



PRESIDENT'S REPORT

49th ANNUAL MEETING OF THE MEMBERSHIP

INTERNATIONAL ASSOCIATION OF MOVERS

September 12 – September 15, 2011

**Hyatt Regency Denver
At the Colorado Convention Center
Denver, Colorado**

OPENING COMMENTS

As President of the International Association of Movers (IAM), I am pleased to provide my Fifteenth President's Report to the Membership of the Association, the Executive Committee, the Core Members Management Board and the Management Board of the Young Professionals (YP-35) Group.

The information contained within this report, as well as the reports of other Association professional staff members, elected Association Officers and Standing Committee Chairs during the Annual Meeting, are provided to enable the Membership to obtain an overview perspective on the current status of the Association. More important, these reports will provide information as to what the focus has been relative to the Association's energies, manpower and financial resources over the course of the last year, as well as our strategic objectives for the coming years.

NAME CHANGE

The Membership formerly approved and adopted our new name as the **International Association of Movers (IAM)** back in October of 2008.

The name change became effective on January 1, 2009, with a one year transitional period to allow the Association and the Membership to incorporate the new name, acronym and logo in operations, advertising, documentation, websites, promotional material, etc.

Two years into the process it appears the new name has become widely accepted by the members, as well as the various outside stakeholders and parties with an interest in our industry and Association.

I still hear the occasional reference to the "Forwarders Meeting," but even those have waned as the new name has been adopted by the membership and utilized in print and digital materials. We still have a few companies using the old logo, so as you spot those – please take the time to point out they should be adopting use of the new name and logo.

MEMBERSHIP

The maintenance and management of our membership is a key component of all the Association's activities. IAM's Manager, Member Services, **Ms. Julia O'Connor**, recently joined the staff bringing with her extensive experience in association database management.

Following the restructuring and reclassification of member categories in 2010, **IAM has six (6) types of Memberships**, three of which are Corporate and three that are Individual in nature, they are:

GOVERNING (formerly Active), **CORE** (formerly Associate), **SUPPLIER** (former Associate members who are vendors), **STUDENT, and INDUSTRY VETERAN**, with the **YOUNG PROFESSIONALS - (YP)** group being an adjunct and sixth category of membership.

The restructuring was primarily undertaken to provide the larger and ever-expanding segment of membership who are focused on commercial and non-military business to have the opportunity for a greater voice in the governance and direction of the Association.

Also, primarily in response to identified member needs and desires, a number of added-value benefits and services were bundled and made available to those companies wishing to maintain and/or move up to the higher Governing member category. Plus, with the creation of the new Supplier category, our vendor- focused members now have enhanced marketing capabilities to identify and promote their products and services.

Overall Membership in the two primary categories of Governing and Core continue to show reasonable growth, in spite of the slow-down in the global economy and reduced relocation volumes experienced over the past couple of years.

We've experienced moderate success in having Core members upgrade to the status of Governing members. However, as we continue to enhance that highest level of membership with added value benefits, I think we will see more companies taking advantage; plus, I believe the competitive arena will have an impact as larger groups or networks of companies come into the ranks of IAM Governing members.

A continuing bright spot in membership growth has been the Young Professionals group, reasons for which I will provide in greater detail later in this report.

As of September 1, 2011 Membership in each category is:

125	U.S. Governing (Formerly Active) Members
11	Overseas Governing Members
405	U.S. Core (Formerly Associate) Members
1615	Overseas Core Members
66	Supplier Member (new category)
206	YP-35 Members
4	Industry Veterans
4	Student Members

Total Worldwide Membership as of September 1, 2011: 2436

(In 176 Countries Worldwide)

FINANCIAL

Overview - Mr. Bel Carrington, IAM's General Manager, supported by **Ms. Jamila Kenney**, Manager of Operations and **Ms. Lane Johnson**, Member Services Associate, conduct the financial and administrative operations of the Association.

Financial (Year End) Audit – Upon the recommendation of the Independent Auditors, *Jones & McIntyre, PLLC*, and with the approval of the Executive Committee, there will no external audit conducted this year. In lieu of a 12 month audit, we will conduct a full 18 month audit following the close of the books after December 31, 2011.

This one-time change in the financial review audit process is primarily due to the revision in 2010 of the Association's Fiscal Year Reporting Period from July 1 to June 30 to that of January 1 to December 31.

New AMS and Accounting Software - Also impacting the delayed financial review is the ongoing implementation of our new Association Management System (AMS) and the installation of a new accounting software package. Additional details on the AMS project are addressed later in this report.

Nonetheless, an internal projection of financials will be available for review by the Executive Committee during the Annual Meeting.

Revenues - Total estimated (unaudited) revenues for the review period of July 1, 2010 to June 30, 2011 are \$3,818,597. Revenues were increased as a result of participation at the 2010 Annual Meeting in San Diego and an increase in overall membership.

Expenses – Total estimated (unaudited) expenses for the same period are \$3,407,923.

Cash and Investments – are \$2,989,572, as of June 30, 2010; however, this includes \$1,395,273 in pre-paid items relating to the 2011 Annual Meeting.

Total Unrestricted Net Assets, estimated as of June 30, 2011 are \$2,439,311.

2010 Annual Meeting Revenues and Expenses – A significant contributor to the Association's revenues is our Annual Meeting.

The 2010 conference held in San Diego was well-attended, with 1,740 participants, including IAM members and special invited guests. This level of attendance was nowhere near our record of 1879 set in NYC back in 2007. Nonetheless, considering the global economic pressure of the past several years, having over 1700 attendees is certainly acceptable.

The 2010 Annual Meeting generated gross revenue of approximately \$1,700,000. Expenses came in just over \$1,100,000 resulting in an acceptable return from the event.

As you can see from the comparison below the cost of conducting our annual event can vary widely from one city venue to another and is directly impacted by the number of participants in any given year.

