



NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

**EVALUATION OF THE REFORMATION OF NAVY
PERSONALLY PROCURED TRANSPORTATION**

by

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December 2010

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REPORT DOCUMENTATION PAGE			<i>Form Approved OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE December 2010	3. REPORT TYPE AND DATES COVERED Master's Thesis	
4. TITLE AND SUBTITLE Evaluation of the Reformation of Navy Personally Procured Transportation			5. FUNDING NUMBERS	
6. AUTHOR(S) William Jacob Shultz				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) Naval Supply Systems Command Mechanicsburg, PA			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number ____N/A____.				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words) The Naval Supply Systems Command (NAVSUP) is seeking to simplify procedures and find efficiencies in the Personally Procured Move (PPM) program in response to a larger Department of Defense effort to simplify Defense Travel policy. This thesis describes the weaknesses in the current PPM policies and procedures. An analysis of the PPM policies and procedures concludes that the root cause common to the weaknesses identified in the current PPM policies is an incentive structure that rewards a service member in the form of a variable monetary incentive based on the amount of weight he/she transports. This thesis proposes a three-step pilot plan to address the weaknesses and to incentivize service members to transport fewer household goods. The first step implements a NAVSUP proposal to provide a financial charge card for service members to charge their transportation expenses. The second step is a shift to a fixed monetary incentive based on the average government contract cost for a Transportation Service Provider to ship household goods. The third step is a shift to a simple Electronic Fund Transfer while maintaining the fixed monetary incentive.				
14. SUBJECT TERMS Personally Procured Move, Personally Procured Transportation, Household Goods, Personal Property			15. NUMBER OF PAGES 93	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UU	

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. Z39-18

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**EVALUATION OF THE REFORMATION OF NAVY PERSONALLY
PROCURED TRANSPORTATION**

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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

from the

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ABSTRACT

The Naval Supply Systems Command (NAVSUP) is seeking to simplify procedures and find efficiencies in the Personally Procured Move (PPM) program in response to a larger Department of Defense effort to simplify Defense Travel policy. This thesis describes the weaknesses in the current PPM policies and procedures. An analysis of the PPM policies and procedures concludes that the root cause common to the weaknesses identified in the current PPM policies is an incentive structure that rewards a service member in the form of a variable monetary incentive based on the amount of weight he/she transports. This thesis proposes a three-step pilot plan to address the weaknesses and to incentivize service members to transport fewer household goods. The first step implements a NAVSUP proposal to provide a financial charge card for service members to charge their transportation expenses. The second step is a shift to a fixed monetary incentive based on the average government contract cost for a Transportation Service Provider to ship household goods. The third step is a shift to a simple Electronic Fund Transfer while maintaining the fixed monetary incentive.

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LIST OF ACRONYMS AND ABBREVIATIONS

BAH	Basic Allowance for Housing
BVS	Best Value Score
CERS	Carrier Evaluation and Reporting System
COMFISC	Commander Fleet and Industrial Supply Centers
CONOPS	Concept of Operations
CPR	Carrier Performance Rating
DFAS	Defense Finance and Accounting Service
DITY	Do It Yourself
DOA	Department of the Army
DoD	Department of Defense
DoN	Department of the Navy
DP3	Defense Personal Property Program
DPS	Defense Personal Property System
DSA	Defense Supply Agency
DTMS	Defense Traffic Management Service
DTR	Defense Travel Regulations
EFT	Electronic Funds Transfer
FRV	Full Replacement Value
GAO	Government Accountability Office
GBL	Government Bill of Lading
GCC	Government Constructed Cost
HHG	Household Goods
HHG-AT	Household Goods Audit Team
JFTR	Joint Federal Travel Regulations
MTMA	Military Traffic Management Agency
MTMC	Military Traffic Management Command
MTMTS	Military Traffic Management and Terminal Service
NAVSUP	Naval Supply Systems Command
NCIS	Naval Criminal Investigative Service
NFS	Navy Family Support

PCS	Permanent Change of Station
PDTATAC	Per Diem Travel and Transportation Allowance Committee
POV	Personally Owned Vehicle
PPM	Personally Procured Move
PPSO	Personal Property and Shipping Office
PPT	Personally Procured Transportation
PPTAS	Personally Procured Transportation Audit System
PPTMR	Personal Property Traffic Management Regulation
PSC-VC	Permanent Change of Station Variable Component
PSNSY	Puget Sound Naval Shipyard
SAM	Service member Arranged Move
SDDC	Surface Deployment and Distribution Command
SECDEF	Secretary of Defense
TO	Transportation Officer
TOPS	Transportation Operational Personal Property System
TSP	Transportation Service Provider
USPS	United States Postal Service
USTRANSCOM	United States Transportation Command
WHIST	Worldwide Household Goods Information System for Traffic management

ACKNOWLEDGMENTS

I must first express my deepest gratitude for my wife, Alecia. Without her patience, understanding, and wisdom, the process of writing this thesis would have been much more difficult. I want to thank the greatest little boy in the world, our son Alexander born February 19 of this year. Nothing provides a perspective on what is most important in life quite like his smiles and laughter. I am forever grateful to my mother for providing me the opportunity to achieve this milestone.

My advisors, Professor Kenneth Euske and Professor John Mutty, provided excellent support throughout this process while challenging me to achieve a high standard. I greatly appreciate being a part of the Conrad Scholar program and having the opportunity to brief my thesis to esteemed officials in Washington, D.C. Professor Joseph San Miguel and Professor Richard Doyle of the Conrad committee provided valuable feedback and encouragement.

This study would not have been possible without the support of CAPT Brian Drapp, LCDR Scott Stahl, and Mr. Frank Piacine. Additionally, I would like to thank the individuals at the various commands who manage, or are a part of, NAVSUP Navy Family Support Code 53, COMFISC Puget Sound, Navy HHG Audit Team, and PCS-VC. These individuals shared their time and knowledge with me. They provided the information necessary to make the analysis meaningful.

Finally, I am grateful to CAPT Brian Drapp for allowing a submariner to take on a NAVSUP sponsored topic and having the opportunity to brief my thesis to esteemed officials in Mechanicsburg, PA.

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I. INTRODUCTION

A. PURPOSE

Title 37, Chapter 7, section 406 of the United States Code outlines the military service member's travel and transportation allowances for baggage and household goods and provides the legal basis for what the Department of Defense (DoD) now calls Personally Procured Moves (PPMs) (formerly Do-It-Yourself or DITY moves) ("Pay and Allowances," 2009). A PPM is an option for transporting a service member's personal property. Under this option, service members can receive a cash incentive to find their own moving company or move their household goods themselves using owned or rented equipment. DoD's policies and procedures for administering and executing military PPMs are contained in the Joint Federal Travel Regulations (JFTR) and the Defense Transportation Regulations (DTR).

Within these guidelines, the Navy Supply Systems Command (NAVSUP) has established policies and procedures to ensure eligible service members who elect a PPM receive the cash incentive to which they are entitled. During Permanent Change of Station (PCS) counseling, service members are informed of their option to execute a PPM in lieu of conducting a traditional government contracted move. Additionally, eligible service members can conduct a partial PPM for those Household Goods (HHGs) that were not moved by the contractor (e.g., the sailor wants to maintain custody of essential or valuable items) (Naval Supply Systems Command, Navy Family Support Branch (NAVSUP Code 53), personal communication, May 20, 2010).

A 1994 Government Accountability Office (GAO) report may have been the last time that a thorough, independent evaluation of the PPM program (referred to as DITY move at the time) took place. In this study, the GAO (1994) found that, while "a typical DITY move saves money for the DoD . . . not all DITY shipments provide savings" (pp. 6–7). These findings were at a time when the service member received only 80 percent, versus the 95 percent under current policy, of the government's cost to ship the household goods. Under the current 95 percent incentive system, it is an open question

as to whether the government continues to save money by offering the PPM option. A PPM requires a special sequence of administrative tasks, including the approval of an upfront allowance and the calculation of the total monetary incentive the service member is entitled to based on weight tickets and the applicable transportation channel. Additional man-hours are required to process a PPM claim when the actual weight of household goods is less than originally estimated by the service member, which results in an overpayment of the upfront allowance, thus leading to a collection process. Further administrative costs are incurred when service members choose multiple shipment methods; such as a PPM combined with a traditional government contracted move (referred to as a partial PPM). Additionally, NAVSUP Navy Family Support Branch officials have stated that the current system, which bases total cash incentive on empty and full weight tickets¹ (United States Transportation Command, 2010, IV–K1–25), has experienced instances of fraud as evidenced by a number of cases being forwarded to Naval Criminal Investigative Service (NCIS) (Naval Supply Systems Command, Navy Family Support Branch (NAVSUP Code 53), personal communication, May 20, 2010).

This thesis analyzes the Personally Procured Transportation (PPT) program. Through discussions with NAVSUP officials, this thesis considers whether in its current form PPT provides cost savings to the government, while also being effective in meeting the needs of the service member. This thesis examines avoidable inefficiencies in the processes, suggesting possible improvements to these processes, and evaluates alternative reimbursement systems, including a proposal to issue a financial charge card to service members to charge their PPT expenses and a proposal where the monetary incentive is based simply on cost and not weight. Additionally, changes in DoD policies and federal statute are considered in order to implement proposed reforms.

¹ Service members can receive a monetary or cash incentive for conducting a PPM. This monetary incentive is based on net weight. Net weight is determined by subtracting empty weight from full weight. Full weight is the weight of the transported household goods plus the vehicle and/or trailer used to transport the household goods. The empty weight is the weight of just the vehicle and/or trailer (United States Transportation Command, 2010, p. IV–K1–25).

B. SCOPE AND METHODOLOGY

Discussions with NAVSUP officials reveal what household goods transportation scenarios are more likely to provide savings to the government in the context of a PPM. This thesis considers multiple alternative reimbursement systems and provides recommendations for improvement of the PPT system. Recommendations for these alternatives are in the form of a pilot program limited to active duty Navy service members and their families who are moving within the Continental United States (CONUS). While analogies are drawn from proposals that are aimed at populations other than that just described, the ultimate recommendations are applicable to only this group. By the nature of the proposals, however, the pilot programs are transferable and could be expanded to service members in other services or retiring and separating members.

This thesis provides a qualitative analysis of the PPT system to identify specific weaknesses followed by a root cause analysis to identify the best corrective actions. Limited quantitative data and methods are utilized to analyze the current PPM monetary incentive structure and the success of potential alternative reimbursement systems. Actions required with regard to policy, procedure and/or federal law changes are described for recommended improvements to the PPT system.

C. ORGANIZATION OF STUDY

The thesis begins with a background and historical perspective of the DoD personal property system. A detailed description of the PCS HHG entitlement follows in order to provide the reader with an understanding of what drives the current policies and procedures. The applicable policy documents are discussed followed by the typical processes associated with conducting a PPM. PPT system weaknesses are then identified and coupled with a root cause analysis of these weaknesses. Proposals to address these weaknesses are then described along with the associated risks and challenges. The thesis concludes with short-term and long-term recommendations for pilot programs and system reforms.

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II. BACKGROUND

The Navy and the Department of Defense (DoD) have experienced a series of reforms, transformations, and reengineering efforts, aimed at improving the service member's Permanent Change of Station (PCS) experience while minimizing excessive costs to the federal government. Although household goods transportation for military service members dates back to the 1920s, many of the organizational changes occurred post-WWII as a part of the overall centralization of DoD ("The Household Goods Program," 1964). The trend to centralize Household Goods (HHGs) transportation has continued and a reengineering effort has been underway since the 1990s in order to adapt traditional processes to changing technology. This chapter tells the story of how military HHG transportation has changed over time, the efforts taken to improve HHGs transportation and the results of the most recent reengineering efforts, including the new Defense Personal Property Program (DP3).

A. HISTORICAL PERSPECTIVE

1. The Years 1920–1969

The Navy has provided for the domestic transportation of HHGs since 1920. However, the Navy domestic program was initially limited to Officers and Chief Petty Officers.² The authorized shipment weights were also limited in the early stages of the Navy domestic HHGs program. Captains were authorized 7,500 gross pounds, while Chief Petty Officers were authorized 3,000 gross pounds ("The Household Goods Program," 1964). These gross figures included the weight of packing materials, which, at the time, were, "as high as 60–90% of the total weight shipped" ("The Household Goods Program," 1964, p. 5). By 1929, regulations governing the administration of the HHGs program were disseminated. Second and Third Class Petty Officers were provided the HHGs transportation entitlement beginning in 1941. A maximum claim allowance of \$2,500 to cover damages was instituted beginning in 1945. In 1946, the Navy began to

² Prior to 1920, the Navy limited the HHGs entitlement to officers transferring to or from overseas locations, packing and crating costs were not included, and fleet vessels were the only option for shipment ("The Household Goods Program," 1964).

ship Privately Owned Vehicles (POVs) overseas when space was available. The Career Compensation Act of 1949 brought an increase in weight allowance, a six-month authorization of temporary storage in connection with HHGs transportation, authorization of non-temporary storage in government warehouses, and a call for the drafting of the Joint Travel Regulations (which were issued two years later in 1951). Mobile home transportation allowances were provided for starting in 1955, and the maximum authorized allowance to cover damages was increased to \$6,500 in 1956. In 1961, HHGs transportation became available to those retiring or involuntarily separated from the service (“The Household Goods Program,” 1964).

Centralization of the HHGs transportation systems began on May 1, 1956, almost ten years after the formation of DoD. The Secretary of Defense designated the Secretary of the Army to be the single manager of military traffic within the United States. This move led to the establishment of the Military Traffic Management Agency (MTMA) in July 1956. MTMA was placed under the Defense Supply Agency (DSA) and renamed the Defense Traffic Management Service (DTMS) in 1962 as part of Secretary of Defense McNamara’s overall DoD restructuring effort (Defense Supply Agency, 1963). However, this turned out to be temporary, as a re-examination brought DTMS back under the Secretary of the Army in November 1964 as the Military Traffic Management and Terminal Service (MTMTS), which then became the single manager for military traffic, land transportation, and common-user ocean terminals (Department of the Army, 1965).

