

**COMBINED FEDERAL CIVILIAN AGENCIES
HOUSEHOLD GOODS RELOCATION AND FREIGHT
COMMITTEE**

Crystal Mall 3 – Room C-43

November 13, 2002

WELCOME

Administrative Remarks: Mary Anne Sykes

Opening Remarks: Tauna Delmonico

PRESENTATION

Noreen Bania, Executive Director of the Household Goods Relocation and Freight Committee was recognized for her outstanding service to the Federal Civilian Agencies Household Goods Relocation Committee. Ms. Bania has been a strong advocate and an avid spokesperson on behalf of the Federal Civilian Agencies. Noreen has resigned from her position as Committee Executive Director to accept new job responsibilities. Charlie Hill, Deputy Director, will resume Noreen's duties until a replacement is elected at the February 6th meeting.

Larry Tucker, former Branch Chief of the Transportation Programs Branch, was recognized for his dedicated service to the Committee. During his tenure, Mr. Tucker managed both the Freight and Household Goods Relocation Programs. Larry was responsible for ensuring that GSA had viable products and service offerings for its customer agencies. Working together, Larry and Noreen were responsible for establishing a regular quarterly meeting cycle for the Committee to keep members abreast of changes and developments in the household goods industry. We wish them well in their new endeavors.

TRANSPORTATION SERVICE PROVIDER BANKRUPTCIES: Jim Fitzgerald

Jim Fitzgerald provided an overview of the audit program. Each bill is audited at least twice. Some errors that have been discovered include missing documents or services being performed that were not authorized. The use of electronic auditing has helped speed up the audit process and audits are now being performed in less than a year.

Jim emphasized the need to attach one time only documentation to billing documents. Also, prior to payment of an SF 1113, ensure the form is stamped verifying that a prepayment audit was conducted.

All executive agencies have a prepayment audit process in place. If the Audit Division discovers an overcharge, the money recovered is transferred to the treasury. However, it is beneficial for an agency to discover overcharges themselves since any money they recover can be retained by the agency. Prepayment audit can save money for an agency and is a powerful management tool to correct errors immediately. The Audit Division can provide data (i.e. amount of overcharges discovered at an agency) to assist management.

Auditors are listed on GSA's schedules and require a minimum payment. If an agency has a low volume of bills, the Audit Division can help to arrange an alternative pre-auditor.

Bankruptcies

When TSPs file for bankruptcy, the Audit Division files proofs of claim on behalf of agencies. The Audit Division sends notices to all agencies telling them to withhold future payments to specific TSPs and payments should be sent to GSA. The Department of Justice contacts GSA to establish the amount of government debt based on payments withheld and monies due to the TSP.

If a TSP goes out of business, frustrated shipments may be left undelivered. Although the traffic manager may arrange for delivery of the frustrated freight, the agency may incur extra costs. The price difference can be filed as a legitimate claim. The information should be sent to GSA Audit Division and they will file the claim in court.

Question: How is loss and damage handled for bankrupt TSPs?

Answer: Each agency must file claims through the U.S. attorney office. Jim can assist with finding the correct point of contact.

400N TARRIFF ADOPTION: Joe Harrison, President of the American Moving and Storage Association (AMSA)

GSA is waiting for AMSA to provide data so an analysis can be made if the 400N should be adopted or if the 415G should continue to be used. This information is especially important since GSA is in the process of developing TMSS. The data needs to be presented to the committee and a group decision reached.

Joe Harrison has contacted Central Office and Region 6 to discuss what commercial companies are doing and the impact to GSA if a 400N type electronic type tariff is implemented. Joe agreed that GSA needs data in order to make a sound decision.

Joe summarized the 400N as a totally electronic, customer friendly and easy method to build a shipment. Currently about 40% of bills have errors. The 400N

is easy to audit, however auditing savings will be minimal since fewer errors will occur.

Joe provided a comparison between the 415G and 400N.

Line Haul Rates: Line haul rates are pretty much the same but the 400N is geographically cost oriented and rates are higher for specific areas.

Accessorial Rates: To develop the 400N accessorial rate, AMSA used the frequency and average of shipments to develop a rate per hundredweight for accessorials. Although the 400N is based on an average cost, some carriers and drivers believe they are exerting more effort than they are being paid. However, overall the 400N seems to be working well. Under the 415G, customers and TSPs often cannot tell at origin what accessorials will be involved. This leads to problems with charging for accessorials at origin and especially at destination.