Total Annual Meeting costs for '07 NYC	- \$1,407,888	- 1879 Attendees
Total Annual Meeting costs for '08 Hawaii	- \$ 859,023	- 1540 Attendees
Total Annual Meeting costs for '09 Orlando	- \$1,075,745	- 1729 Attendees
Total Annual Meeting costs for '10 San Diego	- \$1,136,966	- 1740 Attendees

2011 - At this point in time, we are projecting that attendance at this year's meeting in Denver, Colorado will be just over 1700. This is slightly below our targeted number of 1750, however it exceeds the 1650 participants upon which our budget for the conference is based.

ISSUE and ACTION UPDATES

DOD Personal Property Program

The IAM elected leadership and professional staff, along with its outside government affairs representatives, remain deeply focused on the personal property shipping programs of the United States Military.

Charles “Chuck” White, as IAM’s Director of Military and Government Relations, represents the IAM Membership and the entire Industry with the involved sectors of the United States Department of Defense (DOD). Important sectors within the DOD include the Office of the Secretary of Defense (OSD), US Transportation Command (USTRANSCOM), the Joint Program Management Office for Household Goods Systems (JPMO-HHG), Surface Deployment and Distribution Command (SDDC), as well as the various Military Service Headquarters and their relating Judge Advocate Generals (JAG) and Military Claims Offices.

IAM is now looked upon as the voice of the Industry and our efforts are focused on protecting the interests of both international and domestic Transportation Service Providers (TSPs), as well as the Agents and other third-party service providers who support military-oriented operations.

The Association’s staff and leadership recognize there are some individuals and companies within the membership that may feel our organization has, in expanding its DOD touch points, drifted away from its purposed origins. Some have voiced concerns that by expanding our involvement in the DOD domestic arena, we’ve withdrawn from or even abandoned the international forwarder. Others may believe we’ve not adequately supported the IAM membership that is Agent oriented.

I acknowledge these concerns. However, I believe that if there is a perceived shift in focus, it has more to do with the evolution of the DOD program and less to do with where the Association’s manpower and resources have been focused or re-focused.

The majority of program issues the government, and in turn the industry, is currently dealing with relate to the Domestic arena; therefore, this Association is motivated to engage in resolving those domestic issues, but in no way at the expense of the international sector.

Due to the nature of the Business Rules, as well as the expansion of the “managed carrier” business model, historically focused international TSPs have now also positioned themselves as participants in the domestic channels.

Various stakeholders would contend that under the current DOD Business Rules, particularly without a requirement for a formalized Agent-TSP affiliation, the atypical Agent has lost a considerable amount of leverage and control of its own operations. However, others would contend that the removal of the Agent-TSP Letter of Intent (LOI) has opened competition and allowed for participation by a greater number of TSPs.

Further, the lines continue to blur as to who is truly operating as an Agent versus a TSP.

Occasionally when faced with a dilemma or decision as to what is best for the organization or fair for the members, I find myself and the staff referring back to Article III (Purposes and Objectives) of the Association’s By-Laws.

I believe that this section of the By-Laws has never been revised or amended in the 49-year history of this organization. If you have the opportunity to review the By-Laws yourself, you’ll note that under Objectives and Purpose there is only a reference “.... *to further the public interest...and Membership.*” There is no mention of international, or forwarder, or agent – just membership.

For the sake of brevity and avoiding duplication, I will not expend a great deal of time reporting on specific military or government-related issues. I would encourage you to attend the variety of Annual Meeting sessions focused on military and government activities. Plus, I recommend you view the report of Chuck White and the various reports of the IAM Standing Committee Chairs who have an involvement with these military programs.

These reports, as well as all the government presentations during the Annual Meeting, will be posted online to our website shortly after the conference is concluded. Nonetheless, I do wish to share a few of my *personal thoughts and perspectives* on the future direction of the military programs.

My role as President of the Association is to guide and support the staff and board members in our daily efforts to influence the military and other government decision makers. Included with that role is a responsibility to be mindful of our weaknesses, recognize and utilize our strengths, and look ahead to identify opportunities and threats facing our Association and the Members, be they TSPs (international or domestic), Agents, claims adjusters, ocean carriers, port Agents, custom brokers, etc.

Transportation Operational Personal Property Standard System (TOPS)

TOPS is dead - or at least I thought it was.

For several years we've been told that the government can no longer afford the cost or security risk that comes with maintaining TOPS (the OLD program) as one of its many legacy systems.

The sun-setting of TOPS does progress forward with the majority of DOD shipments now moving through the NEW program – the Defense Personal Property Program (DP3) and its automation platform system - DPS.

However, there are a number of factors that are delaying and influencing the plan and implementation of the full operating capabilities of DP3/DPS. This mainly involves Phase III, which encompasses Non-Temporary Storage, Local Moves, Direct Procurement Method (DPM) shipments and some intra-theater type operations.

We're just starting to see signs that there may be some sort of revival of TOPS, or at least life-support to keep the (old) program around for a few more years. I believe the government has plans to invest time and money in virtualizing TOPS functionality to work in a Web-based environment, so we may soon see references to ETOPS in the future. At a minimum, there must be a means to access archived TOPS shipment information.

Recognizing there is no back-up or fall-back for DP3/DPS, maintaining TOPS is probably a prudent move. However, there is also the possibility that portions of the program (old or new) may be segregated or even outsourced, thus requiring different and separate automation systems to support those operations.

Direct Program Method (DPM)

Over the past couple of years it has been reported that DPM will be eliminated and absorbed into the DP3 program by way of creating a new small market code of service.

Now, more current information would indicate there is secondary consideration of maintaining DPM. This thinking is apparently driven by TSP capacity issues in the past two peak seasons coupled with a belief by the government that there is untapped capacity at the Agent level.

The government also appears to be exploring the use of “express” type service providers to solve some of the inherent problems with a DPM type movement; specifically the impact of FRV and the last handler rules.

A decision will have to be made one way or the other in order for the Business Rules to be written and ultimately the development of system requirements for any automation that might be supporting DPM, DP3 Phase III, or any other future alternatives.

DEFENSE PERSONAL PROPERTY PROGRAM (DP3)

Best Value Acquisition – CSS Statistical Validity:

The Defense Personal Property Program (DP3) was built on the key premise of awarding shipments to the “Best Value” service providers.