Despite this organizational restructuring, the 1963 DoD Directive 4500.31, “provided that the Navy is responsible for operation, staffing, and supporting local household goods offices, and is also responsible for entitlements, budgeting, housing, staffing, funding, accounting, disbursing and claims” (“The Household Goods Program,” 1964, p. 7). The directive stated that the DTMS, as it was called then, “is responsible for the worldwide traffic management of household goods” (“The Household Goods Program,” 1964, p. 7). This management involved, “the selection of mode of transportation, the selection of carrier, the method of shipment, and the establishment of criteria on which the selections will be made and implemented” (“The Household Goods Program,” 1964, p. 7).

The General Accounting Office (GAO) (now called the Government Accountability Office), was evaluating the DoD HHG's program as early as 1964 when it provided suggestions for improvements as noted in the May 1964 issue of the U.S. Navy Supply Corps Newsletter. The GAO recommended improvements, including: "the reweighing of household goods vans, the proper handling of excess packing costs, the policing and handling of professional books, paper and equipment, and the unnecessary use of storage in transit" ("The Household Goods Program," 1964, pp. 7-8). This same newsletter discussed some of the issues and actions taken to address them. These issues included: failing to deliver household goods on the requested date, poor industry performance, a large of number of damage and claims cases, freight competition, increasing costs, fewer resources available, and human elements. Proposed corrective actions included holding carriers accountable, using claims data to determine future carrier contracts, increasing the amount of education and training, and a reweigh program to address the increase in additional costs due to fraud ("The Household Goods Program," 1964). The Supply Corps newsletter concluded by claiming that, despite these issues, "the Navy man is far better advised and better protected then the average citizen who contracts independently for the movement of his household goods" ("The Household Goods Program", 1964, p. 9).

Meanwhile, the introduction of DoD's Cost Reduction Program (CRP) sparked a reform effort of the HHGs system. Milton Jones describes Secretary of Defense McNamara's plan to cut costs:

The simple, direct and comprehensive basis upon which cost reductions will be achieved is as follows:

- Buy only what we need.
- Buy at the lowest price.
- Do everything reasonable and practicable to reduce operating costs. (Defense Tightens Its Money Belt," 1963, p. 4)

In 1963, the GAO found an opportunity for cost savings in its report "'Excess Charge [sic] by Carrier in Transporting Household Goods for the Department of Defense'" (DOA, 1965, p. 111). The GAO survey found that more than \$5,000,000 in

excess costs could be attributed to carriers overstating the weight of their shipments (DOA, 1965). The reweigh program, which reweighed ten percent of domestic shipments, claimed to have net savings of over \$400,000 per year between 1965 and 1971.³

A Naval Postgraduate School (NPS) Master's thesis written by LT D. G. DeBode (1964) may have been the first time that an alternative, similar to the current Personally Procured Move (PPM) option, was proposed. DeBode (1964) found that the suspension policies, designed as punitive punishment for the poor performance of carriers, were being watered down due to political pressure from the moving industry. He also found that the language of the current traffic management regulation that read in part, "for the purpose of maintaining equitable distribution (of traffic), a maximum differential of 20,000 pounds will be observed on each traffic distribution record," contradicted "DoD procurement directives, by completely removing any competition motivation between carriers for the military household goods business" (DeBode, 1964, p. 31–32).

As a result of this analysis, and after citing the problems outlined in the May 1964 article "The Household Goods Program" (discussed earlier), he proposed two alternatives that he characterized as "positive incentive provisions" (DeBode, 1964, p. ii). The first alternative, called, "the Option Plan, would allow Naval personnel the option of arranging and paying for their own move, and being reimbursed at a fixed percent of entitlement" (DeBode, 1964, p. ii). The intention was to bring competition back into the equation in order to properly incentivize carriers to provide high quality service to military members. The second alternative was called the "Bonus Plan," which provided additional contract business opportunities to higher performing carriers (DeBode, 1964, p. ii).

The second half of the 1960s saw further developments in the DoD HHG's system. In 1966 there was an important shift from a manual to an automated data management system when the Worldwide Household Goods Information System For

³ Calculation of average net savings not adjusted for inflation as found in Annual Historical Summary of Military Traffic Management and Terminal Service FY 1965 through FY 1971 (DOA, 1965, 1966, 1967, 1968, 1969, 1970, 1971).

Traffic Management (WHIST) was introduced. It was envisioned that WHIST would gradually incorporate more data functions in a building block development approach. WHIST became fully operational in 1970 (DOA, 1966; General Accounting Office, 1980). However, with annual operating costs of \$400,000, WHIST was discontinued in 1975 after GAO “found many of the WHIST reports to be of little, if any, value because the information was incomplete, inaccurate, and untimely” (GAO, 1980, p. 1). Development of a Carrier Performance Rating system (CPR), which later became Carrier Evaluation and Reporting System (CERS), began in 1967 in a continued effort to improve carrier performance (DOA, 1967). This system rated the performance of carriers, “based on data on transit times, violations or tenders of service, automated rates, loss and damage ratios, responsiveness to claim demands, and service to members” (DOA, 1967, p. 200).

2. 1970s

The Personal Property Traffic Management Regulation (PPTMR), published in May of 1971, represented the first DoD HHGs regulation and was characterized in the Fiscal Year 1972 MTMTS Annual History Summary as containing, “the most comprehensive guidance ever published relating to the shipment and storage of personal property” and, “places primary emphasis on the ‘Service to the Member’ ” (DOA, 1972, p. 209). The post-Vietnam era saw another organizational shift occur when “MTMTS was re-designated as the Military Traffic Management Command (MTMC) to make its title more readily identifiable with its mission” on July 31, 1974 (Global Security.org, 2004).

A low point occurred in the summer of 1973 when some, “60,000 military families experienced unsatisfactory moves” (McGuire, 1977, p. 2). This level of poor performance represented a “serious deterioration of service” (McGuire, 1977, p. 2). An intense program management review led to a shift from the CPR to the CERS. It was recognized that an incentive was needed to ensure quality service and so this new system represented, “a major departure from the ‘equal turn at the wheel’ procedures then employed to award household goods shipping business to carriers” (McGuire, 1977, p. 2).

CERS graded a carrier's performance using five rating factors: On-time pickup- 5 points, On-time delivery- 20 points, No loss or damage- 15 points, Customer satisfaction- 20 points, and Compliance with tender of service- 40 points. The higher each carrier performed, the more business, or tonnage they would be offered (McGuire, 1977, p. 4). Initially, on-time pickup and delivery performance improved significantly (McGuire, 1977, p. 3).

3. 1980s

On October 6, 1980, the GAO gave a scathing report on CERS, "recommending that further expansion of CERS be deferred until" a DoD task force can determine if CERS could be fixed or, "some other system of quality control should be instituted" (p. 2). At the time, CERS was utilized at 179 locations and was set to expand worldwide. The GAO study found that given two carriers, the first with a lower performance rating but with a lower charge rate got tonnage before a second, higher performing carrier with a higher rate. This emphasis of cost over quality was the basis of GAO's displeasure with CERS and they presented data showing that in many instances, lower rated carriers were obtaining a larger tonnage. GAO(1980) concluded its report stating:

(CERS) is the second major quality control system developed by MTMC over the last 15 years (the other being WHIST). Millions of dollars have been spent to administer and develop these systems, but neither has accomplished its intended objectives. (p. 16)

The next major automation system to be developed was called Transportation Operational Personal Property System (TOPS). This system, developed in 1983 by Oak Ridge National Laboratory, would automate every aspect of the administrative tasks associated with a HHGs shipment (Wood, 1987).

A major turning point for DoD's HHGs transportation system came in 1980 with the passage of the Motor Carrier Act and the Household Goods Transportation Act (Galluzzo, 1984). These laws were designed to reduce regulation on the HHGs industry, facilitate competition among carriers and provide flexibility to carriers to meet the needs of their customers (GAO, 1986). Deregulation reduced the motor carrier industry's barriers to entry and allowed the introduction of new pricing models. The Household

Goods Transportation Act was characterized by Frank Galluzo as the, “single most important piece of legislation for movers since the Motor Carrier Act of 1935” (“HHG transportation in the 1980s,” 1984, p. 1).

A key organizational development occurred in 1987 when United States Transportation Command (USTRANSCOM) was created and designated as DoD’s single unified transportation command. In 1988, Military Sealift Command and Military Airlift Command (now Air Mobility Command) were brought under USTRANCOM as the second and third leg in addition to MTMC⁴ (Global Security.org, 2004).

4. 1990s

By the early 1990s, after many delays related to disagreements within DoD on its design, TOPS was finally starting to be deployed DoD wide. TOPS was expected to significantly reduce paperwork, which had plagued transportation offices for years. TOPS was also expected to enhance customer satisfaction and lead to long-term cost reductions for everyone who interacts with HHGs transportation data (“Paperwork Tumbles with TOPS,” 1990).

In 1994, GAO produced a report that analyzed DoD’s Do-It-Yourself (DITY) moving program (now called Personally Procured Move, or PPM). Under this program, a service member could receive an incentive payment equal to 80 percent (now 95 percent) of what it would have cost the government to move an equal amount of weight of HHGs, using commercial carriers. The key issues identified in that study were related to the inferior track record of commercial carriers handling military moves when compared to the rest of the market. The GAO (1994) explicitly stated that the DITY program “is designed to provide a savings to the government while at the same time providing extra income (in the form of cash incentive) to participating members” (p. 1). The objectives of the GAO (1994) study were to:

⁴ This organizational design is the basis for how USTRANSCOM is currently structured.

- (1) Assess the extent to which service members were using the program,
- (2) determine whether DoD was adequately making service members aware of the program's benefits, and
- (3) ascertain whether DoD had sufficient controls to ensure that the program was cost-effective. (p. 1)

GAO (1994) cited a significant increase in the number of DITY moves between fiscal years 1977 and 1992 from 28,000 to 156,000, while "the number of domestic commercial shipments . . . remained constant, at roughly 200,000 a year" (p. 1).

GAO (1994) also found that "the cash incentive was the primary motivating factor for participating in the program" (p. 1). One of the objectives of GAO's study was to determine if the program was indeed cost-effective. The GAO found that while most DITY moves save money, a net loss did occur in some instances. GAO also pointed out that according to federal statute at that time, DoD was to ensure cost savings to the government for *each* move. Therefore, in the instances where net losses occurred, DoD was violating this statute (GAO, 1994).⁵

B. REENGINEERING DOD HOUSEHOLD GOODS TRANSPORTATION

The year 1994 marked the beginning of the modern reformation processes described by MTMC as the reengineering of the DoD's personal property business process. Over a period of 15 months, the MTMC personal property reengineering team developed a plan and published a report in January 1996 titled "MTMC's Approach to Reengineering DoD's Personal Property Business Processes." MTMC's plan sought to provide quality service with increased carrier performance at reasonable cost, address industry's needs and provide more business opportunities, and simplify procedures (Beyer, 1996). GAO concurred with MTMC's November 1996 report and recommended moving forward on a pilot program.

As DoD moved into the 21st century, the HHGs transportation system was amidst three pilot programs aimed at reengineering the personal property transportation system.

⁵ When considering the assumptions for creation of the DITY program, it is unclear what benefit the current PPM program provides to DOD. This assertion is based on the fact that PPMs can now be combined with other forms of a move and storage as part of a PCS and it is not clear that the costs to run the program are less than the 5 percent margin between the payment incentive for a PPM and the cost of the same move to the government.

These pilot programs, including the Navy's Service Member Arranged Move or SAM program, provided the essential elements for a rejuvenated and successful household goods transportation system (GAO, 2005). GAO (2005) supported DoD's three recommendations that resulted from a study of the lessons learned from all three pilot programs. In short, the recommendations were to (1) reengineer the claims process, (2) use performance-based service contracts, and (3) put in place new information technology with interface capabilities (GAO, 2005).

C. DEFENSE PERSONAL PROPERTY PROGRAM (DP3)

By June 2005, GAO (2005) was satisfied with DoD's cost estimates for implementing the personal property program initiatives. These efforts culminated in MTMC (renamed Surface Deployment and Distribution Command, or SDDC in 2004) coining the new personal property transportation program, "Families First" (now called Defense Personal Property Program or DP3). Included in this new program is an integrated information management system launched in 2004. The system, called the Defense Personal Property System (DPS), has experienced many lengthy implementation delays but finally came online mid-decade (GAO, 2007). In a May 2007 report, the GAO continued to express concerns about DoD's approach to implementing Families First that were related to organizational changes, staffing, cost, and funding issues.

The 2007 Defense Authorization Act "mandated that DoD provide Full Replacement Value (FRV) coverage by March 1, 2008" (GAO, 2007, p. 11). FRV allows service members to recover up to \$5000 or \$4.00 time the weight of their shipment up to \$50,000 (whichever is greater) as compensation for loss or damage of HHGs (Surface Deployment and Distribution Command, 2007). Previously, policies limited compensation to the *depreciated value* of household goods lost or damaged and service members were required to pay an additional up-front premium to obtain FRV protection. Therefore, the Families First Program officially incorporated FRV on transported HHGs, along with the following features meant to correct longstanding problems associated with the transportation of HHGs:

- Centralized, web-based computer system (DPS) that automates daily operations such as shipment processing, report generation, costing for

Personal Property, streamlining the counseling process, filing claims on-line, and completing customer satisfaction surveys.

