

Leaders,

I hope this email finds you doing well. Thanks for your continued support to the Defense Personal Property Program.

GHC Phase-In. We continue to progress with GHC Phase-In. Thanks to those TSPs that have supported GHC shipments. Of note, we have awarded GHC shipments out to May 2025. Over the last 45 days, we have posted three news releases regarding our progress and locations at USTRANSCOM's public website.

2 October - <https://www.ustranscom.mil/cmd/panewsreader.cfm?ID=0C3DB4FC-F113-4D0D-8D5FF9931063E28F&yr=2024>

22 October - <https://www.ustranscom.mil/cmd/panewsreader.cfm?ID=0E9A5897-B9AA-301E-415C22392343C124&yr=2024>

7 November - <https://www.ustranscom.mil/cmd/panewsreader.cfm?ID=4F2C9200-9BBA-30AA-E9B5AD3884ED03C4&yr=2024>

We will continue to publish events as the GHC program expands on the USTRANSCOM Website Newsroom.

2024 Demand. With approximately five weeks left in calendar year 2024, we project the annual demand to stay flat compared to 2023 shipment volumes, and less than the 3-year running average. The significant difference in 2024 has been reduced demand on the domestic market (down YTD 3.5%), but increased demand in the international market (up YTD 3.5%).

ILA Port Strike. We continue to monitor the news and situation with regards to the ILA and January. DPMO is rolled up into the broader USTRANSCOM working group monitoring the situation as this impacts USTRANSCOM other lines of business. We will pass along any information available.

2025 Moving Season and Business Rule Changes. As we continue to phase in GHC, several key adjustments will be made to the 2025 tender program.

1. We have announced several times in 2024 that there will be a domestic, international, and unaccompanied baggage rate filing for the 2025 moving year starting on 15 May 2025. Final dates and details are being worked and will be published in the coming weeks in the annual rate filing advisory. Additionally, we will provide expectations for the domestic rate filing in terms of shipment volumes, new special solicitation groupings, and available channels.

TSPs should plan for similar rate filing rules as last year where TSPs are required to file rates in round one to be eligible to submit rates in round two.

2. One key feedback we continue to hear from TSPs is the need for stability and predictability during the GHC transition. After careful consideration, the tender program will transition to two performance periods starting with the 2025 moving year on 15 May 2025. The two performance periods will be 15 May to 30 September, and 1 October to 14 May.

Four performance periods inherently bring instability to the tender program and contribute to poor short and long-term forecasting of TSP availability and capacity. Reducing the performance periods to two, and increasing the data pull period will improve our ability to measure quality and identify the best performing TSPs. Additionally, this action will bring stability to the program and improve forecasting and demand planning while we begin to phase out the tender program.

The shift to two performance periods will apply to all markets (domestic, international, and unaccompanied baggage), and for planning purposes, will be in effect for the remainder of the tender program.

3. Common Financial and/or Administrative Control (CFAC)

CFAC has been at the foundation of the international and unaccompanied baggage programs for several years. CFAC requires companies to identify business relationships where business entities are under common financial or business management control, and only permits TSPs with multiple SCACs in CFAC to submit one rate per channel.

As volumes continue to increase in the GHC program, and decrease in the domestic program, TSPs should plan for Domestic CFAC to be implemented with the 2025 moving season on 15 May 2025. The use of move managers and interline agreements will be allowed.

Additional details will follow to include suspense dates in a forthcoming USTRANSCOM Advisory that will be published prior to rate filing. TSPs should plan for CFAC to be in place for the remainder of the tender program.

4. Several Advisories have been published as we prepare for the 2025 moving season. TSPs are encouraged to pay close attention to the suspense dates. Over the past several months, multiple SCACs have been placed in non-use for not following qualification requirements.

- USTRANSCOM PP Advisory #25-0010, Annual Qualification Review of Certificate of Independent Pricing (CIP) and Certificate of Responsibility (COR), released 24 October 2024
- USTRANSCOM PP Advisory #25-0012, Annual National Defense Authorization Act (NDAA), Section 899 Recertification Requirements, released 30 October 2024

Best Regards,
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