With so many other issues and concerns surrounding DP3, I no longer hear as much about the Customer Satisfaction Surveys (CSS) failing to generate the proper return rates. I do believe all stakeholders continue to suffer from what I consider is a flawed questionnaire with a propensity for a naysayer’s bias.

I know the government recognizes some of these same concerns and is working to address these issues.

In that regard, and acting under the direction of the IAM Executive Committee, the Association recently commissioned an unbiased professional statistician through a qualified university to provide a secondary look at the CSS survey and scoring process. A specific objective of the project was to develop recommendations as to whether there should be the requirement of a minimum number of surveys before a TSP could obtain a score.

The project was completed and the statistician’s formal report was shared with SDDC along with the Association’s recommendation for a minimum of 25 completed surveys/scores.

Traffic Distribution (Shipment Awards):

We are just about to complete our second summer peak season wherein the majority of shipments were awarded and distributed through DPS using the Best-Value Quality Rankings and the 5,3,2,1 distribution model. This same distribution methodology has been in place for three years for many of the DP3 international rate channels.

In 2010 it appeared higher-ranked TSPs were quickly overwhelmed as the distribution of traffic began, which led to wholesale blackouts and the pushing of shipment awards downward within the rankings. These circumstances led to a feast or famine experience that no one welcomed and which undoubtedly contributed to the operational shortfalls and impacts on the level of customer service experienced by the service members.

Conversely, having learned from last peak season, in 2011 many TSPs began utilizing blackouts way before they were overwhelmed which again allowed some traffic to flow down to the lower-ranked TSPs.

My takeaway from a review of the last two peak seasons under DPS is that the current distribution methodology does not allow for any forecasting. Specifically, the current distribution model does not allow either the TSP or the Agents who represent them any ‘orderly predictability’ for anticipated tonnage/shipments.

Until such time that the government recognizes its methodology is flawed *and* the industry can reach some type of consensus for a new distribution model, we will be faced with the same issues that have plagued us since the inception of DP3.

TSP and Agent Affiliation:

Reacting to various factors believed to be impacting capacity; it would appear the government is moving toward reinstatement of some level of declared or formalized “affiliation” between the TSPs and the Agents.

This reversal of concept and potential change in the Business Rules was signaled to the Association in the peak season Hot Wash meetings held in Virginia in mid-August.

Self-Certification - Full details will be forthcoming, however it appears the government is poised to initially implement the requirement for affiliation via a self-declared honor system. This process would require the TSP to certify in writing that it has an affiliation with an Agent for a rate area or GBLOC before the TSP files a rate.

This self-service declaration would be subject to audit by the government. There has been no disclosure of penalty or punitive actions should the audit determine no Agent affiliation exists.

Electronic Agreement - Of greater note and planned for later implementation will be an automated “Electronic Agreement” between the TSPs and Agents using capabilities to be developed within DPS.

Again, no details are known. However, it is my understanding that the DPS system would be programmed to capture and identify the available Agents servicing a rate area or GBLOC, and the TSPs would request affiliation through DPS that would have to be confirmed by the Agent – before a TSP could file a rate.

Recognizing this is a contentious issue within the industry, the Association will continue to seek clarification from the government of its concept and plans for implementation. Hopefully more information will be provided by SDDC representatives as part of their presentations during the Annual Meeting.

Open Season:

SDDC has advised that there will not be an open season or qualification period for new entrants to apply for approval as DOD Transportation Service Providers in 2011.

The next opportunity for qualifying new entrants and those currently approved TSPs who wish to expand their scope will be in 2012. This would position those TSPs to file rates that would be effective in May 2013.

Common Financial & Administrative Control (CFAC) – Domestic:

It would appear the government is poised with a plan to begin more stringent enforcement of CFAC in the DOD Domestic market. However, it is my hope and belief they will not initiate these changes for at least one more year.

Their Domestic CFAC concept would utilize the current rules (and definition) as CFAC is enforced within the International market. Primarily, Domestic TSPs which have declared CFAC relationships would not be able to file rates within the same channels. Unfortunately, this would appear to impact only those companies who are approved TSPs and have declared affiliations with other TSPs, owned or otherwise. The plan as currently conceived would have little or no impact on the companies who are not SCAC approved TSPs yet derive income from managing a number of TSPs. As proposed, the government’s plan seems to potentially violate a doctrine of fairness which the government itself has indicated is a primary tenet in extending CFAC in the Domestic market.

Since learning of the government’s plan the Association has attempted to educate the various DOD stakeholders as to the make-up of the industry and how their Domestic CFAC Plan falls short of what we believe is its objective – controlling the number of TSPs filing rates in any given channel.

Outsourcing:

For the past six years in this annual report I have updated the membership on the possibilities of outsourcing or privatizing all or portions of the DOD Personal Property Program. We are now closer to that becoming a reality than ever before.

With the introduction of outsourced programs such as the Defense Transportation Coordination Initiative (DTCI) in 2004 for the movement of DOD freight shipments and the Global Container Management (GCM) contract, as well as outsourcing the movement of Personally Owned Vehicles (POV), DOD/SDDC touts greater control, higher levels of service and countless dollars saved through what they term “cost avoidance.”

With each of the last two peak seasons and the issues related to implementing FRV and bringing DP3 and DPS to full operating capabilities, there now exists a higher level of visibility at the Three and Four Star (Generals) levels within DOD than in any time since I have been your president.

In this environment of huge DOD budget reductions, along with a number of other contributors directly related to the personal property program, the DOD leadership has asked – is there a better (or cheaper) way?

Business Case Analysis (BCA) - In May the Association held a meeting with the Office of the Secretary of Defense for Transportation Policy (OSD-TP) along with USTRANSCOM, SDDC and representatives of the Joint Chiefs Logistics branch.

In this briefing we were informed by OSD-TP that the DOD Joint Logistics Board had approved a plan and obtained funding to conduct a Business Case Analysis (BCA) for the movement of DOD household goods. The BCA would look at the feasibility of transitioning the program to be taken over by a third or fourth party provider (3PL-with DPS or a 4PL who operates on their own automated platform.)