- Electronic submission of bids by carriers, 24 hour real-time access, and electronic billing and payment system.
- Best-value procurement: Carrier performance scores based on customer satisfaction surveys and used to calculate Best Value Score (BVS) (USTRANSCOM, 2008).

DPS was rolled out to the first 18 Personal Property Offices on November 19, 2008 as part of the Phase II implementation (United States Transportation Command, 2008). As of June 3, 2010, the use of DPS is mandatory for Navy Personally Procured Moves, with a few exceptions (COMFISCS, 2010).

D. DEFENSE TRAVEL SIMPLIFICATION

Section 1058 of the FY 2010 Defense Authorization Act called for DoD to devise a comprehensive plan to simplify defense travel (to include PCS transportation). In its response, DoD described the Defense travel system as “complicated” (Department of Defense, 2010). DoD points to the growth of policy documents such as the Joint Federal Travel Regulations (JFTR), hundreds of legal decisions to interpret vague federal laws that often deal with specific circumstances, and general frustration and confusion among everyone involved in defense travel (DoD, 2010). DoD described its vision for a transformation, “to simplify rules for the traveler, reduce outlays for the Department, leverage capabilities of the travel industry, and support leaders” (DoD, 2010).

As a part of this effort, the DoD has asked services to provide recommendations for pilot programs. This thesis is intended to contribute to Naval Supply System Command’s effort to develop, recommend, and implement pilot programs to simplify Personal Procured Transportation. As such, this thesis challenges the fundamental assumptions that have led to the language in the federal law and the subsequent implementation policies and procedures. This thesis seeks to meet DoD’s vision for simplification and provide decision makers with recommendations that tackle the root cause of the problems associated with Personal Procured Transportation.

III. OVERVIEW OF PCS HHG ENTITLEMENT

A. APPLICABLE FEDERAL STATUTE

Section 406 of Chapter 7 of United States Code Title 37 entitled, “Travel and transportation allowances: dependents; baggage and household effects,” is a portion of federal law that provides eligible service members with some of the specific entitlements related to a Permanent Change of Station (PCS). Subsection (a) covers the transportation costs, most often a reimbursement, of the service members’ dependents. Subsections (b) through (m) are all related, at least in part, to the transportation of Household Goods (HHGs) (or personal property) (“Pay and Allowances,” 2009).

B. DOD CONTRACTED TRANSPORTATION

Subsection (b) paragraph (1) subparagraph (A) introduces the entitlement for the transportation of household goods associated with a PCS by explicitly including the “packing, crating, drayage, temporary storage, and unpacking” of HHGs.⁶ This entitlement is limited by weight but is provided “without regard to the comparative costs of various modes of transportation.” Subparagraph A also authorizes the temporary storage of household goods in excess of 180 days (“Pay and Allowances,” 2009).

Subparagraph (C) provides the weight allowances for members with and without dependents for each pay grade.⁷ Subparagraph (D) allows an increase up to the 18,000 pound maximum weight allowance for any member who is below pay grade O-6 where significant hardship would otherwise result. Additionally, the maximum weight allowance may be exceeded if a member must ship consumables otherwise unobtainable at the new duty station. Finally, a service member is authorized an additional 500 pounds for “professional books and equipment belonging to the spouse of such member” (“Pay and Allowances,” 2009).

⁶ See Figure 1 for hierarchy of U.S. Code terminology.

⁷ See Table 1 for chart of weight allowances.

C. PERSONALLY PROCURED TRANSPORTATION

Subparagraph (F) directly speaks to what is known as a Personally Procured Move (PPM) (formerly Do-It-Yourself (DITY) Move). It states that a service member, “may, as an alternative to the provision of transportation, be paid reimbursement or, at the member’s request, a monetary allowance in advance for the cost of transportation of the baggage and household effects.” Subparagraph (F) goes on to state, “The monetary allowance may be paid only if the amount of the allowance does not exceed the cost that would be incurred by the Government under subparagraph (A) for the transportation of the baggage and household effects.” The subparagraph concludes by delegating to DoD departments how to best determine liability of a PPM between the concerned parties (the service member, the government, and any potential contractor) (“Pay and Allowances,” 2009).

D. OTHER HOUSEHOLD GOODS PROVISIONS

1. Incentive to Minimize Weight

Subparagraph (G) is a provision codified from the FY 2001 Defense Authorization Act (Section 643 of Public Law 106–398 – October 30, 2000) called, “Incentive for shipping and storing household goods in less than average weights” (Defense Authorization Act, 2010). It states that each DoD department:

... may pay a member a share (determined pursuant to such regulations) of the savings resulting to the United States when the total weights of the member’s baggage and household effects shipped and stored under subparagraph (A) are less than the average weights of the baggage and household effects that are shipped and stored, respectively, by other members in the same grade and with the same dependents status as the members in connection with changes of station that are comparable to the member’s change of station. (Defense Authorization Act, 2010)

It goes on to say that:

... the total savings shall be equal to the difference between the cost of shipping and cost of storing such average weights of baggage and household effects, respectively, and the corresponding costs associated with the weights of the member’s baggage and household effects. (Defense Authorization Act, 2010)

The provision concludes by charging the Secretary of Defense with determining the average weights described as a requirement of administering this incentive (Defense Authorization Act, 2010). The key word in this provision is ‘may,’ and as such, this incentive has not led to any DoD policy to implement this incentive. This provision and the fact that it has not been implemented are discussed in later chapters.

2. Retirement, Separation, and Special Circumstances

Subparagraph (H), the final subparagraph of paragraph (1), deals with the circumstances in which the government will pay for a household pet to be moved. Paragraph (2) provides for the conditions under which members who are retiring or separating are eligible for the shipment of HHGs. Essentially, these members have 180 days in order to execute a PCS move to their home of record or other locations within certain guidelines. Subsection (c) allows for up to 1,000 pounds of unaccompanied baggage to be transported via air carrier. Only under conditions deemed to be a hardship can the 1,000 pound limit be exceeded for the air carrier mode of transportation. Subsection (d) allows for the use of non-temporary storage as long as the total weight shipped plus the weight stored does not exceed the member’s maximum authorized weight allowance (“Pay and Allowances,” 2009).

Subsections (e) and (f) address occasions when no PCS orders are issued and a move is needed in unusual circumstances. Subsection (f) contains allowances for dependents of members who die while serving on active duty. Subsection (g) describes the conditions for retiring or separating service members’ entitlement to PCS moves to the location of their choice (as opposed to their home of record). Depending on the distance of their desired location, the member may be required to pay the difference between what it would have cost to move their HHGs to their home of record and the cost to move their HHGs to the location of their choice. Subsection (h) provides the services the authorization to allow for HHGs to be shipped to “an appropriate location,” when conditions warrant, such as a member serving overseas or when members receive administrative discharge or are sentenced by court-martial (“Pay and Allowances,” 2009).

Subsection (i) states that there is no time limit for members to ship HHGs or move their dependents on an active set of PCS orders. Subsection (j) allows for a return shipment of HHGs from an overseas location if dependents are unexpectedly unable to accompany the member to the overseas location. Subsection (k) allows for PCS entitlements in the event of members having to move from a rented or leased property due to foreclosure. Subsection (l) established a member's permanent duty station at the location where the member's dependent is attending school when he/she is not living with the member. Finally, subsection (m) prohibits anyone in the moving industry from interfering with the movement of the HHGs of service members ("Pay and Allowances," 2009).

E. CONCLUSION

The PCS entitlements service members are eligible for, particularly with moving HHGs, are somewhat general and provide the service secretaries discretion in carrying out these statutes. At the same time, however, the statute addresses some unusual circumstances that lawmakers deemed appropriate to include and provide service secretaries with additional discretion for dealing with certain unforeseeable situations deemed to be hardship for the service member. The most important portion of section 406 that relates to the execution of Personally Procured Transportation (PPT) is subparagraph (F). However, a comprehension of the entire plate of entitlements and allowances for the shipping and storage of HHGs is important to developing and understanding recommendations on how to simplify and improve the processes associated with PPT. Of particular interest is subparagraph (G), which describes an optional incentive program intended to encourage members to reduce the amount of household goods shipped. Provisions such as these are an important consideration for long-term cost savings and overall member satisfaction ("Pay and Allowances," 2009).

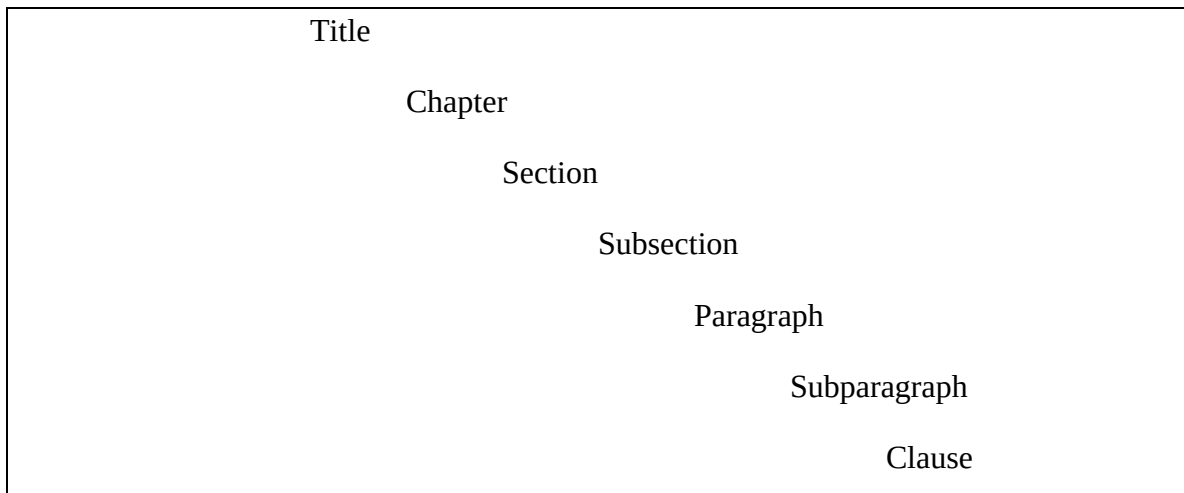


Figure 1. Hierarchy of Legislative Nomenclature

- (a) In-kind benefits for, or reimbursement of, dependant transportation
 - (1) Movement of dependants and pet quarantine
 - (2) Service less than 90 days only receives least expensive mode of transportation
 - (3) Allows for an advance of this entitlement
 - (4) Defines the term “involuntarily separated”
- (b) In-kind benefits for, or reimbursement of, the shipment and storage of household goods
 - (1) Transportation of household goods
 - (A) Household goods transportation and storage
 - (B) Vehicle transportation
 - (C) Weight Allowances
 - (D) Additional weight allowance
 - (i) Conditions for increasing weight allowance
 - (ii) Professional book allowance
 - (iii) Designates SECDEF to prescribe regulations to carry out this subparagraph
 - (E) Midshipmen entitlements
 - (F) Personally Procured Move
 - (G) Incentive to ship and store less than average weights
 - (H) Conditions for the shipment of pets
 - (2) Retired and separated member entitlements
- (c) Limit air carrier mode of transportation unless hardship displayed
- (d) Non-temporary storage
- (e) Conditions for moving without PCS orders
- (f) Conditions for the death of a member
- (g) Conditions when retired or separated members are eligible for moves other than home of record
- (h) Allowances for dependants of members being stationed overseas or subject to discipline
- (i) No time limit for moving dependents of household goods
- (j) Allowance for return shipment for unforeseen circumstances
- (k) Allowance for members who must move from a rental due to foreclosure
- (l) Dependants not living with member while at school
- (m) Prohibition of interference with the movement of service member household goods

Figure 2. Outline Summary of Section 406

Table 1. Weight Allowances (in pounds)

Pay Grade	Without Dependents	With Dependents
O-10 to O-6	18,000	18,000
O-5	16,000	17,500
O-4	14,000	17,000
O-3	13,000	14,500
O-2	12,500	13,500
O-1	10,000	12,000
W-5	16,000	17,500
W-4	14,000	17,000
W-3	13,000	14,500
W-2	12,500	13,500
W-1	10,000	12,000
E-9	13,000	15,000
E-8	12,000	14,000
E-7	11,000	13,000
E-6	8,000	11,000
E-5	7,000	9,000
E-4	7,000	8,000
E-1 to E-3	5,000	8,000

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IV. REVIEW OF PPM POLICIES AND PROCEDURES

Several organizations are involved in the oversight and execution of Household Goods (HHGs) transportation. Policy exists at both the Department of Defense (DoD) and Department of the Navy (DON) levels to assist move counselors and service members in performing a PCS move. Information systems have been in continual upgrade as the DoD and DON automate and simplify the processes considered essential to successfully transporting personal property (United States Transportation Command, 2008). This chapter describes the organizations, policies, procedures, and systems involved in HHGs transportation, with an emphasis on Personally Procured Moves (PPMs).

A. RESPONSIBLE ORGANIZATIONS

The Deputy Under Secretary of Defense for Military Personnel Policy has overall responsibility for defense-wide PCS policies. He chairs the Per Diem, Travel and Transportation Allowance Committee (PDTATAC), which is chartered under the DoD and publishes the Joint Federal Travel Regulations (JFTR). The members of the committee are the Deputy Assistant Secretary from each of the military departments and other government agencies. The JFTR spells out entitlements for uniformed service members codified in federal law (Per Diem, Travel and Transportation Allowance Committee, 2010).

The United States Transportation Command (USTRANSCOM) is the DoD Major Command responsible for transportation, and as such, responsible for the transportation of HHGs. The Surface Deployment and Distribution Command (SDDC) serves as the executive agent for the transportation of HHGs. USTRANSCOM, through SDDC, provides the “how to” guidance for HHGs transportation with the Defense Travel Regulations (DTR 4500.9R) (United States Transportation Command, 2010).

