

April 4, 2025

General Randall Reed

Commander
United States Transportation Command
508 Scott Drive
Scott AFB, IL 62225

Mr. Robert Dawson

Director, Defense Personal Property Management Office (DPMO)
United States Transportation Command
1 Soldier Way, Building 1900W
Scott AFB, IL 62225

Subject: Industry Concerns Regarding DP3 Rate Filing Rejections and Rate Reasonableness

Dear General Reed and Mr. Dawson:

On behalf of the American Trucking Associations' Moving & Storage Conference (ATA-MSC) we write to follow up with you regarding ATA-MSC's March 7, 2025 letter requesting detailed information regarding TRANSCOM's criteria for determining rates to participate in the Defense Personal Property Program ("DP3"). As a result of yesterday's widespread rejection of rates filed, the moving and storage industry remains very concerned over the potential destabilization of the military move segment of the industry and risks of even further significant disruptions to military service members and their families.

These rejections can only further validate industry's ongoing concerns arising from General Reed's open testimony before the Senate Armed Services Committee on March 5, 2025, which included an implicit acknowledgement of significantly lower compensation offered by the Global Household Goods Contract ("GHC") prime contractor in comparison to the current market rates being paid in DP3 and, further that TRANSCOM's intention to adjust DP3 rate reasonableness criteria downward in order to eliminate any "perverse incentive" for Transportation Service Providers ("TSPs") to continue to provide service through DP3. This testimony and TRANSCOM's rejections have created in industry the perception that TSPs are being presented with a Hobson's Choice – that is – no choice whether or not to accept the prime contractor's commercially unreasonable terms.

These actions constitute a material and significant departure from the norm with respect to the DP3 rate-setting process, threatening industry stability, service reliability for military families, and undermine the core principles of transparency, fairness, and free-market competition essential to effective government procurement.

While continuing to explore all options, legal or otherwise, ATA-MSC, as the representative of the moving and storage industry requests TRANSCOM's urgent attention to this matter, specifically by:

1. **Restoring the competitive range (rate reasonableness criteria)** to accurately reflect market and operational conditions.
2. **Repeat DP3 Round 1 rate filings** using objective criteria and reinstate fairness and market-driven competitiveness to the DP3 program.
3. **Provide the information requested in ATA-MSC's March 7th letter.**

ATA-MSC is fully committed to resolving this matter constructively, quickly, and transparently. We strongly urge your prompt attention to these concerns to avoid further economic harm, potential disruptions to military household goods services.

We appreciate your prompt response and action.

Respectfully,



Daniel Hilton
Executive Director
Moving & Storage Conference
American Trucking Associations