In updates from OSD-TP we’ve since learned that the BCA has been contracted to Logistics Management Institute (LMI) and contains the tasking for a full analysis of the current program with the aim of identifying possible alternatives, as well as potential costs savings to current operations.

It is anticipated that the BCA process will be conducted over the next six or seven months with final recommendations expected in February or March of 2012.

In my opinion the BCA is primarily cost-driven, but the timing and perceived capacity issues of the last two peak seasons have made it easy for the leadership to find other justifications for the BCA. Notwithstanding, there are a number of interested parties outside of the DOD, and for that matter outside our industry, who will seize this opportunity to gain access and control over \$2.2 billion dollars worth of government contracting.

We’ve also had the opportunity to gauge the initial perspective of the various military services on the BCA and outsourcing. It’s my feeling that there is desire among the services to maintain the uniform-to-uniform touch points historically found within the PPSO/JPPSO traffic management operations. However, that takes on lesser importance in a fully regionalized program and with online counseling becoming the norm.

Are there true costs savings to be found in outsourcing? Perhaps some cost avoidance can be found in downsizing SDDC to that of a contract management entity. And yes, by leveraging tonnage to a smaller number of TSPs, the government might scrape one or two more percentage points off the TSPs’ margins.

That being said, the question remains as to whether any of these gains would be warranted by ignoring the dynamics of household goods shipping. Neither the government nor any entity outside our industry has its own organic lift to supplement or replace the trucks, labor and warehouses controlled directly by the industry.

Furthermore, the study of economics has proven that once competition is reduced or eliminated, price seeks its own desired level. This is particularly true when capacity is a controllable variable.

The government must also recognize that the industry has been in a constant state of flux for the past 12 years as the various tests, pilots and phases of reengineering have taken us in numerous directions. The BCA adds to this level of uncertainty and prevents any well-managed company from making investments in trucks and warehouses, thus only further frustrating the current capacity issues.

Even if the BCA did make recommendations and the government chose to move toward outsourcing all or portions of the program, it would still be a minimum of two to four years for a procurement to be developed, solicited, protested, re-solicited, protested again, awarded and finally implemented – and during all that time capacity will be negatively impacted.

Nonetheless, the Association and Industry must be prepared to react, or even be proactive with our own alternatives now that the government has moved in this direction.

Ms. Lisa Roberts, Deputy to the Deputy Under Secretary of Defense for Transportation Policy, will make a special presentation during the Annual Meeting and address both the BCA, as well as OSD's plans for expanding the regionalization of JPPSOs across all military services and on a global basis.

Global Regionalization Plan:

For some time now the Association has been aware of discussions between OSD-TP and the various military services to expand the concept of regionalizing the Personal Property Shipping Offices (PPSO). Just this past week formal announcement was made for future plans to consolidate 151 PSSOs into 11 regional Joint PSSOs). The plan calls for seven US based JPPSOs and four locations overseas. The consolidations are to begin in 2012 and be completed in 2016. These changes will undoubtedly affect TSPs and Agents, therefore I encourage you to be present for staff reports and Ms. Roberts overview during the Special Session.

SDDC Program Management Review:

The issues experienced over the past two peak seasons, and now with the increased possibility of outsourcing, lend greater importance to SDDC's ongoing Program Management Review (PMR). Industry was informed of the PMR during the last SDDC Personal Property Forum.

The PMR is primarily aimed at identifying shortfalls and potential enhancements in the Business Rules and DPS system that will bring about better clarity, standardization and reduced administrative burden for DOD/SDDC in managing the DP3 program.

As part of its process to develop input for the PMR, the Association invited representatives of various sectors within the industry to participate in focus group discussions back in May in Alexandria. The participants included international and domestic TSPs, van lines, local Agents, TSP management companies and third-party service providers. AMSA held a similar meeting that same week including some of the same participants from the IAM focus group.

IAM's focus group's input was later shared with the IAM Executive Committee, which in turn led to a tasking to the IAM staff to develop a letter to **Lt Col Derek Oliver**. Within the letter the Association presented numerous recommendations for improvements to the program and provided input on specific issues being addressed under the PMR.

As mentioned earlier, I believe the PMR takes on greater significance with the outsourcing BCA now in play. In order for it to be a fair analysis, the BCA needs to conduct an assessment not only of the "As Is" program, but also of the DP3 Program with any improvements currently being identified with planned near-term implementation.

Recent / Future Meetings (Military & Government Related)

National Defense Transportation Association (NDTA) - Annual Forum

September 10 - 14, 2011
Phoenix, Arizona

IAM 49th Annual Meeting

September 12 - 15, 2011
Denver, Colorado

International Shippers Association (ISA)

(Annual Membership Meeting)
September 14, 2011
Denver, Colorado

SDDC – Personal Property Forum

Tentatively set for November 1, 2011
Location TBA - Outside Scott AFB, Illinois

AMSA Education Conference and Expo

February 12-15, 2012
Las Vegas, Nevada

SDDC Training Symposium

SDDC – Personal Property Forum

March 5-7, 2012
Denver, Colorado

SDDC – Pacific Training Workshop

Tentatively planned for October 2012
Honolulu, Hawaii

(SDDC Europe now alternates its Workshop with SDDC Pacific every other year)

For other Meetings involving the Moving and Relocation Industry

– Please consult the “Industry Calendar” in The Portal and/or on the IAM website:

<http://www.IAMovers.org/calendar.html>

And you may wish to consult the Calendar of Events on the SDDC Website:

<http://www.sddc.army.mil/Events>

General Services Administration (GSA)

The Association continues to maintain contact at various staff and management levels within the divisions of GSA that manage both the GSA CHAMP Program and the Transportation Audits Division. IAM Staff regularly attend and present topics at the quarterly meetings of GSA with its Federal Agency customers, as well as hold separate meetings with the GSA-approved Transportation Service Providers.