Kansas City asked if data could be developed for origin and destination accessorials per hundredweight using GSA specific data. The rates are estimated to be lower than the current calculated rates if GSA traffic is used to develop them.

Packing: Under the 400N, packing has been simplified and is primarily based on per hundredweight (full packing). Commercial companies use full or partial packing. GSA currently uses max pack rates and individual cartons. To develop cost estimates for GSA, AMSA needs to know what type of packing agencies desire. Do the agencies want a per hundredweight rate?

Kansas City requested data on total packing costs, weight and percent of shipments that used max pack

Question: Is there a specific correlation between max pack and regular pack?

Answer: AMSA replied that fewer than 50% of shipments hit max pack. Agencies must consider whether to continue using max pack.

Question: Under the 400N, are there any additional accessorials?

Answer: Yes, items that are not as frequently utilized (i.e. shuttle and boats, light and bulky items) are still separate.

Question: If agencies use Move Management, does Move Management receive the same discount that agencies receive directly from TSPs?

Answer: It depends on how services are negotiated with Move Management. Agencies must ensure that Move Management uses GSA rates or they may resort to using their own negotiated rates.

Jim Fitzgerald mentioned that the audit division cannot tell if Move Management uses higher rates.

Bill Bardwell added that agencies receive a set discount off of the 415, regardless if Move Management is used.

Joe Harrison estimated that using GSA data for origin and destination, total adoption of the 400N would increase rates about 5% (including line haul increase of 3%). The only unknown is packaging.

The 400N has an adjustment to its rates based on two government indices (Consumer Price Index (less food and fuel) and a labor related index). Joe will send these indices to Tauna.

Tauna expressed the need for data as soon as possible so it can be discussed with the committee. AMSA will attempt to provide the data by the end of the year.

SECURITY INITIATIVES AND OVERVIEW: Dan Commiato, Kevin Johnson

Dan and Kevin provided an overview of the Transportation Security Agency (TSA's) changes and challenges in highway cargo security and discussed initiatives being developed to secure our Nation's commerce. Rail, highway, maritime and air cargo were covered as well as background checks on drivers.

TSA has been concentrating its efforts primarily on airlines. Cargo planes and other freight modes will be focused on as soon as possible. TSA does not want to hinder the supply chain and is integrating best practices. One effort being reviewed is prevention of high-risk containers entering the U.S.

Problem: State Department has been having problems shipping its unaccompanied baggage as shipments are now being identified as being sent by an unknown shipper.

Answer: New security measures have been incorporated into the Known Unknown Shipper Program. The term "known shipper" has been redefined and as a result, State's employees' unaccompanied baggage has been identified as originating with an unknown source. A point of contact will be provided to State to discuss this issue.

Question: Now that Commercial Bills of Lading (CBLs) (vice Government Bills of Lading (GBLs)) are being used and prepared by the TSP, do they pose a security problem?

Answer: No.

SPECIAL SERVICE SECURITY: Tony Cicala

GSA Region 3 mentioned Item 1050, Special Service – Security Check by Consignor or Consignee, of the GSA National Rules Tender No. 100-D has been revised effective September 25, 2002, to include provisions covering X-Ray Screening Units.

TRANSPORTATION MANAGEMENT SERVICES SOLUTION (TMSS)

UPDATE: Donna Graige

GSA recently received approval for the development of TMSS. This end-to-end transportation system will be developed in-house and a project team has been established. Currently, Kansas City is identifying the data elements in ITMS to be transferred to TMSS. It is intended that the use of TMSS will not increase the Industrial Funding Fee (IFF).

Requests have been sent to agencies requesting participants to test modules as they are developed. If you are interested in participating and have not already notified the Transportation Programs Branch, please send the agency name, point of contact, phone number and email address to Lynnette.ju@gsa.gov or 703 305-7060.

TRAVEL AND TRANSPORTATION EVENTS, INITIATIVES AND TRAINING:

Blaine Jacobs

Blaine provided a list of the upcoming GSA events.

Blaine also mentioned the DOMEX meeting (November 20th), which will add a new service, small package ground delivery.

RECOMMENDED DISCUSSION TOPICS:

Industrial Funding Fee (IFF): Mary Anne Sykes

A few months ago, GSA held a special Household Goods meeting to discuss the change from a flat fee IFF to a percentage basis. During that meeting, discussion arose that if GSA were able to collect its entire IFF from carriers, then GSA would not need to change the IFF to a percentage basis. Mary Anne mentioned that GSA has visited three TSPs and confirmed that the IFF is being remitted. The Transportation Programs Branch has developed a schedule to visit the other top Household Goods carriers to confirm the IFF remittance.

