



Report to the IAM Executive Committee

Jan Moore Accessorial Committee Report

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I'd like to first thank the members of the Accessorial Committee:

Sue Fuchtman	Daycos
Monica Paoli	The Pasha Group
Andy Cartwright	Cartwright International
Tim Noppen	Govlog
John Burrows	Dewitt Moving & Storage
Tim Helenthal	National Van Lines
Christiane Crown	Arpin

Accessorials are always an arena that we battle. If we get an increase, it's never enough – if we don't get an increase, we cry foul. And we're probably justified on both counts.

And we did get a few increases this year, although the increases were not enough and there were items that we didn't see an increase in . . . and I'm crying – NO FAIR.

But I do believe that the folks at SDDC and JPPMO HHGDS and maybe even the Rate team are beginning to see us in a different light, at least sometimes, which will hopefully turn into even more increases.

We even had what I'm calling an "AHA moment" which I'll cover in a few minutes.

The IT-11 Solicitation gave us a small increase in US Regular and overtime Labor & SIT & Warehouse Handling. There was a small increase in Labor in Hawaii but unfortunately no change in Germany, Belgium or the Netherlands.

Additionally, there was a small increase in the SIT & Warehouse handling for Alaska, Guam and Hawaii but again no increase for Europe or Asia.

There was also an increase in the US delivery rates and also Alaska and Guam for household goods and baggage – again, no increase in Germany or other overseas areas but we keep pushing for increases and refuse to give up.

In yesterday's Industry/Government Affairs Panel representatives from JPPSO-NE and JPPSO-COS spoke about preapprovals and offered some tips to help speed up the approval process. Specifically, they said we need to provide as much detail in the comment section – dimensions, description of the item, whatever it takes to make the person approving the item quickly understand what we need. If there is no comment there WILL BE NO APPROVAL.

I specifically asked what could be done to push those items that fell under one of the JPPSOs but were to be approved by the PPSOs in their area since we often wait days and days for approval. Danny Martinez stated that one of the upcoming enhancements in DPS is adding sorting capabilities that will allow the PPSOs to view items in their specific area, which should speed up the approval process.

I still don't understand some of the reasoning behind some of their rules – for example, the fact that 3rd party assembly won't be approved if 3rd party disassembly wasn't approved at origin.

I could probably disassemble just about anything – give me a screwdriver and I could take apart something as simple as a stapler. But if I handed a box of stapler parts to Han, he most likely would end up with a semi-assembled stapler and a small pile of stapler parts.

A German ShrunK being disassembled in Germany is probably a piece of cake but in Dothan, Alabama that might be a bit of a hassle to put together for the average mover. Sometimes we just need 3rd party help.

Hopefully we can get the Rates team to take another look at this issue.

Alcohol shipments

These continue to be a problem. Overseas agents are starting to ask us what port we want to route shipments to because they contain alcohol.

We as an Industry cannot afford to route shipments with alcohol to “easy to clear” ports rather than to the cost effective ports.

Due to heightened security, each port is instituting its own procedures that often change at a moment's notice. The port of Baltimore recently required a copy of a member's military passport and/or military ID before they would clear the shipment through customs due to wine in the shipment. Luckily, the member was easily contacted and the ID was provided.

But I ask, how many of you would be willing to turn over a copy of your passport to total strangers? This particular member never questioned this but I would imagine that most people would be hesitant to do this.

And if we aren't able to get in touch with the member we have a whole new issue to deal with.

Diversions

This is another item that is creating a lot of confusion. Each base seems to be handling diversions in a different manner. Some are following the rules in the solicitation, terminating the shipment at the Port of Entry and then moving the shipment to the final destination as a domestic shipment. Of course, that creates a problem with the original TSP and their liftvans. Unless the shipment is tendered as a Code 2 the shipment is removed from the liftvan and reloaded into a Van. The TSP liftvans are now sitting at a port agent that has no use for them and the shipment has been unnecessarily handled.

Other T.O.'s are changing the status to the new rate area but once the shipment is placed in a Diverted status, you can't make any updates to the shipment – you can't arrive the shipment, enter a delivery address, enter a delivery date.

Having lived through several of the diversions that have done as stated above, my advice to anyone is have the shipment terminated at the port. Although your liftvans are an issue, the loss of time and money trying to work through the system is incredible and extremely frustrating.

I did speak with Laura Bernardo from JPPMO HHGDS this week about this issue and surprisingly, she was one step ahead of me. She was quite aware of the problems with diversions and said they are making changes to the procedures to help alleviate the confusion. She indicated that they are going to go back to the "old" rules of moving the shipments on to the original destination and then moving as a long delivery from SIT.

I don't know when this will happen but hopefully it will take care of the problem.

We are still waiting to see the Accessorial pamphlet that John Johnson told us would be forthcoming – in November 2010. We need to really push for this and emphasize the importance of having it before we file rates again.

John indicated yesterday that the next Solicitation should release in December and I would hope that the Accessorial Pamphlet is provided at the same time, if not before.

Chuck [White] and Terry [Head] recently met with Mike Williams, Deputy to the Commander at SDDC. One of the topics they discussed was the International Fuel Surcharge. Chuck advised that:

SDDC is currently under a congressional mandate to take a look at the Fuel Surcharge (FSC) determination methodology. LMI is also studying this issue. Congress has tasked them to look at other methodologies that are "mileage based." Chuck believes they are looking at moving to something that will be similar to the methodology that GSA uses to determine their FSC. That being said, Mike understood that this was a MAJOR issue and indicated that any international FSC would have to wait until this LMI study was done. Then SDDC may entertain taking a look at implementing the new methodology in the OCONUS arena. But....no promises were made on this issue.

Intensive Customs Inspections

Last year we were hearing stories of customs exam issues in England. I haven't heard of any recent instances so I don't know if the issue has taken care of itself or if I just haven't been advised of any further issues.

But there are still a lot of issues with Intensive Custom Inspections, particularly with shipments moving into Hawaii.

The exorbitant costs that TSPs are incurring and not able to re-coup are certainly not conducive to running a profitable business.

Here comes the AHA moment . . .

In the same meeting that Chuck and Terry had with Mike Williams, they also discussed the Customs Inspections and the fees that Industry was paying. Chuck felt that he "GOT IT"! He (Mike) said we should direct a formal letter to the SDDC Commander regarding our concerns about having to "eat" these types of charges. His initial take was that the expenses incurred by way of these intensive exams should be a pass-through, plus treated as an "authorized delay" with a subsequent adjustment to the RDD if necessary.

It was also suggested by Terry Head that a test case be identified and background material developed which would be taken to an appropriate DOD Board hearing contract disputes and appeals with the assistance of Mr. Wohlstetter.

The next PPF is scheduled for November 1 in St Louis and the call for topics is going out now, so please get your items ready to send in.

Chuck had been pressing for a venue to address our issues more like the old M.I. and a similar question was asked yesterday at the Military & Government Affairs Panel. John Johnson indicated that there would possibly be some sort of changes in the format . . . hopefully changes that once again allow us to get our issues out in the open.

As many of you know, Danny Martinez has been promoted and has been replaced by Jill Smith. Jill came from the Northwest and several people have mentioned that they know her and think that this will be a positive change for us.

I want to thank all of you for giving me the opportunity to serve on this Executive Board. It is a great honor and I hope to be able to continue.

Thank you