Mr. Brian Kellhofer will be representing GSA CHAMP program at this year's Annual Meeting and delivering a briefing on GSA activities during the Military & Government Affairs Panel. Also, Mr. Kellhofer and Mr. Andrew Neilson of the State Department will be conducting a special Knowledge Lab session for those companies who are interested in learning how to become GSA (CHAMP) approved services providers. Slides from all the panel's presentations and the Knowledge Lab session will be posted on the Association's website after the conference has concluded.

GSA Transportation Audits - The Association's General Counsel Emeritus, **Alan F. Wohlstetter**, along with several Transportation Service Providers, were recently successful in supplemental law suits involving the GSA Transportation Audits Division. These cases involved pass-through billings and payment of various surcharges for security and congestion at military aerial ports.

Mr. George Thomas, formerly with SDDC, has joined GSA and now serves as Chief of the GSA Transportation Audits - Disputes Resolution Branch. Mr. Thomas will be presenting on behalf of GSA Transportation Audits during the Military/Government Affairs Panel. Mr. Thomas joins **Ms. Donna Jack**, herself a former SDDC employee, providing the GSA Transportation Audits Division greatly needed insight and experience with the DOD program and underlying DP3 Business Rules.

U. S. Department of State (DOS)

The United States Department of State has long been a constant and desired source of business for a variety of IAM members, both TSPs and Agents. The DOS continues to transition more of its shipments from control of the US Dispatch Agency to that of door-to-door shipments handled through the GSA CHAMP program.

For over a year now the DOS has been cooperating with the US Department of Defense wherein the DOS manages the majority of DOD shipments for military personnel assigned to US Embassies and Consulates around the world. It has been recently confirmed that this DOD/DOS program will continue with the potential for other destinations being added to the program in the near future.

Mr. Andrew S. Neilson, ITGBL Team Leader, DOS Transportation and Travel Management, will participate in the Military & Government Affairs Panel updating the IAM Membership on current DOS activities and future initiatives.

Congressional and Government Representation

The Association continues its long standing professional services contract with **Pace Government Relations**, a well-respected and informed firm located in the Washington, DC area.

Jim Wise, a principal with Pace, holds the responsibility to monitor, promote and advocate on behalf of IAM in all federal legislation, regulations and programs that could possibly have an effect on the Industry and the members of IAM. Mr. Wise meets regularly with IAM staff and periodically with the IAM Executive Committee.

Now assisting Mr. Wise in monitoring congressional legislation and US Federal Agency activities potentially impacting the industry and IAM membership is **Mr. Bryan Vickers**.

International Shippers Association (ISA)

The International Shippers Association is a collective buying group initially established by IAM in 1999 which now operates with its own corporate identity and Board of Directors.

The IAM professional staff provides administrative support to ISA under a management agreement. Revenues generated to IAM under this agreement average \$24,000 per annum.

The ISA also maintains a consulting agreement with **Mario Rizzo**. Mr. Rizzo works on a number of issues related to the shipping of government and military household goods, and coordinates the ISA vendors for the commercial sector of ISA.

Military & Government - ISA continues to maintain its relationship and Service Contracts with the TAAFLO and TPAFBO Ocean Shipping Conferences as well as all the American Flag ocean carriers operating throughout the world.

Activity in the ISA Military and Government sector grew substantially this past year, particularly with increased westbound movements from Europe generated by the continued gradual drawdown of troops out of Europe and the withdrawal of US Forces out of Iraq, Kuwait and Afghanistan.

Following a competitive procurement conducted in late 2010 and early 2011, the ISA Board of Directors determined to continue its Agency Service Agreements with **The Pasha Group** and **North Atlantic Services**. These two companies are the servicing Agents for the ISA military/government traffic in the North Atlantic trade lanes.

A Patronage Dividend totaling \$75,000 is in the process of being distributed to 144 participants in ISA's MIL/GOV group based on their 2010 through-put in the North Atlantic.

The Pasha Group also operates under a Service Contract and ISA Agency Agreement for military/government shipments moving in the Pacific trade lanes. The traffic volumes moving over this contract are lower than in the North Atlantic. However, ISA volumes in the Pacific are anticipated to grow due to an equalization of ocean freight rates between Code 4 and those of Code 3, the latter of which is governed by the Uniform Services Contract (USC) administered by USTRANSCOM and SDDC.

Commercial – Efforts to expand ISA's commercial offering have seen recent success. ISA maintains separate relationships with **Mallory Alexander International Logistics** and **Direct Container Lines/Vanguard Logistics** for providing NVOCC full and less-than-container load services for USA Outbound household goods shipments.

One year ago ISA signed an NVOCC Service Arrangement (NAS) with **Ocean World Lines, Inc.** Unfortunately, due to circumstances beyond its control, ISA was required to terminate that arrangement.

In late June of this year ISA entered into a new relationship under a NAS with **S.E.A Corp.** which is now offering ISA members commercial full container and less-than-container rates, as well as ocean rates for household goods for U.S. Military and Government shipments.

With the continued expansion of commercial service providers ISA anticipates a renewed interest and growth of commercially oriented members within the buying cooperative in the future.

ISA Membership is open to both IAM and non-IAM members.

As of September 1, 2011 - ISA has a total Membership of 222

ISA's website can be found at: - <http://www.isaship.org/>

Young Professionals (YP) Group

This segment of the membership serves as a focused networking group for those new in their careers and the Association.

The Young Professionals or YP is currently open to all IAM Members 35 years and under. However, once a qualifying individual has joined YP they may remain a participating member until they reach the age of 40.

The YP Management Board (YPMB) structure has one representative from the same seven geographic regions as the Core Members' Management Board (CMMB). These representatives are appointed by the YP Chair, working in consultation with the YP Vice Chair and the IAM President.

The YP group conducts online voting to elect its leadership, a Chair and Vice Chair, to serve two-year terms and conducts its election proceedings online. The YP Chair represents the interest of the group by participating in all meetings and discussions of the IAM Executive Committee.

During last year's Annual Meeting, the membership of the YP elected **Ms. Amy Nilson** as its Chair and **Ms. Amy Brewer** as its Vice Chair. These two young professionals wasted no time in developing a strategy aimed at drawing more participation into the group and broadening the group's involvement in association-related activities and other external initiatives.

