipment will not occur until the 12-hour timeout window (section III.f.ii), refusals after the 4 hours or allowing the shipment to timeout may result in punitive actions.
- c. International Shipments: TSPs will be given 12 hours to refuse a shipment. After the 12 hours has lapsed, DPS will timeout, assign the TSP an administrative shipment allocation and auto-reoffer to the next TSP.
- d. A shipment will be in the auto-reoffer queue for 72 hours or 50 refusals, whichever occurs first. If the shipment is not accepted during this time, the shipment will be returned back to the PPSO Outbound Award queue for action.

V. Implementation of the Initiative

- a. This initiative will be advertised via DP3 Advisory.
- b. This initiative shall be implemented effective 29 April 2019.
- c. USTRANSCOM will evaluate the impact of refusals using the metrics listed in Section VIII and reserves the right to change or suspend this CONOPS at any time.

d. USTRANSCOM will provide updates on this initiative during the weekly peak season calls.

VI. TSP Considerations

This initiative allows TSPs to maximize their capacity, but should not be viewed as an opportunity to leave blackouts un-managed. TSPs should plan for appropriate staff to communicate across their networks and actively maintain a balance of blackouts and refusals. TSPs should use granular blackouts (2-way and 3-way) when their capacity diminishes instead of relying on refusals. Failure to do so may lead to a negative customer experience and place unneeded risk on the success of this initiative.

Data will be analyzed for trends that circumvent the assumptions listed in Section III, such as "cherry-picking" shipments based on weight, refusing all shipments in a region that is not blacked out, etc.

VII. PPSO Considerations

Successful implementation of the refusals initiative requires that Personal Property Shipping Offices (PPSO) follow the guidelines of this CONOPS. This initiative will leverage the DPS auto-reoffer capability, which must be turned on by a PPSO Outbound user role under each GBLOC by toggling in DPS Shipment Management. Once this feature is turned on by a PPSO Outbound Supervisor, it remains on for all users within that GBLOC.

Refusals may cause a delay in shipment award, but TSPs who accept the shipment should be better equipped to service the shipment. PPSOs should review the metrics and provide feedback to USTRANSCOM to address issues as they arise.

VIII. Metrics

TCJ4-H will review the following metrics to determine if this initiative increases capacity and improves the customer experience. Adjustments to this CONOPS may be implemented based on data analysis.

- a. Customer satisfaction (scores, complaints, feedback)
- b. TSP Blackout usage by volume and type (e.g. one way, two way, three way combinations by month)
- c. Refusal volume and type (e.g. refusals by weight, location, etc.)
- d. Short fuse percentages
- e. Shipment offer handling time (time from first offer to award date)
- f. Short fuse expansion (e.g. if needed, start date & duration)
- g. Cost
- h. Turnbacks, missed pickups, shipments at origin passed RDD, etc.

IX. POC:

USTRANSCOM J4-H, Personal Property Division. Email: transcom.scott.tcj5j4.mbx.pp-ops@mail.mil.

Lisa B. Ryan Politically signed by RYAN.LISA.B.1087859521 Date: 2019.04.26 10:16:54 -05'00'

LISA B. RYAN, Lt Col, USAF Chief of Operations Defense Personal Property Program