Commander Fleet and Industrial Supply Centers (COMFISCS) executes the Navy personal property program. Fifty-five personal property offices are located worldwide that often serve multiple Navy installations. Naval Supply System Command’s

(NAVSUP) Navy Family Support (NFS) Code 53 develops and recommends policy, monitors effectiveness, adjudicates appeals, and addresses Secretary of the Navy and congressional inquiries. The Household Goods Audit Team (HHG–AT) processes and closes out Personally Procured Move (PPM) claims, authorizes payment of incentives or balance of incentives, and, if necessary seeks collections due to overpayment. The Navy’s regulation, NAVSUP Pub 490, is provided by NAVSUP and largely mirrors the JFTR. Commander Fleet and Industrial Supply Centers (COMFISC), Navy Family Support (NFS) Code 53, and the Navy HHG Audit Team all play a role in the oversight and execution of the Navy Personally Procured Transportation (PPT) (Naval Supply Systems Command, Navy Family Support Branch (NAVSUP Code 53, personal communication, May 20, 2010)).⁸

B. POLICY

1. Joint Federal Travel Regulations

The JFTR describes the HHG entitlements applicable to uniformed service members in section 5300 entitled, “Permanent Duty Travel” (PDTATAC, 2010). The JFTR implements the applicable entitlement statutes; more importantly, the JFTR provides additional guidelines. Part D. of section 5320 of the JFTR discusses PPT. Part D states, “an eligible member may personally arrange for transportation . . . of HHG” (PDTATAC, 2010, U5D2–1). The emphasis on the word “eligible” is important because the language in the statute is not clear as to whether a PPM itself is an entitlement. The JFTR is written such that each service can determine the *eligibility* of its service members in regards to the PPM option. There are four parts of the JFTR that address PPM policies: the amount members can be reimbursed or the allowance they can receive, how much can be received in advance, the requirement for certified weight tickets, and the option for split shipments.

⁸ See Appendix A for working copy of NAVSUP PPM SIPOC diagram as of June 2010.

a. *Reimbursement/Allowance Amount*

Just as the U.S. Code states that a member may be reimbursed or receive a monetary allowance, the JFTR states that,

A member who personally arranges for transportation . . . is authorized:

a. Actual cost reimbursement NTE [not to exceed] the GOV'T's constructed transportation . . . cost, or

b. Payment of a monetary allowance equal to 95% of the GOV'T's constructed cost. (PDTATAC, 2010, U5D2–2)

The government-constructed cost is what it would have cost the government to move the equivalent amount of weight as determined by weight tickets submitted by the service member (NAVSUP Code 53, personal communication, May 20, 2010).

b. *Advance Amount*

Section 5319 states that an advance of 60 percent is authorized for members seeking a monetary allowance. Those seeking only reimbursement of actual cost may receive 100 percent of the estimated expenses (NTE 100 percent of the government-constructed cost) (PDTATAC, 2010).

c. *Weight Tickets*

The JFTR states that the member must submit certified weight tickets that will be used to determine the net weight moved by the member. “The net weight or the member’s authorized weight allowance, whichever is less, is used to determine the constructed cost” (PDTATAC, 2010, U5D2–2).

d. *Split Shipments and the One–Lot Rule*

A “split shipment” occurs when the member has multiple lots of household goods associated with one set of orders (NAVSUP Code 53, personal communication, May 20, 2010). The JFTR states,

A member may ship HHG by government-procured and/or personally procured transportation as long as the combined HHG shipments do not exceed:

- the member's authorized HHG weight allowance, and
- the cost of government-procured HHG transportation in one lot between authorized places. (PDTATAC, 2010, U5D2-2)

The one-lot rule is intended to help reduce outlays when individuals have several small lots, all of which are calculated based on the government-constructed cost (NAVSUP Code 53, personal communication, May 20, 2010). Because the government constructed cost is based on rates that include fixed overhead, smaller amounts of weight will cost more per pound to move than one large lot.⁹

2. Defense Travel Regulations

DTR Part IV, section AA discusses the basics of a PPM and how it should be executed. The latest revision of the DTR is based on the DP3 (Defense Personal Property Program). The DTR provides much more detail and requirements than the JFTR with respect to PPMs. The DTR refers to the JFTRs' "monetary allowance" as an "incentive payment." The DTR outlines several options service members have in completing a PPM, including: Personally Owned Vehicles (POVs), owned or rented trailers, or hiring one's own full service moving company. The DTR requires that a member receive counseling and prior approval at the personal property office for a PPM move. As a part of this counseling, members are required to complete an inventory of their HHGs to determine an estimated weight. The DTR reminds service members of the one-lot rule and explicitly cautions service members not to exceed their weight allowance, especially when conducting split shipments (USTRANSCOM, 2010).

The DTR states that the service member is responsible for the following items:

- All packing and moving equipment including a safe vehicle or truck/trailer.
- Obtaining empty and full, certified weight tickets.

⁹ This point can be demonstrated by calculating the respective cost per pound using 2010 DPS 400NG rates.

- Obtaining receipts for all operating expenses, such as material, fuel, and tolls, so they can be deducted for the purpose of determining taxable income.
- Submitting all applicable paperwork and documentation to a service specific claims processing office. (USTRANSCOM, 2010)

The DTR provides a listing of what is and is not defined as operating expenses and discusses the intent of the 60 percent advanced allowance, which is to “defray the cost of rental vehicle, gasoline, oil, tolls, packing material, moving equipment, and other services directly related to the move” (USTRANSCOM, 2010, IV–K1–24). Service members are also told to reflect the status of their gas tanks on their weight tickets and disconnect a POV that is being towed by a rental vehicle before weighing HHGs. Finally, the DTR states that service members assume “the risk for and are responsible for preventing loss and/or damage” (USTRANSCOM, 2010, IV–K1–25). The government will not pay claims except in cases where “it is determined that [the service member is] free of negligence” (USTRANSCOM, 2010, IV–K1–25). The service member must submit a claim with the involved Transportation Service Provider (TSP) before submitting a claim to the government and “the government does not pay for any amounts that you could have recovered from the TSP with which you had the contract” (USTRANSCOM, 2010, IV–K1–26).

3. NAVSUP Pub 490

NAVSUP Pub 490 mirrors and expands upon the JFTR and is the Navy’s service–level regulations regarding PPT. The 490 discusses the topics on which the Personal Property Shipping Offices (PPSOs) are required to counsel Navy service members. The PPM application that provides for pre–approval of a PPM is the DD Form 2278.¹⁰ This form, according to the 490, should contain estimates of reimbursement and the advanced allowance based on the calculated weight at time of counseling. Pub 490 outlines the traditional method for calculating government constructed cost (GCC)¹¹ and details what must be written on the weight tickets prior to submittal to the HHG-AT for determining

¹⁰ See Appendix B for example of DD Form 2278.

¹¹ The calculation has changed with the introduction of DP3 and DPS (DPS Incentive Calculator, 2010).

net weight. Finally, it provides a checklist of items that must be included in the claims package sent to HHG-AT (Naval Supply Systems Command, 2009).

C. PROCEDURE

With the introduction of DPS, changes in the procedures for conducting a PPM have been implemented. First, the traditional procedures for conducting a PPM are described from the service member's point of view. The traditional procedure for the HHG-AT to process a claim is described next. Last, using the traditional procedure as a reference, changes to these processes as a result of DP3 are outlined.

1. Traditional Pre-PPM Procedure

Upon the receipt of PCS orders, a service member wishing to move his/her household goods, in part or in whole using PPT, should proceed to the local PPSO and fill out the top portion of the 'Application for Do It Yourself Move and Counseling Checklist' or DD Form 2278.¹² In addition to all the required personal information, the service member provides an estimate of the weight he/she intends to move. The counselor then manually enters the information into the TOPS system and performs a calculation of the Government-Constructed Cost (GCC) based on the amount of weight and the member's destination. TOPS then reproduces the typed version of DD Form 2278 for the member to review and sign as a part of the required pre-move counseling. The service member then receives the completed DD 2278 and a travel voucher form (DD 1351-2)¹³ to be submitted by mail to the HHG-AT, along with other required documentation, at the completion of the PPM (Commander, Fleet and Industrial Supply Center, Puget Sound Naval Shipyard (PSNSY) Personal Property and Shipping Office (PPSO), personal communication, June 22, 2010).

2. Traditional PPM Procedure

Members weigh their vehicle and/or trailer both empty and full and are required to obtain weight tickets from a certified weight master. These weigh stations are

¹² See Appendix B.

¹³ See Appendix C for example of DD FORM 1351-2.

oftentimes found at truck stops along major interstates. Because of recent issues related to fraud and inability to verify if members have actually completed a move, it is now required that the vehicles be weighed empty at origin and full at destination. Members also obtain receipts for operating expenses that are incurred as a part of the move to determine their taxable income (COMFISC, PSNSY PPSO, personal communication, June 22, 2010).

3. Traditional Post-PPM Procedure

Once at destination, members have 45 days to submit the required paperwork, including a copy of orders, DD-2278, DD 1351-2, weight tickets, operating expense receipts, and vehicle registration to the HHG-AT. The eligible operating expenses are deducted from the amount of taxable income resulting from the overall monetary allowance received (COMFISC, PSNSY PPSO, personal communication, June 22, 2010).

4. Traditional Navy HHG-AT Procedure

The Navy HHG-AT in Norfolk, VA, consists of both clerks and trained, experienced auditors. Clerks initially process the incoming claims that are delivered to the mailroom by making copies of all operating receipts, weight tickets and other loose papers. Clerks collate the now more organized documentation, put the claims packages in stacks of ten, and file them in the order in which they are received for the auditors to process (Household Goods Audit Team, personal communication, June 30, 2010).

The auditors take one stack at a time to begin the audit function of claim processing. Auditors use a computer system called the Personally Procured Transportation Audit System (PPTAS) to assist with several audit functions including the automatic calculation of a member's incentive balance using the one-lot calculator. The auditors check with the SDDC reports to see what, if any, other household goods shipments are associated with a members PCS move. This is important because in order to calculate the one lot GCC using the PPTAS system, the total weight moved must be known. The auditors also access BUPERS' personnel system to verify that a member received an advance. Once the auditor determines the balance of the incentive, either hard copy checks are issued and sent to the member or the collections process begins for

positive and negative balances, respectively. The HHG-AT must also issue W-2s specific to PPM moves reflecting the taxable portion of the balance of a member's incentive payment. This taxable portion is determined by adding up the eligible moving expense receipts and subtracting that number from the total amount of monetary incentive a service member receives (HHG-AT, personal communication, June 30, 2010).

5. Defense Personal Property Program (DP3)

As noted earlier, DP3 is the result of reengineering efforts that have taken place over the past 15 years. DP3 is based on a web-based system called DPS that is now the required system to apply for a PPM. While many parts of the traditional PPM procedures will remain the same in order to comply with policy, DPS is intended to automate and simplify some of these steps. The user-friendly website guides the service member through the application by prompting them for the required information and then generating a DD Form 2278. An estimate of the member's incentive payment is provided only after the PPM application is complete using the new DPS 400NG rate structure. However, members must then print out and sign this form and provide it to their local PSD to process the advance request. NAVSUP is working to implement digital signature technology to allow service members to complete the entire process from the DPS system. An important supplement to DPS is a program called DPS Analytics. With its searchable database, DPS Analytics provides HHG transportation officials the ability to conduct analytical analysis of historical data for improved decision making (NAVSUP Code 53, personal communication, June 28, 2010).

While the pre-PPM process changes, the traditional move and post-PPM processes remain the same. The HHG-AT is working on adapting its systems and procedures, namely PPTAS, to harness the automation capacity of the DPS system (HHG-AT, personal communication, June 30, 2010). However, HHG-AT procedures will continue to reflect current PPM policies regardless of the automation tools that DPS provides. NAVSUP is utilizing Lean Six Sigma to analyze the entire PPM processes in order to seek continuous improvement (NAVSUP Code 53, personal communication June 28, 2010). Figure 3 shows flow chart of the PPM process.

D. FUTURE OUTLOOK

USTRANSCOM and SDDC have taken on a larger role in HHG transportation across all the services with the introduction of DP3. Despite this more centralized control, individual services and their personal property offices will continue to play a vital role in adapting service members to the new DPS system. Evidence indicates that DPS is intended to minimize the workload at personal property offices as more and more service members exclusively utilize the online system. As DP3 is implemented policy will need to be updated. The JFTR, NAVSUP 490, and DTR all contribute to HHG policies, with the DTR reflecting the most recent DP3 policies.

One of the challenges in reengineering the PPM process is that it must take place within the context of a larger HHG reengineering process with the implementation of DP3. DPS is intended to make PPMs easier for the service member and the Navy. However, in the short-term, DPS may make PPMs more complicated for the service member and the Navy, specifically the HHG-AT, as everyone learns the new system and as the Navy HHG-AT's PPTAS system is integrated with the DPS system. In the long-term, DPS should certainly aid decision-makers because the system can provide useful historical data for analysis. While DPS is intended to help simplify a PPM, the procedures remain a reflection of the policies that created PPM procedures in the first place. Therefore, this thesis identifies procedure weaknesses with an understanding that the ultimate root cause of and solutions to these weaknesses are found by analyzing PPM policies.