For the third straight year the YP officers and all seven Regional Representatives on the YP Management Board will participate in the Joint Leadership Breakfast with the IAM Executive Committee and Core Members Management Board. The inclusion of the YPMB at the Joint Leadership meeting is aimed at developing better synergy between all the IAM governing bodies and to foster a better understanding of the needs and desires of all segments of the membership.

Also, by recommendation by the YP officers and IAM staff, it was approved recently by the IAM Executive Committee to include at least one YP member on each of the IAM Standing Committee rosters. It is hoped this will broaden the YP involvement in the activities of those important committees, as well as accelerate the development of future leaders for the Core and Governing member boards.

Free YP Memberships: As part of the reclassification and restructuring of IAM membership categories all Governing Members, under the expanded benefits package, are afforded up to three free YP memberships. I encourage you to look within your organizations to determine which of your younger employees might benefit from this free offer.

2011 Annual Meeting: Numerous new and exciting activities are planned for the YP participants at this year's Annual Meeting. Activities start off with a Welcome Reception for all YP members on the first night of the conference just before the Opening Reception. The following morning, YP members will have a special brainstorming breakfast meeting to explore various topics and future initiatives.

Later that same day, the YP will hold its membership meeting, which is built around a team-building experience that will challenge their knowledge and mechanical abilities.

On the evening of the third day of the conference, the YP will have its traditional social mixer, wherein they will gather for fun and activities focused on enhancing their networking experience.

Brian Limperopulos, IAM Programs Manager and a YP member, serves as the professional staff coordinator for the group's activities.

The YP website: <http://www.yip-35.org/> offers its members a variety of useful informational sections on the activities and programs of the group.

Each issue of *The Portal* magazine includes a full page dedicated to reporting news on the YP activities and last year the YP group initiated its own electronic newsletter "*On The Move*," which will periodically distribute news regarding the group's membership.

IAM chose once again to be a major sponsor of the "**Young Movers Conference**" (YMC) held this past May in Malta. This was the 17th year of the conference which brings together younger professionals in the moving industry, primarily from European countries. FEDEMAC, along with young movers located in the host country each year, assists with the coordination, planning and promotion of the event. Brian Limperopulos and Amy Nilson represented IAM at the YMC and Brian was afforded the opportunity to make presentations to the group on IAM, as well as customs and security issues and other topics of interest.

The IAM leadership and IAM staff continue to coordinate interest and move forward with plans for a future **Young Movers Leadership Summit**. The concept of the Summit would bring together the elected/appointed leadership of the various young professional groups within the industry, i.e., FIDI-35, LACMANext, IAM -YP, AMSA, ERC, etc., to discuss and coordinate common or shared initiatives such as the environment, ethics, communications, networking, etc.

The target date for the first Young Movers Leadership Summit is during the 2012 IAM Annual Meeting in Washington, DC. Conceptually, subsequent meetings might be held every two or three years rotating the Summit at the meetings and conferences of the other participating organizations.

The IAM Executive Committee and I are pleased to see the renewed energy being displayed by the YP leaders and its membership. We continue to pledge our support with the aim of ensuring that the IAM Young Professionals (IAM-YP) takes the lead among similar groups within the moving and relocation industries.

As of September 1, 2011 – the IAM-YP Group has a total Membership of 206

IAM Scholastic Assistance Program

Alan F. Wohlstetter Scholarship Fund (AFWSF)

The AFWSF, named in honor of the long-serving IAM General Counsel Emeritus Alan F Wohlstetter, was founded in 2002 with an initial endowment of \$35,000 provided in the name of the IAM membership. Current funding levels of the AFWSF exceed \$380,000.

This year the Scholarship Fund awarded a total of six (6) \$5,000 scholarships to IAM Member company employees and/or their dependants.

Over the past nine years the Fund has established itself as a viable non-profit (501c3) entity with its own corporate identity, Board of Directors, fund-raising efforts and promotion of the scholarships. The administrative support for the AFWSF is provided by the IAM professional staff free of charge.

Ms. Heather Engel serves as the President of the AFWSF and **Ms. Jackie Agner** as Secretary of the Fund. These two officers are supported by **Ms. Sandra Rowe Maier**, who chairs the AFWSF Fund Raising Committee.

The AFWSF Board of Directors is actively engaged in a variety of fund-raising activities, as well as an outreach program to numerous colleges and universities that offer curriculums focused on transportation and logistics as careers. The Board of the AFWSF also serves as the Selection Committee who review applications and determine the scholarship awardees each year.

I encourage you to publicize the availability of these scholarships to your employees and their dependants. Through the efforts of some of our larger members promoting the AFWSF to their employees we've benefited from the greatest number of qualified applicants since the inception of this academic assistance program.

Scholarships are available on a worldwide basis and not just for education within the USA. Two of the six awards this year went to students pursuing academic studies outside the United States; one in India and the other in New Zealand.

Applications may be submitted via <http://www.afwscholarship.org/>

2012 will be the 10th Anniversary of the AFW Scholarship Fund; therefore the Board of the Fund is planning several special activities in celebration of this milestone.

AFWSF Rustlers and Hustlers Saloon – Following up on last year's successful Friends and Fund Raiser Casino Night, the AFWSF is again inviting all participants at this year's conference in Denver to join them at the Rustlers and Hustlers Saloon. The event, styled after an Old West saloon and gambling hall, will be offering a variety of games of chance, i.e., Poker, Blackjack, Roulette and PaiGow. An expanded Texas Hold'em poker tournament will also be back by popular demand.

The event is being held right after the Opening Reception for a nominal fee which includes a complimentary beverage and "Wohley Bucks" for betting on the games. There will also be prizes including free registrations to next year's IAM 50th Anniversary Celebration in Washington, DC, as well as free hotel nights at the Hyatt Regency Denver and other desirable prizes.

Tickets may be purchased for the AFWSF Rustlers and Hustlers Saloon casino night when you pick-up your registration packets.

IAM Programs

Mr. Brian Limperopulos, IAM's Programs Manager, continues to expand the Association's outreach to the membership. Brian coordinates a number of benefits and services which the members have found invaluable to the daily operation of their businesses.

