



UNITED STATES TRANSPORTATION COMMAND

508 SCOTT DRIVE
SCOTT AIR FORCE BASE, ILLINOIS 62225-5357

13 Jul 19

MEMORANDUM FOR RECORD

FROM: TCJ4-H

SUBJECT: DP3 & Industry Open Discussion Minutes (18 Jun 2019, 1300 CST)

1. ATTENDEES: 13

- USTRANSCOM TCJ4-H: COL Lounsbrough, Lt Col Ryan, Mr. Martinez, Capt Harbison
- Mr. Chuck Bailey (Cornerstone Moving)
- Mr. Doug Brzezinski (Shur-Way Van Lines)
- Mr. Tim Helenthal (National Van Lines)
- Mr. Don Klein (Allstate Movers)
- Mr. Scott Kelly (Suddath)
- Mr. Steve McKenna (SIRVA)
- AMSA: Mr. John Becker
- IAM: Mr. Chuck White, Mr. Dan Bradley

2. UPDATES:

- a. DPS Latency: DPS latency issues over the past two weeks have caused operational issues within the DP3 program. COL Lounsbrough stated most of the latency issues have been resolved, although AMSA stated that they were still receiving reports from TSPs who were continuing to have problems as recently as 17 Jun. COL Lounsbrough requested the TSPs open trouble tickets with the help desk and keep TCJ4-H informed.
- b. Refusals:
 - i. TCJ4-H is seeking feedback from Industry on the impact, positive or negative, of refusals this year. TCJ4-H is also seeking suggestions for how to best measure and show that impact.
 - ii. While the JPPSOs appreciate the improvement in customer care with the auto re-offer capability, it adds additional tasks to their workload during their busiest season. This has slowed down their reaction time in dealing with difficult shipments and has increased frustration for both the JPPSOs as well as affected customers.
- c. Code 2: The Code 2 booking rate is close to 12% of all domestic shipments. TCJ4-H requested feedback from Industry on Code 2. Some frustration was raised from Industry about being required to store Code 2 shipments for several days without SIT compensation while awaiting delivery truck availability. The consensus was it works well if used on smaller shipments, less than 7,500 pounds, that are scheduled for SIT in accordance with the Code 2 CONOPS.

3. OPEN DISCUSSION:

- a. TSPs Calling Members: TCJ4-H issued Advisory #19-0070 on 22 May prohibiting TSPs from calling members to negotiate dates prior to accepting shipments. An Industry representative expressed concern the policy may be acting as a deterrent to accepting shipments, particularly in the International market. COL Lounsborough noted the intent was to prevent a customer from receiving numerous calls from multiple TSPs while their shipment was in the booking process, which can feel like a customer is being “strong-armed” into changing dates. He also noted the call prohibition did not apply to the short-fuse process. No operational impact has been noted, but TCJ4-H will monitor the situation.
- b. International Rates: It was noted that domestic rates had increased in 2019 but not international rates and expressed concern the stagnant rate structure has driven TSPs out of the market, limiting overall international capacity. COL Lounsborough noted the concern and will be keep this in mind for 2020.
- c. Volume: It was noted the July shipment volume is down from previous years, and COL Lounsborough acknowledged this year’s numbers are not what was expected. He also noted that recent weeks’ volume had been higher than normal, with this week at 110-115% above the three-year average. Mr. Martinez suggested that current booking numbers may be low because a significant number of bookings were done earlier in the year than previous years.
- d. Labor Issues: Labor continues to be a challenge for Industry. With low unemployment numbers, workers are migrating to higher-paid jobs. Driver recruitment is down, and driver wages are stagnant. Paying drivers more would help alleviate the shortage, but the “roller coaster” business volume between summer and winter makes it hard to keep drivers employed.
- e. CSS Scores: CSS scores are up 2% from last year. Due to multiple improvement initiatives (i.e., allowing refusals, increasing Code 2 usage, and attempts at smoothing demand), improved CSS scores are difficult to attribute to a single cause.

4. ACTION ITEMS: None.

5. The next DP3 & Industry Open Discussion will be on 16 Jul 19 at 1300L CDT. Meeting ended at 1358L.

Lisa B. Ryan
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Director, DP3 Future Operations