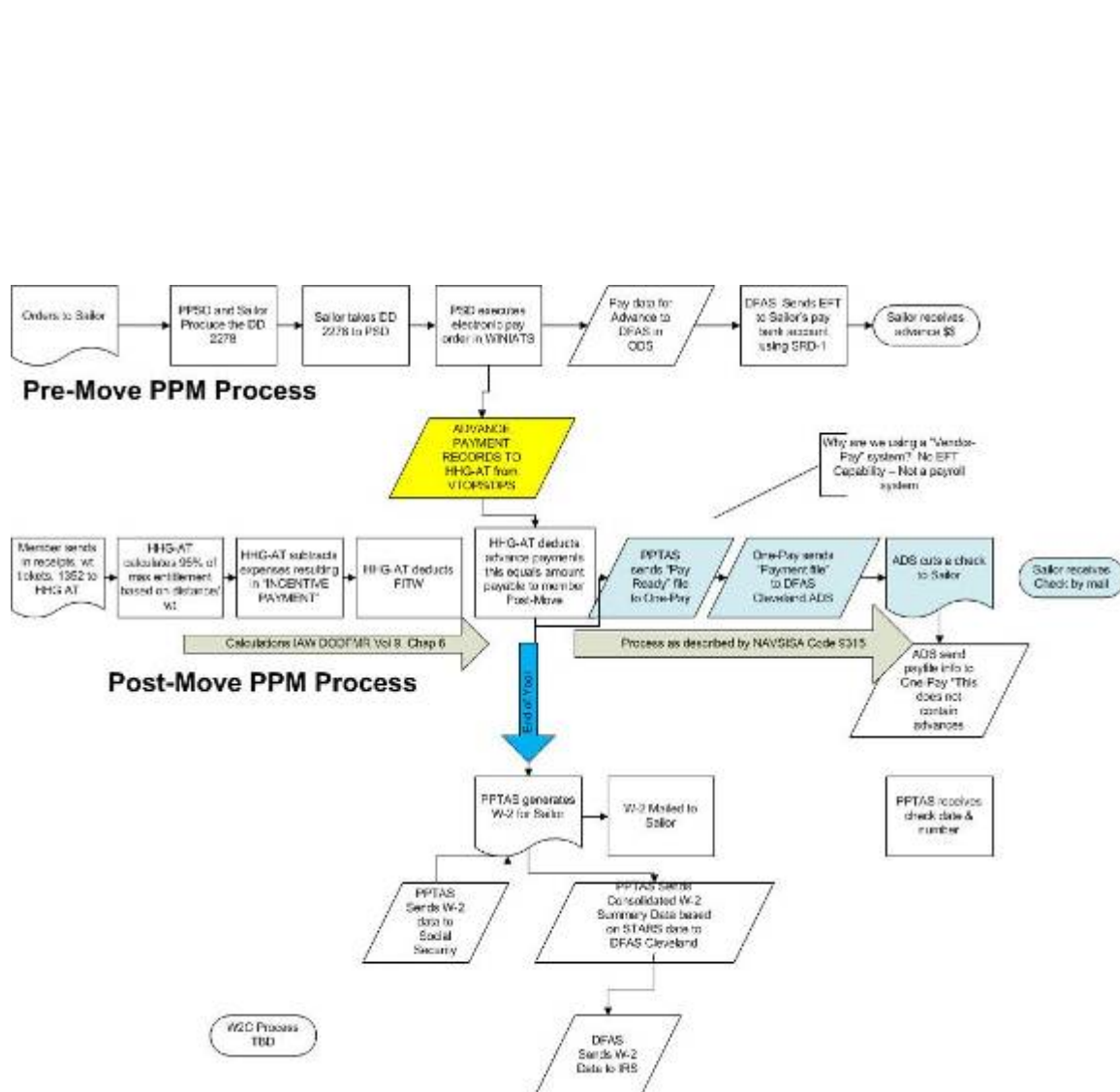


Figure 3. The PPM Process (From NAVSUP, 2010)

V. PPT SYSTEM WEAKNESSES AND CAUSALITY

As part of a larger Lean Six Sigma self-assessment process, the Naval Supply Systems Command (NAVSUP) has documented a series of “vulnerabilities” in the Personally Procured Transportation (PPT) system (Naval Supply Systems Command, 2010c). In this thesis, five areas of weakness are derived from the NAVSUP identified vulnerabilities and two additional areas of weakness were discovered as a result of this study of the PPT system. The areas discussed are intended to capture and provide a comprehensive understanding of weaknesses associated with PPT policies, procedures, and processes.

Additionally, an evaluation of the root cause of specific weaknesses is discussed based on available evidence. The subsequent analysis suggests that the root cause common to many of these weaknesses is the variable monetary incentive, which is based on net weight. Net weight is determined by subtracting empty weight from full weight. Full weight is the weight of the transported Household Goods (HHGs) plus the vehicle and/or trailer used to transport the HHGs. The empty weight is the weight of just the vehicle and/or trailer. A lower net weight results in a smaller incentive payment. A higher net weight, or maximum authorized weight, results in a larger incentive payment. The maximum net weight, or maximum authorized allowance, depends on the rank and dependent status of the service member¹⁴ (United States Transportation Command, 2010).

A. AREAS OF WEAKNESS DERIVED FROM NAVSUP PPM VULNERABILITIES

1. Fraud and Abuse

a. The Problem With Using Weight to Determine Amount of Monetary Incentive

One of the PPT vulnerabilities NAVSUP is most concerned about is fraud and abuse on the part of the service member. There are instances when the Household

¹⁴ See Table 1.

Goods Audit Team (HHG-AT) and Personal Property Shipping Offices (PPSOs) are forced to forward suspected fraud cases to the Naval Criminal Investigative Service (NCIS) when service members allegedly load their Personally Owned Vehicle (POV), trailer, or rented truck/trailer with items such as cement bags or water buckets. The vast experience of the HHG-AT professionals is such that many of these cases of fraud are easily identified in the audit process, particularly in more blatant cases such as a member weighing their POV in tow on a trailer. Consequences resulting from these cases can have lasting effects on the careers of the service members involved (NAVSUP Code 53, personal communication, June 28, 2010).

b. *Root Cause*

PPM policy naturally utilizes weight to determine the incentive payment to ensure that the incentive payment “does not exceed the cost that would be incurred by the government,” as is required by law. The cost for the government to transport HHGs is largely driven by weight due to the government-carrier negotiated rates (400NG) (“Pay and Allowances,” 2009). Because the amount of incentive payment is based on the weight transported on a Personally Procured Move (PPM), service members are incentivized to increase this weight amount. However, this incentive structure is an example of the folly that Steven Kerr (1995) speaks of in his article “On the folly of rewarding A, while hoping for B.” The government policy is rewarding service members with a higher monetary incentive when service members add additional weight (up to the maximum allowable weight for the service members’ rank and dependent status), while expecting that service members to not abuse the system. Given this argument, the law as it is currently written is the root cause for the current incentive structure that is enabling fraud. If, for instance, the law stated that, “the monetary allowance may be paid only if the amount of allowance does not exceed the *average* cost incurred to ship and store the baggage and household effects of members, conducting a comparable change in station of the same grade and with the same dependent status,” then a fixed monetary incentive set at or below this average cost amount would eliminate the government’s vulnerability to fraud and remove the service member’s ability to commit fraud.

2. Weight Estimation

a. Overestimating PPM Weight

As part of the pre-move counseling process, a service member must estimate the total weight of the household goods he/she intends to transport. This weight estimation is critical for PPMs because the service member usually receives an advance allowance equal to 60 percent of the estimated monetary incentive. Since the monetary incentive is based on the net weight of a service member's HHGs, a weight over-estimation can result in an over-payment of the monetary incentive advance amount and subsequent collection of a member's pay at time of settlement. NAVSUP views the over-estimation of PPM weight as a vulnerability that can be mitigated by effective counseling (NAVSUP, 2010c).

There are several reasons why service members overestimate their weight, including the lack of adequate estimation tools, lack of standard counseling at all PPSOs, or deliberate fraud. The Defense Personal Property Program (DP3) now relies on "self-counseling," (discussed later in this chapter) which is essentially a guided process and online training found at the Defense Personal Property System (DPS) website. This guided process, combined with the weight estimating tools is used to minimize the cases of unintentional weight over-estimation. (COMFISC Puget Sound Naval Shipyard PPSO, personal communication, June 22, 2010) The effectiveness of the new training and the accuracy of the weight estimators are affected by service members' ability to comprehend the online training and properly inventory their HHGs.

b. Root Cause

The motivation for over-estimating PPM weight exists because the government uses the service members' estimate of the amount of weight to be transported in a PPM to determine the advance allowance amount. If the incentive payment was not variable based on weight, the weight estimation process and its associated risks could be avoided. Despite the new tools in DPS to help the honest service member accurately estimate his/her weight, the potential for fraud in weight estimation will remain as long as the monetary incentive is based on weight.

3. Multiple Shipment Methods

A service member choosing to ship his/her HHGs in more than one lot, and/or by more than one method, complicates the administrative processes associated with PPMs. NAVSUP has identified two specific vulnerabilities in the processes associated with multiple shipment, or split shipment, scenarios (e.g., a PPM combined with a government contracted move). First, NAVSUP documents present the argument that the additional administrative work associated with multiple shipments result in increased costs (NAVSUP, 2010c). NAVSUP argues that when these additional costs are considered, the total overhead costs associated with multiple shipment methods exceed the government's savings when all but five percent of the government constructed cost is paid to the service member in the form of a PPM incentive (NAVSUP Code 53, personal communication, June 29, 2010). Second, because of the one-lot rule, the HHG-AT must recalculate a PPM incentive payment if there is a significant time gap between PPM claims or between a PPM shipment and a government-contracted shipment. This recalculation can cause service members to end up overpaid leading to a collections process (Household Goods Audit Team, personal communication, June 30, 2010).

a. Additional Costs

NAVSUP HHGs transportation officials argue that the government's cost saving opportunity in the context of a PPM no longer exists when a member chooses a second shipment method in addition to a PPM (NAVSUP Code 53, personal communication, June 29, 2010). This is a logical conclusion given that it takes just as long for the *partial* PPM¹⁵ to be approved by the PPSO and it takes longer for a *partial* PPM to be processed by the HHG-AT (HHG-AT, personal communication, June 30, 2010). A partial PPM takes longer to process because it must be reconciled with other shipment methods to determine the correct monetary incentive amount (HHG-AT, personal communication, June 30, 2010). It can be expected that an increased number of man-hours is required for *partial* PPMs because the multiple shipments and the one-lot

¹⁵ A *partial* PPM is the informal term used to identify a PPM that a service member is authorized to execute in combination with another type of move, most commonly a government contracted move (NAVSUP Code 53, personal communication, May 20, 2010).

rule, must be considered in the incentive payment determination. When the costs associated with administering the PPM are combined with those of the government-contracted move, it is reasonable to expect that these costs exceed the savings associated with a single PPM. This conclusion is even more logical if one assumes that the true savings to the government is the five percent of the government-constructed cost unpaid to the service member *minus* the allocated cost of administering each PPM.

b. One-Lot Rule Recalculation

PPM policies allow service members to move their HHGs in as many lots as they wish. However, the one lot rule prevents service members from being reimbursed more than the government constructed cost¹⁶ of moving the members' total weight in one-lot (NAVSUP Code 53, personal communication, June 28, 2010). This policy addresses what would otherwise be a flaw in the monetary incentive policies for PPMs. Instead of the member being reimbursed for the fixed costs associated with each shipment, the member's total weight of all shipments is considered one-lot, thereby minimizing the amount of fixed costs reflected in the incentive payment. For example, under the new DPS 400NG rates by which PPM monetary incentive amounts are now determined, the line haul rate¹⁷ per pound for moving 1,000 pounds is 66 percent higher than the rate per pound for moving 18,000 pounds from San Diego, CA, to Norfolk, VA.¹⁸ As the amount of weight that is transported increases, the fixed cost per pound decreases. The one-lot rule minimizes the incentive payment to the lowest fixed cost per pound.

One of the vulnerabilities in the audit process, however, is that the audit team does not have visibility of all the possible shipments associated with a service

¹⁶This is what it costs the government to pay a carrier to transport an equivalent amount of HHGs over the requisite transportation channel.

¹⁷ The line-haul rate is the weight dependent portion of the total 400NG HHGs transportation rate and reflects a large majority of the total rate carriers charge the government for transporting a service member's HHGs. Additional fees such as premiums for certain routes and delivery locations and temporary storage fees are added to the line-haul rate to determine the government constructed cost to transport a service member's HHGs (SDDC, 2010).

¹⁸ Calculated using a hypothetical PCS move from San Diego, CA to Norfolk, VA using 2010 DPS 400NG rates (SDDC, 2010).

member's orders. This is because there is no time limit for a service member to transport his/her household goods, nor is there a limit to the number of shipments. For example, if a service member conducts a PPM, the claim is paid out based on the weight associated with only that PPM shipment because no other shipments are scheduled in the system. Six months later the service member may decide he/she wishes to transport additional HHGs associated with moving his/her dependents. This may cause the service member to exceed his/her authorized weight allowance and/or run afoul of the one-lot rule. This requires the HHG-AT to recalculate the initial PPM incentive and possibly collect from the service member's pay (HHG-AT, personal communication, June 30, 2010).

DPS, which the HHG-AT is currently integrating into its auditing procedures, will provide real-time visibility to the HHG-AT, but not if the service member from our previous example delays requesting his/her government contracted move until after the PPM is processed. DPS tools, like the excess cost module, are designed to provide members with feedback that will indicate to them that they may be approaching their maximum entitlement, violate the one-lot rule, or be subject to future payroll collections (HHG-AT, personal communication, June 30, 2010).

c. Root Cause

The additional administrative overhead costs associated with multiple shipment methods cannot be avoided with current policies. Eliminating the *partial* PPM would not necessarily result in all service members shipping all their essential items via Government Bill of Lading (GBL).¹⁹ The *partial* PPM is a monetary benefit to some service members. This is not necessarily bad. It can be argued that it is only fair that service members are *reimbursed* for moving their essentials. But, should they receive an *incentive payment* for doing something they would do anyway? If DoD is trying to find cost savings this may be a place to look. The root cause of the problems associated with multiple shipment methods is that federal law has been interpreted to allow for *partial*

¹⁹ A GBL is among the most common types of government contracted household goods transportation methods (NAVSUP, 2010).