Security and Customs - Brian maintains the key responsibility to monitor and disseminate information to the membership on a wide variety of topics with a concentrated focus on customs and security issues/policies, as well as other new enforcement regulations that potentially impact our industry and shipping in general, both on a USA and global basis.

During this year's Annual Meeting Brian will report during a number of business sessions on current and future regulations that will have an impact on the membership.

Shipper Guides – In coordination with the Core Members Management Board and the Commercial Affairs Committee, Brian tracks and periodically updates various regulations involving customs and immigration in the vast majority of the 176 IAM member countries. The IAM Shipper Guides is one of the most widely visited sections of the IAM website and, according to member feedback, a valuable tool in keeping the members and their customers up to date with the ever-changing immigration, customs and security landscape.

Receivable Protection Program (RPP) - The Association initiated the RPP in 2007 and currently 109 IAM member companies participate.

In 2009/10 there were seven (7) qualified RPP claims totaling just over \$21,000.00 that were paid out to reimburse members for unpaid debts due to bankruptcy or insolvency of another IAM member. In the special six month claim period of July-Dec of 2010, there was a total of four claims, with one claim pending for a potential exposure of \$3,656.00. To date in 2011 a total of 14 RPP claims have been received.

A number of submitted RPP claims were found to be invalid because they were either submitted after the deadline and/or were for invoices billed to still viable operating entities and were determined only to be under dispute for slow payment. Based on initial review, maximum exposure to the program for claims in process is just under \$30,000.00

This year the RPP initiated a new component called the ***Invoice Dispute Resolution Process (IDRP)***. Under the IDRP a member of the RPP may request special assistance from the Association in resolving disputed invoices with other IAM members.

Slow Payer Alerts - Members of the RPP are now alerted when a new dispute is lodged with IAM alleging another member is slow in settling an invoice, thus giving the RPP participants an early notification that there may be a problem in extending credit to that alleged slow payer. Without a doubt, this is the most affordable benefit offered to our membership.

I encourage everyone to attend the Core Membership Meeting and the Knowledge Lab session on IAM Programs to learn more about the RPP, the Invoice Dispute Resolution Process and the Slow Payer Alerts and what protections you can obtain for such a minimal investment. Governing members receive a 25% discount off the RPP Initiation Fee.

Technology Partnership - Three years ago IAM received formal certification to become an ANSI Accredited Standards Developer. Since that time, IAM, through its Technology Partnership, successfully received approval from the **American National Standards Institute (ANSI)** for an American Codification (common set of electronic codes) for the transmission and communication of data within our industry.

Development of the standards has been accomplished through a globally based Consensus Committee comprised of representatives from such industry trade associations as AMSA, FIDI, PAIMA, CAM and several IAM member companies involved in technology.

The overall objective in pursuing the common global standards is to ensure there is a level playing field as well as an open and common set of standards for the application and development of technology in the moving and relocation industries.

The Technology Partnership under the coordination of Brian and overseen by Brandon Day, Chair of the Association's Technology and Communications Committee, has successfully coordinated the submission of the ANSI 'American Approved' Standards to the **International Standards Organization (ISO)** for approval and acceptance on a global basis. ISO approval is anticipated sometime in the next 12 months.

IAM Code of Ethics - The Association's Code of Ethics (COE) was established several years ago to outline generally accepted practices and professional standards to which the IAM membership should adhere in conducting business with each other, as well as with their individual customers and accounts.

The staff and the leadership of the association quickly learned that, in addition to just having a COE, there must also be a means by which the COE is administered and enforced. Without written policies and a governing body that would entertain complaints and adjudicate violations the Code of Ethics become just words on paper.

Over the past year considerable research and effort has been expended by staff and leadership, including our General Counsel Emeritus, in developing an official policy and procedures under which the COE will be administered in the future.

Recently the IAM Executive Committee approved the implementation of an *IAM Code of Ethics Enforcement Policy*, as well as approved the establishment of a *Members' Ethics Council*.

The COE Ethics Enforcement Policy and Members' Ethics Council will provide a standardized process through which members may submit potential COE violations to be heard and judged by a group of their peers.

Additional information in this regard will be covered in several sessions during the Annual Meeting. I would encourage anyone with an interest to attend.

IAM - "Hall of Honor"

The IAM Hall of Honor (HoH) was established to permanently recognize and enshrine individuals who have made outstanding contributions to our Association and/or have had a profound effect on the moving, transportation, forwarding and relocation industries.

In this fourth year of existence, the Hall of Honor will induct four HoH Honorees during a special presentation at the General Membership Luncheon on Monday, September 12 at noon, in the Korbel Ballroom of the Colorado Convention Center, immediately across the street from the Denver Hyatt Regency Hotel.

This year's Honorees are **Richard Dewitt, Dolf Gosselin, George Pasha III and Colin "Q" Quarrington.**

John Day serves as Chair of the Hall of Honor Selection Committee which is comprised of a variety of representatives including Governing, Core, and YP members from the USA and overseas. The committee solicits, reviews and makes determinations on the nominations.

Brian Limperopulos is the HoH Coordinator and along with the IAM president, supervises the nomination and selection process. The IAM Executive Committee establishes the rules and regulations governing the HoH and has final approval of all inductions.

The call for nominations for 2012 Honorees will be announced later in the year with inductions to be held during the IAM 50th Anniversary Celebration in Washington, DC.

IAM Publications and Website(s)

Ms. Janet Seely serves as IAM's Director of Communications and Member Engagement. I am sure the majority of members would agree that under Ms. Seely's oversight the Association has made great strides in advancing the IAM image, brand and means by which we communicate with the membership and other Industry partners.

Membership Directory – Publication and distribution of the IAM Membership Directory continues to be identified by the members as the top benefit they receive. The Association continues to implement improvements and expand the information contained in both the hard copy and Web-based versions of the Directory.