May Rates 2003: Mary Anne Sykes

Region 6 was recognized for putting rates in ITMS before November 2002. An agency requested that the May 2003 rates also be input earlier. Region 6 will attempt to meet this request.

Increased Scope of Operations for International CHAMP participants: GSA Kansas City

Mary Anne Sykes discussed a proposal from Kansas City to allow all international participants the opportunity to increase their current scope of operations by offering a one-time open window to international participants that have been in the Centralized Household Goods Traffic Management Program (CHAMP) for at least three years. The committee voted on the following issues:

1) Should international carriers be allowed to increase their scope of operation?
Yes.

2) What constitutes history in a traffic lane? (experience moving shipments to/from proposed areas - all data will be considered including DoD)
25 or more carriers

3) Should Dunn and Bradstreet financial reports be done on international applicants during the open window? If a report is done, the rates will not be effective until November.
Yes

OTHER TOPICS:

Next Committee Meeting

February 6, 2002, 9:00AM-Noon.

We also recommend attending the GSA Professional Services Expo on February 5, 2003. More information can be found at the web site:

<http://www.psxexpo.com/psx2003/attendee/registrationform.asp?PriorityCode=E3KCXX>

Executive Directors Elections

Executive Directors elections for both the Federal Civilian Agencies Household Goods Relocation and Freight Committees will be held during the February 6th meeting.

Military Traffic Management Command (MTMC)/GSA Meeting

GSA is partnering with the Military Traffic Management Command to form a Government wide collaborate transportation forum (March 17-21, 2003 in Denver, Colorado). The symposium is the largest Government transportation forum - expecting over 1800 participants for 2003. Agenda items are being developed and will be provided at a later time.

Update on Uniform Bill of Lading (an email excerpt from Beth Allison, Office of Governmentwide Policy November 5, 2002)

“Yesterday, I attended the National Motor Freight Transportation Association (NMFTA) National Classification Committee and Government Relations Committee meetings. The NMFTA is considering a modification of the Uniform Bill of Lading to include data elements specific to Government shipments and also an amendment rule to the Government terms and conditions in the Motor Freight Classification. Although the Government Relations Committee proposed the data elements and submitted a rule change to the Motor Freight Classification, the National Classification Committee tabled the final decision on the altered bill of lading. The committee wants to see a final document with the recent comments included. There was also concern that this may set a precedent within the association for future alterations or additional bills of lading making the Uniform bill of lading not a standard.

The Government Relations Committee will now incorporate the recommended changes into the document and prepare a list of pros and cons for a Uniform Bill of Lading for Government shipments. The final document will be presented and discussed at the next committee meeting, February 2003.

The issue of association membership was not on the agenda.

The MTL will continue to work with the NMFTA and keep you informed of any progress.”

ATTENDEES:

Noreen Bania	Department of State
William Bardwell	Veterans Administration
Jim Christ	US Coast Guard
Tony Cicala	GSA Region 3
Ann Crowell	Federal Aviation Administration
Tauna Delmonico	GSA FBL
Al Demarcki	Environmental Protection Agency
Jim Fitzgerald	GSA Audits
Mathis Gardner	GSA Region 3
Donna Graige	GSA FBL
Brigitte Hardney	GSA Region 4
Charles Hill	National Oceanic and Atmospheric Administration
Blaine Jacobs	GSA FBL
Lynn Ju	GSA FBL
Mary Keenan	GSA Region 4
Connie Lindsay	Federal Aviation Administration
Rocky Loewner	Federal Emergency Management Agency
Norman Mixor	Department of Justice
Elaine Plotkin	US Department of Agriculture
Susan Pratt	Bureau of Prisons
Ray Price	GSA FBL
Mary Anne Sykes	GSA FBL
Ivan Thomas	Federal Aviation Administration
Brenda Thompson	Federal Aviation Administration
Jeff Thurston	GSA FB
Larry Tucker	GSA FBL
Bill Bardwell	Veterans Administration
Darrell Washington	US Geological Survey
Kelley Wong	Federal Aviation Administration

Teleconference:

Robin Bennett	GSA Region 6
Kim Chancellor	GSA Region 6
Carey DeForest	GSA Region 6
Ed Hodges	GSA Region 6

Guest Speakers:

Dan Commiato	Transportation Security Agency
Joe Harrison	American Moving and Storage Association
Kevin Johnson	Transportation Security Agency
Scott Michael	American Moving and Storage Association