PPMs. Since the government has nothing to gain financially from incentivizing *partial* PPMs and since they add to the audit workload, *partial* PPMs should be under further scrutiny.

4. After-the-Fact PPM

a. Service Member Receives Last-Minute Orders

A PPM where no pre-approval has taken place, and no advance funds are provided, results in what is informally known as an after-the-fact PPM (NAVSUP Code 53, personal communication, June 28, 2010). Current policies allow for a member to submit a request for reimbursement or a monetary incentive without prior authorization from a PPSO (Per Diem, Travel and Transportation Allowance Committee, 2010). The 490 provides a checklist of required documentation that includes everything except the document a member would have received had prior-approval taken place (NAVSUP, 2009). This type of PPM often results when orders are issued at the last minute and a member's pre-approval paperwork cannot be processed in time. NAVSUP points to mass graduations as an example of when orders are issued at the last minute (NAVSUP Family Support 05, personal communication, June 28, 2010).

Data indicate that NAVSUP 490 does not strictly adhere to the DTR, which states that "the TO must provide counseling and prior approval for a PPM move" (USTRANSCOM, 2010). NAVSUP rightly views after-the-fact PPMs as a vulnerability because the lack of pre-approval counseling leads to a higher chance of a service member failing to follow the required procedures such as not submitting weight tickets. This increases the workload for the HHG-AT, as their internal policies are to properly settle any legitimate claim submitted by a service member regardless of the additional legwork that may be required to obtain the proper documentation (HHG-AT, personal communication, June 30, 2010).

b. Root Cause

NAVSUP has determined these types of PPMs are a vulnerability because it is more likely that the claim paperwork submitted by a service member after his/her

move will contain errors or have missing items such as weight tickets (NAVSUP, 2010b). However, these types of moves are a reality that the HHG transportation system cannot control. It can be argued that the HHG transportation reimbursement process should meet the needs of the service member regardless of the moving timeframe or other inconvenient circumstances. The inconvenience of incorrect paperwork to the HHG-AT could be avoided if the paperwork was not required in the first place. The root cause of this paperwork requirement is the need for the HHG-AT to strictly determine the variable monetary incentive amount based on the net weight a service member transports.

5. Audit Process

a. Strains on the Audit Process

The HHG-AT has identified vulnerabilities within its own processes. Incomplete service member claims cause significantly more processing time. Additionally, the failure of a member to submit a claim within 45 days puts strain on PCS-Variable Component (PCS-VC)²⁰, as the associated line-of-accounting (LOA) cannot be closed out in sufficient time to reprogram limited funds. Relying on claims and payments to be sent via registered mail exacerbates the slow claim processing time. Finally, the HHG-AT still issues paper checks via the One Pay system and must manually produce W-2s (NAVSUP, 2010b). HHG-AT is working with DFAS to incorporate PPM incentive payments into their system to replace paper checks with automated and less expensive Electronic Fund Transfers (EFTs) and assist with W-2 production (HHG-AT, personal communication, June 30, 2010).

b. Root Cause

As a result, of some of these vulnerabilities, NAVSUP is seeking to simplify PPM procedures. When considering ways to achieve simplification it is important to consider the intended purpose of the auditing process. U.S. code states, “the monetary allowance may be paid only if the amount of the allowance does not exceed the

²⁰ PCS Variable Component is part of Navy Personnel Command and provides the funding for many of the PCS entitlements including PPM advanced monetary allowances (NAVSUP Code 53, personal communications, June 28, 2010).

cost that would be incurred by the government . . . for the transportation of baggage and household effects” (“Pay and Allowances,” 2009). The cost incurred by the government is determined under the Defense Personal Property Program (DP3) by 400NG rates. 400NG rates use weight in addition to distance traveled to determine the line haul rates, which composes the majority of the government–constructed cost of moving household goods (SDDC, 2010). The Joint Federal Travel Regulations (JFTR) defines government constructed cost in accordance with US code language above. The audit process exists to ensure compliance with policy. The policy exists to ensure compliance with federal law. The law as it is currently written is the main driver for having to audit the claims. As suggested earlier, if the law stated that “the monetary allowance cannot exceed the *average* cost incurred to ship and store the baggage and household effects of members, conducting a comparable change in station of the same grade and with the same dependent status,” then a fixed monetary incentive set at or below this amount would ensure compliance without the need for an audit.

B. ADDITIONAL WEAKNESS AREAS

Two additional areas of weakness that are not explicitly part of the NAVSUP self-assessment are identified as result of this study of the PPT system.

1. Service Member Requirements

The service member must submit to an administrative process in order to conduct a PPM. Time and effort are required to complete the weight estimate, request the advance monetary allowance, obtain empty and full weight tickets for each load, complete and make copies of the applicable paperwork, and mail the required documentation via registered mail.

a. Weight Estimation

As part of the online application in the Defense Personal Property System (DPS), the service member must provide an accurate estimate of each individual item he/she intends to move in an Excel spreadsheet that has a webpage format in order to produce the estimated weight of his/her HHGs. This required weight estimator tool

simplifies the estimate by assigning a single weight to items like mattresses and couches, but also has multiple categories of items such as desks and dressers/chests. There is little explanation or definition of the categories, which may cause service members to conclude on their own what category is appropriate for a specific item. The risk is that selecting the wrong category can result in an estimate that is hundreds of pounds different than the actual weight. For example, one service member might believe that his/her desk falls into the large desk category when in fact it should be considered small. Several of these assumptions where size or weight is under or over estimated based on the categories can lead to disparities in the estimate. The weight estimator tool is intended to help standardize weight estimates (COMFICS Puget Sound, personal communication, June 22, 2010). This study, however, found that the weight estimator is confusing and could cause the service member to doubt the accuracy of the estimate. However, subsequent moves by a service member should be relatively easier since DPS member profiles are updated to reflect the service member's actual amount of weight from his/her previous Permanent Change of Station (PCS) moves and this information can be used as a guide for service members to provide a more accurate estimate. Despite the flaws in its current form, the weight estimation tool does represent an improvement because prior estimations relied only on simple rules of thumb or outright guesses based on a counselor's experience (COMFISC Puget Sound, personal communication, June 22, 2010).

b. Advance Request

A service member can receive an advance of only 60 percent of the estimated government constructed cost to ship an estimated amount of weight (Per Diem, Travel and Transportation Allowance Committee, 2010). There are scenarios, however, where the member incurs more than 60 percent of the cost prior to receiving the remaining balance of the monetary incentive several weeks later. This may occur, for example, if a service member underestimates the amount of weight he/she intends to move and he/she rents a large truck/trailer for a cross-country trip. To receive the 60 percent advance on the monetary incentive, service members must go to the nearest

personal property office to sign a DD Form 2278. This step will remain until an electronic signature technology is authorized in DPS (COMFISC Puget Sound, personal communication, June 22, 2010).

c. Weight Tickets

Service members must obtain one empty weight ticket at destination and a full weight ticket at destination for each load they move. The policy regarding the location from which one obtains the weight tickets was more flexible in the past, but it has become more rigid in reaction to recent cases of fraud (HHG-AT, personal communication, June 30, 2010). Most members only have one load and therefore, only need one full weight ticket. However, for a short distance, a service member may decide to move HHGs by taking more than one trip. This requires that the service member obtain a full weight ticket for each trip and empty weight tickets if different vehicles are used for the moves.

d. Claim Submission

Service members must submit the applicable PPM application (DD Form 2278)²¹ and a completed travel claim (DD Form 1351-2).²² Service members must keep travel expense receipts for tax deduction purposes since the monetary incentive is considered taxable income. Service members must calculate their deduction based on the travel expense receipts they have on hand and mail the entire package via USPS registered mail.

e. Root Cause

The service member is required to obtain weight tickets and submit a claim package to the Household Goods Audit Team (HHG-AT). Accurate and complete paperwork is required in order to conduct an audit in to determine the correct balance of incentive to be paid to (or collected from) the member. The claim paperwork contains the weight tickets, which determine, when combined with the weight of other shipments

²¹ See Appendix B.

²² See Appendix C.

such as a GBL, the total incentive amount due to the service member. The requirement for service member documentation aids the HHG-AT's compliance with HHG policy and applicable U.S. statutes. The root cause, therefore, is the policies that require the HHG-AT to strictly determine the variable monetary incentive amount based on the net weight a service member transports.

2. Incentive Management

The service member's incentive payment is based on the weight he/she claims to have moved as evidenced by weight tickets. Kerr argues that, "whether dealing with monkeys, rats, or human beings, it is hardly controversial to state that most organisms seek information concerning what activities are rewarded, and then seek to do (or at least pretend to do) those things, often to the virtual exclusion of activities not rewarded" (Kerr, 1995, p. 7). Kerr goes on to cite numerous examples where, "the types of behaviors rewarded are those that the reward is trying to discourage, while the behavior desired is not being rewarded at all" (Kerr, 1995, 7). A PPM monetary incentive based on weight is a prime example of the folly that Kerr describes. The Navy is rewarding service members for additional weight (up to the maximum authorized weight) but hoping service members actually minimize weight and do not commit fraud in order to achieve additional weight.

This weakness will likely persist despite maximum weight allowances, because the average weight service members transport, or ship via government contracted carrier, is less than their maximum weight allowance. The average weight an *unaccompanied* enlisted service member transports is only 11 percent of their maximum weight allowance. The average weight *accompanied* enlisted service members transport is 64 percent of their maximum weight allowance. A similar trend is found among officers with average weights of 21 percent and 74 percent of the maximum weight allowance for unaccompanied and accompanied officers, respectively (PCS-VC, 2010a, 2010b, 2010c, 2010d)²³. These statistics imply that, especially after completing their first move, service members are aware that they are often well below the maximum allowance and therefore

²³ Calculated percentages using raw data found in PCS-VC provided data files.

a much larger amount of incentive is available. Therefore, greater potential for future fraud exists. The gap between the average weight transported and the maximum weight allowance is largest for the population of service members where roughly half of the fraud cases have originated (NAVSUP, 2010c). Approximately 50 percent of fraud cases being prosecuted by NCIS are from separating E-1 to E-5 service members (NAVSUP 2010c). E-1 through E-3 unaccompanied service members transport 10 percent of the maximum authorized weight while E-4 and E-5 unaccompanied service members transfer 7 percent and 13 percent of the maximum authorized weight, respectively (PCS-VC, 2010a, 2010b, 2010c, 2010d).²⁴ This poor incentive structure is the catalyst for fraud and must be changed in order to prevent fraud.

C. CONCLUSION

This analysis is intended to show that the root cause of each weakness area discussed in this study (except multiple shipment methods) is the fundamentally flawed policy that ties the weight of a service member's personal property moved to his/her incentive payment. While weight may be an appropriate cost driver for transportation costs and should continue to be used in government contracted HHG shipments, weight is not appropriate for PPM monetary incentive determination and causes many problems for the PPT system. Some of changes to existing policy that are discussed in the next chapter continue to rely on a system based on weight, but try to mitigate some of its undesirable consequences. Alternative reimbursement systems and incentive structures proposed in this study deal with the crux of the problem by providing solutions that prevent these consequences.

²⁴ Calculated percentages using raw data found in PCS-VC provided data files.

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VI. PPT SYSTEM REFORM PROPOSALS

A. NAVSUP PROPOSALS

1. Financial Charge Card

NAVSUP is developing a financial charge card, which was inspired by the recent introduction of the travel card for defense temporary duty travel under the Defense Travel System (DTS). However, the NAVSUP financial charge card will be designed to mitigate some of the most serious vulnerabilities in the PPT program identified by NAVSUP. The card will “enable a Personal Property Office to allocate an authorized advance expense amount of up to 60 percent of a projected PPM move cost” (NAVSUP, 2010b). The card will be coded to authorize certain vendors so that members can charge valid costs of moving. The card will then be capable of being credited upon settlement of a claim with the balance of reimbursement or monetary incentive. After claim settlement, expenditure restrictions will be lifted such that the card will then act as a declining balance card for members to spend as they wish (NAVSUP, 2010b). Figure 4 provides a conceptual flow chart of the pre-PPM process under the NAVSUP’s financial charge card proposal.

The use of such a card will have several advantages that will help to mitigate NAVSUP identified vulnerabilities:

- It will allow the Navy HHG-AT to conduct an automated, electronic, and more comprehensive audit in real time.
- The card expenditures will feed into a database that will provide real time moving industry cost data to decision makers and aid in making more effective policy decisions.
- The service member will have automatic access to a consolidated report of expenses to assist with income tax filing.
- The card will provide for a single line of accounting (LOA) for a given set of PCS orders that will assist PCS-VC in tracking obligation and expenditure rates and provide real time accuracy in budget estimation.

- The card will transfer the financial risk associated with providing an advance to both the card issuer (the bank) and the service member, which provides a hedge against fraud (NAVSUP, 2010a; NAVSUP Code 53, personal communication, May 20, 2010).

Despite the financial charge card's clear advantages as currently proposed it has two weaknesses. For one, it is not unreasonable to imagine that the service member may have to pay more than 60 percent of the PPM cost before the settlement of the claim. As such, those legitimate expenses paid by the member in excess of the authorized card amount will not be captured on the card and visibility of the total cost of the move will not be complete until those data are manually incorporated at the time of claim settlement. Second, the settlement of claims will not necessarily be any faster since HHG-AT must wait on the member to send in weight tickets and other paperwork.