Online Directory – Currently the online version of the membership directory is simple in nature but adequate for quick references with the ability to amend and display updated information once the hard copy directory has been distributed. Future plans for the online directory will provide additional self-service capabilities, thus allowing the members themselves to revise and keep their contact information, affiliations, certifications and points of contact up to date.

The Portal Magazine - The Association's magazine, **The Portal**, a bi-monthly full color publication averaging about 90 pages per issue, remains the most widely read publication within the Industry. The magazine is not only distributed within the membership but also to a wide variety of accounts, regulatory agencies, various DOD entities and other associations with whom IAM maintains close relations and reciprocal memberships. It is estimated that over 15,000 people view or read each issue of **The Portal**.

The Association continues to offer its membership extremely cost-effective advertising opportunities and more members are starting to see the value in placing their advertising dollars with IAM. The magazine regularly focuses on topics and areas of interest to the membership. Based on member feedback the magazine is deemed to be extremely timely and informational.

All the back issues of **The Portal** for the last eight years are archived and available for research or download from the Association's website.

Electronic Newsletters and e-Blasts - The commercially oriented *e-Portal* and the government and military focused *Gov/Mil e-Portal* electronic newsletters continue to provide the Association with a viable and cost-effective means to keep the membership informed on a variety of topics, issues and events affecting the industry.

The Association's **e-Blasts**, a form of electronic Alerts, act as a quick and attention-grabbing means to disseminate important information out to the members on a real-time basis. This past year the association has effectively used a series of Annual Meeting e-Blasts to promote and highlight specific details on special events and action dates relating to the annual meeting.

IAM GlobalMatch – This online system allows members to post profiles to identify their scope of business and the geographic areas of the world in which their companies have a need for services and/or the desire to establish reciprocal relationships. GlobalMatch allows participants attending the annual meeting to request and arrange appointment times and meeting points during the conference. This year over 500 people have signed up and are using this free added value service to enhance their annual meeting experience.

IAM Websites - The IAM Website (www.IAMovers.org) contains useful information for both the membership and the consumer.

IAM continues to partner with a number of US state moving associations and U.S. federal agencies who have expanded their guidance for the shipping public over the World Wide Web. Much of this effort has been aimed at countering the advancement of rogue operators and scammers who have targeted our industry and are taking advantage of uninformed consumers.

The Association also manages a dedicated meeting and events oriented website (www.IAMmeetings.org). This website is the one-stop-shop means of providing electronically available information, attendee/hotel registrations and the promotion and sale of exhibitor and sponsorship opportunities for the membership participating in the annual meetings and other events.

New AMS System – For the past year the Association has been in the process of implementing a new Association Management System (AMS) and QuickBooks accounting software package. The new AMS which is named *Association Anywhere* and a product of ACGI, will ultimately provide members with the self-service and real time response and information they demand along with an operating system the IAM staff needs to function efficiently now and far into the future.

Admittedly, as seems to be the case with most software installations, we have experienced delays in bringing the new system on line. However, we've made great progress over the past several months and anticipate full operating capabilities close to the end of the year.

The new AMS is modular based and fully customizable for administrative support to multi-entity operations. Therefore future plans have us expanding the system's capabilities to support such IAM programs as the Shipper Guides, RPP, HoH, as well as automated support for the ISA and the AFW Scholarship Fund.

New CMS System – In the coming months IAM will move forward with its plan to revamp and upgrade all of its web-based Content Management Systems (CMS). The new CMS system is designed to be fully integrated with the new AMS. Once the new AMS and CMS systems are online the goal will be to provide the membership with a Web-based enterprise that will provide ease of access and communication and a much more efficient operation for the IAM staff.

IAM Job Board – The IAM online “*Job Board*” provides the members with a cost-effective means to facilitate new job postings and solicit resumes for individuals seeking employment within the industry. Job seekers may post resumes free of charge.

With minimal participation to date, the staff and I are accessing the need and effectiveness of maintaining the IAM Job Board. There are a wide variety of similar resources available on the Internet. Plus, social media and such widely used systems as LinkedIn seem to be the way of the future in posting and identifying employment opportunities.

Social Media – Like many companies and associations, IAM has been dabbling with the use of social media for the past couple of years. The YP group has maintained a Facebook page for a while and even some members have taken the initiative to set-up IAM member pages on LinkedIn and other social media sites. However, with increased interest by our members the time has come for IAM to fully embrace the use of social media. The staff and I are in the final stages of developing and implementing our social media strategy. The strategy includes the development and use of social media tools such as Twitter, blogs, online videos, etc. You will soon note the latest issue of The Portal magazine includes a focus section on social media.

Dates and Venues for IAM Annual Meetings:

2011 - IAM 49th Annual Meeting

The Hyatt Regency Denver & Grand Hyatt Hotel
Colorado Convention Center
Denver, Colorado
September 12 - 15, 2011

2012 – IAM 50th Anniversary Annual Meeting

Gaylord National Resort and Convention Center
National Harbor, Maryland
(Washington, DC)
October 10 – 13, 2012

2013 – IAM 51st Annual Meeting

- *Conducted in cooperation with*
The Canadian Association of Movers (CAM)



Vancouver Convention Center
Vancouver, BC, Canada
October 7 – 10, 2013

2014 – City Venue and Hotel

– To Be Determined

2015 – IAM 52nd Annual Meeting

Manchester Grand Hyatt Hotel

San Diego, California

October 18 – 21, 2015

The Association's staff is continuing to conduct research and perform site-visits to a variety of cities. Possible future US venues include Long Beach and San Francisco, California; Las Vegas, Nevada; Dallas, Texas; Orlando, Florida and several properties in the northeastern United States.

The staff and our professional meeting planners have explored the possibility of holding an IAM Annual Meeting outside the USA with potential conferences being considered in Singapore, Dubai and several locations on the European Continent.

Additional information relating to past, current and future activities and program of the Association will be provided during the Annual Meeting in the formal reports of the Standing Committee Chairs, as well as other officers and staff of the Association.

On behalf of the IAM Professional Staff and myself, I thank each and every member of this Association for the opportunity to serve you.

TERRY R. HEAD, President

INTERNATIONAL ASSOCIATION OF MOVERS