2. Final Move Buy-out

The final move buy-out travel simplification initiative from NAVSUP is designed to mitigate the vulnerabilities associated with service members moving as part of a separation or retirement. As noted earlier, over 50 percent of NCIS fraud cases involve separating members. This program will provide an Electronic Funds Transfer (EFT) equal to a set percentage of the average cost to the government to provide all travel and transportation services associated with a set of retirement or separation orders. This will allow the member the freedom to move or not move within a certain time period and not have to submit claim paperwork. This will free up HHG administrators and the HHG-AT from having to arrange an eligible carrier for a GBL, audit claim paper work, seek any collections, or investigate any cases of fraud. If separating service member are indeed involved in 50 percent of NCIS PPM fraud cases, total PPM fraud causes will be cut in half once this program is fully in place since the potential for fraud is removed. This proposal is much like other standardized allowances such as Basic Allowance for Housing (BAH) and travel per diem. The argument is that overall it will cost the government less to provide this upfront cash allowance to all eligible members than it is to maintain the numerous bureaucracies needed to manage all the entitlements available for a given set of orders (NAVSUP, 2010a).

B. ALTERNATIVE PROPOSALS

This brings us to the introduction of alternative proposals that have some similarities to proposals already discussed, while seeking to address the root cause of the PPT system weaknesses.

1. Implement Average Weight Provision of Title 37

As was mentioned in Chapter II, the FY 2001 Defense Authorization Act added a provision to the HHG entitlement statute that was intended to incentivize service members to move less weight during a PCS. Recognizing that the maximum weight allowances did not incentivize service members to further lower the amount of HHG they transported, Congress provided explicit authorization to offer a monetary award for moving less than average weight. The statute states that the services

...may pay a member a share (determined pursuant to such regulations) of the savings resulting to the United States when the total weights of the member's baggage and household effects shipped and stored under subparagraph (A) are less than the average weights of the baggage and household effects that are shipped and stored, respectively, by other members in the same grade and with the same dependents status as the members in connection with changes of station that are comparable to the member's change of station. ("Pay and Allowances," 2009)

It goes on to say that,

...the total savings shall be equal to the difference between the cost of shipping and cost of storing such average weights of baggage and household effects, respectively, and the corresponding costs associated with the weights of the member's baggage and household effects. ("Pay and Allowances," 2009)

Although NAVSUP has cited this legislative language to legally justify the proposed "Final Move Buy Out" program, DoD has not implemented this optional provision. By not incentivizing service members to ship less than average weight, DoD appears to be missing an opportunity to lower the overall amount of HHG weight that is being transported every year. Current policies encourage service members to shed weight as a result of the threat of experiencing excess costs due to exceeding the weight limit; however, as discussed earlier, the average service member's weight is often well

below the maximum allowance. As a result, many service members will likely not be incentivized to ship fewer HHGs. Implementation of the average weight provision provides a more effective incentive for service members to shed unnecessary weight prior to a move. This will lower the total amount of HHGs being transported, thereby saving costs. The provision will also lower the risk of a service member exceeding his/her maximum allowance and having to pursue collection actions. Several secondary consequences of lowering the overall amount of weight being transported are not difficult to imagine, such as reducing the number of claims by service members, less time required to pack, transport, and deliver HHGs, and lower temporary and non-temporary storage costs.

The challenge in implementing this provision is developing an affordable yet effective incentive. If the DoD costs associated with providing this incentive are less than the associated savings of less weight, it will be an improvement. This alternative proposal deals with government contracted moves and does not affect PPMs directly. However, the inherent concept of incentivizing service members to transport less than average HHGs can be applied to another alternative proposal that deals exclusively with PPMs. The lack of proper incentive management was recognized at the congressional level in 2001. Thus, a precedent already exists for alternative PPM reimbursements in terms of incentives, average weight, and cost.

2. Fixed, Cost-based Incentive

In Chapter V, the root cause of the lack of a simplified PPM process was the language in federal law and the subsequent policy that ties the service member's monetary incentive to a government cost comparison based on weight. Therefore, in seeking to truly simplify the PPM process, a service member's monetary incentive for conducting a PPM should not be based on the *weight* of HHGs transported, but instead it should be based solely on the *average cost* to transport a service member's HHGs via a specified channel. Until the release of DPS Analytics, DoD had incomplete data management such that it has been very difficult to obtain useful historical data to make sound policy decisions. The capabilities of DPS Analytics will provide HHGs

administrators with accurate historical data to determine the average government contracted cost to transport HHGs for service members of each rank.

A less desirable source of HHGs transportation costs is that produced by the transactions on the financial charge card. This source is less desirable because the calculated average costs are likely to be lower than those of DPS Analytics because the financial charge card's database is limited to PPM costs. The lower average cost amount calculated from the financial charge card's database is will probably not be as effective an incentive as the higher average cost amount calculated from the DPS Analytics database, which contains government contracted HHG transportation cost data.

The cost based PPM incentive program will therefore utilize DPS Analytics government contract cost data in order to annually or more frequently determine the average cost to transport HHGs for each rank and each typical transportation channel. These average costs will be independent of the weight the service member moves. While weight and distance traveled may be the most appropriate cost drivers of transportation, and therefore the rates at which the government pays carriers to transport HHGs, weight may not be the most appropriate determinant of cost in a PPM. With recent innovations such as PODS and "If it fits, it ships" standard shipping boxes from USPS, weight may no longer be as effective a transportation cost driver. In the case of PODS, volume and distance are the cost drivers. Whether you put one piece of paper in a POD or fill it full up with hardbound books the cost is the same. PODS advertises to the military that they will weigh service members' POD for them for convenience in completing a PPM. This is obviously not normally done because weight does not change of the cost of an equivalent size POD (PODS Customer Service, personal communication, September 22, 2010).

The monetary incentive for a particular service member will be the average HHG transportation cost among members of the same rank and dependant status for the transportation channel dictated on his/her PCS orders. If weight is taken out of the equation and instead, a PPM incentive is based on cost, the system will be simpler and the incentive will likely appeal to a different service member population. The incentive will shift. Those who wish to profit on a PPM will have to do so in a way that minimizes

the cost to them and to the government. Service members will gain a profit by leveraging the free market to move more efficiently and by moving fewer household goods overall. By incentivizing service members to ship fewer household goods and to move them by the most efficient means, the long-term overall government cost of *subsequent* HHGs moves (whether the subsequent move is a PPM or a government contracted move) will be less because service members will be incentivized to maintain fewer household goods. Fewer household goods results in *less* weight to transport, not more weight as we see under the current HHG transportation system. Under the DPS 400NG rates, less weight under a government contracted moves results in less cost the government. The less weight a service member transports in a PPM move will not affect his/her incentive payment. However, the amount of HHGs a service member transports in a PPM could indirectly still indirectly impact the cost for the service member to conduct the PPM and thereby his/her profit.

The goal of the PPM should not be to put extra taxpayer money in the pockets of service members. While some level of monetary incentive should exist, the system should be designed to make it easier for service members to do a PPM. Some service members are driven to do a PPM in order to maintain custody of their belongings while some service members' main concern is earning supplemental income. The cost-based incentive of this proposal assumes a shift in the type of people that will be incentivized. The new incentive will be less appealing to people whose main concern is earning a profit and who may be more likely to commit fraud in order to increase his/her profit under the status quo. The new incentive will be more appealing for people who are more concerned with maintaining custody of their HHGs, want a simpler process, and are willing to accept the possibility of making less money than in the past. However, the fewer HHGs they move, the higher the potential to make a larger profit than they may have in the past by, (for example, renting a smaller truck/trailer). Finally, under this proposal the PPM would only be available to those members moving their HHGs in one shipment, thereby reducing overheads costs associated with multiple shipments. The

program will also be limited to eligible members as determined by professional performance or other measures of a service member's ability to act responsibly.

The cost-based incentive proposal addresses the PPT system weaknesses discussed in Chapter V:

a. *Fraud and Abuse*

Since the incentive is fixed and independent of weight, the fraud and abuse associated with adding excess weight will not just be minimized, as is the case with the financial charge card, but eliminated entirely.

b. *Weight Estimation*

The risk of overpayment and subsequent collection action will be eliminated with fixed monetary incentive amounts. The cost of pursuing collection of a service member's pay will be eliminated.

c. *Multiple Shipment Methods*

The cost-based incentive proposal requires that members move all their HHGs in one shipment via either PPM or traditional government-contracted move, not both. This will eliminate the overhead costs associated with all but one method of shipment. Each service member would be allocated the cost of either a government-contracted move or a PPM, not both.

d. *After-the-fact PPMs*

Because incentive amounts are standardized for rank, dependent status, and transportation channel, the time required to approve the advance allowance is minimized and the process is simplified. This will make after-the-fact PPMs easier for the PPSO, Audit Team, and the service member.

e. *Audit Process*

The audit process will be simplified and limited to reviewing charges made on a service member's financial charge card and unlocking the balance of the card

so that the service member can then use the funds. If costs exceeded those available on the card the service member will be responsible for the difference and can appeal for reimbursement to be settled on a case-by-case basis. The advance amount will be standardized for a given set of PCS orders allowing the associated line of accounting to be closed out immediately.

f. Service Member Requirements

The member will not have to estimate weight, obtain and submit weight tickets or bother with any other paper work. The member will simply have to charge eligible transportation charges to his/her controlled spending card.

g. Incentive Management

The fundamental flaw associated with the current PPM system will be resolved with the implementation of the cost-based incentive. Not only will service members be incentivized to transport less weight, but those who are more concerned with maintaining custody of their personal property than earning supplemental income will have a simpler process and will be more incentivized to participate.

3. Simple EFT

This proposal is the same as the cost-based incentive proposal less the requirement to track expenses on the financial charge card. Instead, a PPM incentive will be similar to BAH and flat rate per diem. If accurate transportation cost data can be maintained through DPS Analytics, the costs of maintaining the financial charge card and the associated costs of its audit function could be eliminated. Service members will receive a flat cash amount at the beginning of their move and could use the cash as they wish. Service members will be wholly responsible to personally procure the transportation of their HHGs. This is the trend in the private sector, where now only the CEOs and top executives receive door-to-door moving services arranged through their companies contracted relocation specialists (Mayflower, personal communication, June 22, 2010). This proposal may have been offered in lieu of the financial charge card, however, NAVSUP officials indicated a desire to maintain the ability to audit service

member HHG transportation expenses (NAVSUP Code 53, personal communication, June 28, 2010). Consequently, this proposal and its benefits are considered visionary until the government revalues the audit ability of HHG transportation costs.

C. CONCLUSION

Table 2 provides a summary of the consequences of each of the discussed proposals with respect to the weaknesses areas outlined in Chapter V. Table 2 should be considered a supplemental aid in understanding each of the discussed proposals and is not a sufficient substitute for understanding the entirety of each proposal. The next chapter concludes this thesis and provides specific recommendations for implementing the above proposals.

Table 2. Summary of Impact of PPT System Reform Proposals

	Financial Charge Card	Final Move Buy-out	Title 37 Average Weight Provision	Fixed, Cost-Based Incentive	Simple EFT
Type of Move	PPM	PPM	Government Contracted	PPM	PPM
Population	Active Duty Navy	Separating and Retiring	Active Duty Military	Active Duty Navy	Active Duty Navy
Fraud and Abuse	Minimized	Eliminated	N/A	Eliminated	Eliminated
Weight Estimation	Still Required	Eliminated	Still Required	Eliminated	Eliminated
Multiple Shipment Methods	Not Allowed	N/A	Still Allowed	Not Allowed	Not Allowed
After-the-fact PPMs	No Change	N/A	N/A	Easier to Execute	Easier to Execute
Audit Process	Simpler	No longer required	N/A	Much Simpler	No longer required
Service Member Requirements	Fewer	Much Fewer	N/A	Much Fewer	Eliminated
Incentive Management	No Change	Greatly Improved	Greatly Improved	Greatly Improved	Ideal

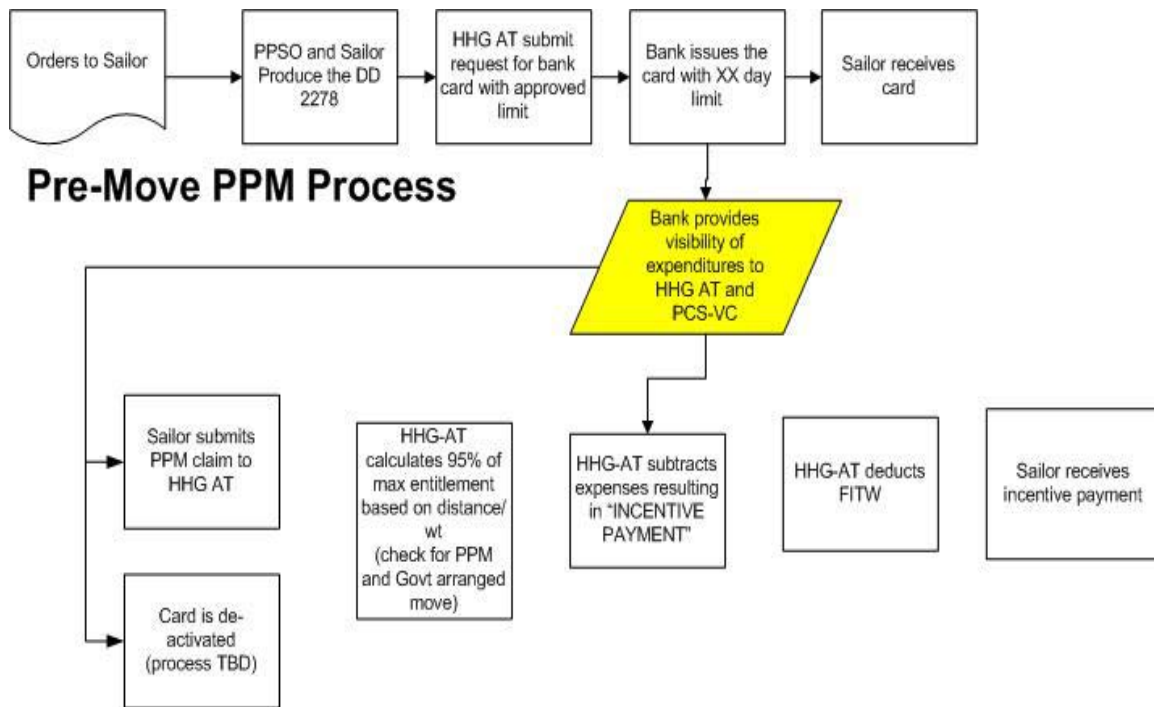


Figure 4. Conceptual flow chart of PPM process with financial charge card

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VII. CONCLUSION AND RECOMMENDATIONS

The Navy should implement a three-step simplification plan for Personally Procured Transportation (PPT). The Naval Supply Systems Command (NAVSUP) should first move forward with the financial charge card in order to address some of the more serious Personally Procured Move (PPM) vulnerabilities such as fraud and inability to audit. Meanwhile DPS Analytics data will capture actual 400NG rate data for each Navy CONUS PCS. Second, after a one- to two-year period, these data should be used to determine the average cost of a Permanent Change of Station (PCS) move for each rank with and without dependents for each CONUS transportation channel. These average costs should then be the amount authorized on the financial charge card in lieu of current policy of 95 percent of the government constructed cost of the estimated weight. The final step is a shift away from the charge card to further simplify the process into an Electronic Funds Transfer (EFT) of a fixed monetary incentive to the member with no audit requirements.

A. STEP 1–FINANCIAL CHARGE CARD IMPLEMENTATION

The financial charge card should be implemented as drafted with the exception of limiting the advanced allowance to 60 percent. In order to capture all the potential costs associated with a PPM on the financial charge card, the card should have authorized funds at 95 percent of the government constructed cost for the estimated weight. Shifting from a cash advance to a financial charge card absorbs the risk associated with providing the entire allowance upfront because the card is audited for authorized moving expenses before allowing the service member to liquidate the balance of monetary incentive on the card. Once DPS Analytics captures sufficient historical cost data, Step 2 can be implemented.

B. STEP 2–SHIFT TO FIXED MONETARY INCENTIVE

A fixed monetary incentive that is based on average cost has a number of advantages. One advantage is the elimination of the need for obtaining and verifying weight tickets. An incentive that is not based on weight might be the best way to

eliminate the high levels of fraud seen in current circumstances. Additionally, a system independent of weight is consistent with industry trends in the Do-It-Yourself category of HHGs transportation such as PODS. The average cost for PCS HHG transportation will be determined annually or more frequently. Specifically, the average transportation cost of Permanent Change of Station (PCS) moves for each rank with and without dependents, for each CONUS transportation channel, will be calculated. The source of the average HHGs transportation cost will be the transportation contracted costs in the Defense Personal Property System. An alternative database to determine the average HHGs transportation costs is that produced by the financial charge card. This alternative, however, would likely result in a less appealing monetary incentive amount as it is often less costly for a service member to execute a PPM than it is for the government to contract a carrier through DPS.

C. STEP 3–SHIFT TO SIMPLE EFT

A final simplification would be to shift from a financial charge card system to a simple upfront Electronic Funds Transfer (EFT). This would eliminate the need for auditing and provide more flexibility to the service member. Examples of this transition have already occurred for allowances such as Basic Allowance for Housing (BAH) and per-diem.

By implementing this three-step simplification plan for the PPT system, each weakness area of the current PPT system will be addressed. Not only will PPT simplification provide savings per se, the incentive reforms associated with the recommended PPT simplifications will provide savings across the Navy and potentially the DoD by creating a culture that encourages service members to maintain fewer HHGs. Proper incentive management encourages service members to transport fewer HHGs, providing relief and cost savings to the DoD HHGs transportation enterprise. The overall amount of weight shipped could be even lower if the DoD implements the “Incentive for shipping and storing HHGs in less than average weights” provision from the 2001 Defense Authorization Act. Perhaps more importantly, service members who desire a

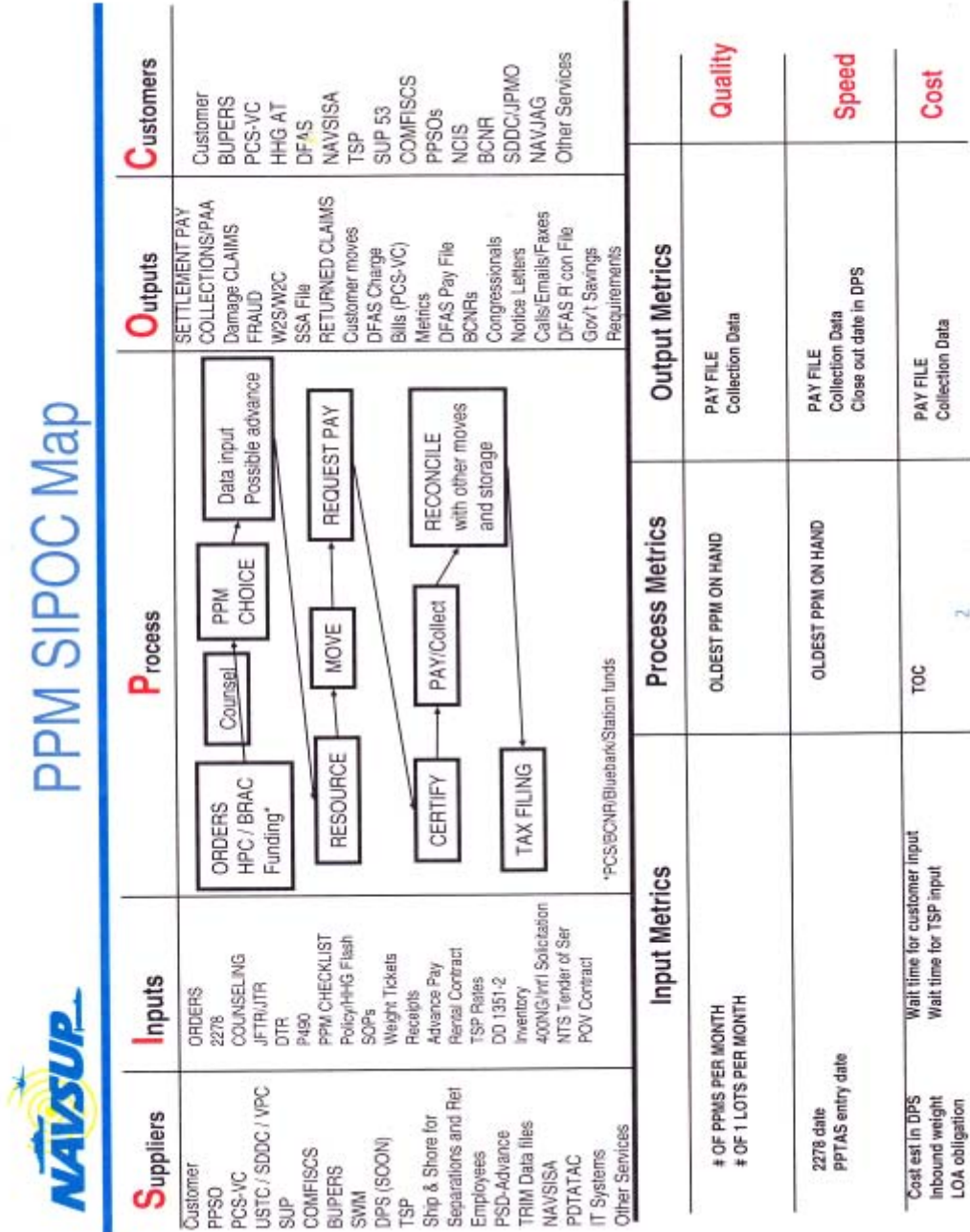
simplified PPM process are likely to be more satisfied when this plan is implemented, contributing to higher morale and welfare for service members and their families.

D. RECOMMENDATIONS FOR FURTHER STUDY

This thesis challenges the assumptions that have driven the incentive structure associated with the current PPM monetary incentive. Additional studies, however, could solidify the government cost saving potential associated with the PPM reforms. A specific analysis of the impact on Full Time Employees (FTEs) would identify some direct monetary benefits these proposals would provide. Additionally, service member surveys could validate this thesis' assumptions regarding the attitudes toward monetary incentives and desires for a simplified PPM process.

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APPENDIX A. NAVSUP PPM SIPOC DIAGRAM



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APPENDIX B. DD FORM 2278

APPLICATION FOR DO IT YOURSELF MOVE AND COUNSELING CHECKLIST (Read Privacy Act Statement on back before completing form.)				1. DATE PREPARED (YYYYMMDD)		2. SHIPMENT NUMBER	
3. MEMBER OR EMPLOYEE INFORMATION							
a. NAME (Last, First, Middle Initial)			b. RANK/GRADE		c. SSN		d. AGENCY
4. THIS SHIPMENT/STORAGE IS REQUIRED INCIDENT TO THE FOLLOWING ORDERS:							
a. TYPE ORDERS (X one)		b. DATE OF ORDERS (YYYYMMDD)		c. ISSUED BY			
☐ LOCAL ☐ PERMANENT ☐ TEMPORARY		d. NEW DUTY ASSIGNMENT		e. ORDERS NO.		f. NUMBER OF MILES	
g. NAME OF PREPARING OFFICE				h. PAYING (AFO/F&AD) NAVY AND MARINE CORPS			
5. SEND CHECK TO: (Complete address)						6. STATE OF LEGAL RESIDENCE	
7. ENTITLEMENTS (X and complete as applicable)				8. MEMBER RESPONSIBILITY (X and complete as applicable)			
a. Option of GBL (Van) and/or DITY move (nontemporary storage) .				a. Operating allowance (amount) :			
b. DITY move authorized from to				b. Pick up rental vehicle and ensure safe operation. Pick up date (YYYYMMDD) :			
c. ITO/TMO provided with accurate estimate weight of HHGs.				c. Empty/loaded weight tickets required for each trip made. Use government, public, commercial scales.			
d. Maximum authorized weight.				d. Name, rank, Social Security Number, Weighmaster's signature required on each weight ticket.			
e. Unauthorized items (POV's, flammables, etc.) .				e. Trailers weighed attached to prime mover (no passengers aboard - weigh entire unit at same time) .			
f. Power of Attorney, if required.				f. DITY moves require DD Form 1351-2.			
g. Type of vehicle authorized (POV) .				g. DD Form 2278 and weight tickets must be submitted to paying office/TMO/ITO to receive incentive payment. Provide Rental Contract (not required for Air Force and Army) .			
h. Loss or damage - maximum government liability.							
i. Temporary storage.							
9. COST COMPUTATION							
a. ESTIMATED CONSTRUCTIVE COSTS				b. PAID BY DSSN			
(1) MTMC RATE SOLICITATIONS PLUS \$5.00 PER CWT X EST. WT. OR WT. ALLOWANCE		\$		c. VOUCHER NO.		d. DATE (YYYYMMDD)	
(2) LOCAL RATE PER CWT X EST. WT. OR WT. ALLOW.		\$		e. I agree to furnish two weight tickets within 45 days from the start of this move. If I fail to do so, I voluntarily consent to collection of all government costs of this move from my pay. I also voluntarily consent to collection of any unearned advance operating allowance up to a maximum of \$ _____ from my pay.			
(3) ESTIMATED GROSS INCENTIVE		\$					
(4) ADVANCE OPERATING ALLOWANCE		\$					
NO INCENTIVES WILL BE PAID WITHOUT ACCEPTABLE WEIGHT TICKETS AND OTHER REQUIRED DOCUMENTS.							
10. I CERTIFY THAT I HAVE READ AND UNDERSTAND MY RESPONSIBILITIES AND CONDITIONS PRINTED ON THIS FORM.							
a. SIGNATURE OF MEMBER/AGENT		b. DATE SIGNED		c. SIGNATURE OF COUNSELOR		d. DATE SIGNED	
11. CERTIFICATION OF ITO/TMO							
a. ACTUAL CONSTRUCTIVE COSTS							
(1) RATE PER CWT PLUS \$5.00 x _____ ACTUAL WT. OR WT. ALLOW.				(2) LOCAL RATE PER CWT X ACTUAL WT. OR WT. ALLOW.			
= \$ _____				= \$ _____			
b. CONSTRUCTIVE COST OF _____ GBL OR _____ LOCAL MOVE IS \$ _____							
(Attach copies of acceptable fare and gross tickets.)							
12. TMO ACCT. DATA:							
a. TYPED OR PRINTED NAME		b. SIGNATURE			c. DATE SIGNED		

DD FORM 2278, SEP 1998

REPLACES AF 417, MAY 82, AND PREVIOUS EDITIONS OF DD 2278, WHICH ARE OBSOLETE.

Adobe Professional 6.0

PRIVACY ACT STATEMENT

AUTHORITY: 37 USC 406; 5 USC 5726; and E.O. 9397.

PRINCIPAL PURPOSE(S): Primarily used as a checklist for shipment of personal property under the Do-It-Yourself Moving Program. Use of the form ensures a Do-It-Yourself mover is familiar with required details of the program and is used to substantiate the member's claim for incentive payment. The form is used by finance offices to provide data for review of cases where excessive costs may have been collected by a service member.

ROUTINE USE(S): Information will be disclosed to the General Accounting Office or to any other Federal agency responsible for auditing public financial records for the purpose of validating agency procedures or investigating instances of waste, fraud, and abuse. In the event an audit gives indication that any laws may have been violated, information may be provided to Federal, state, local, and other government law enforcement officials for investigation of suspected fraud and prosecution of individuals whose investigation has indicated should be prosecuted for fraud.

DISCLOSURE: Voluntary; however, if information is not provided, personal property cannot be moved under the Do-It-Yourself Program.

MEMBER RESPONSIBILITY

1. This shipment/storage lot consists of my property or the property awarded to my ex-spouse incident to a divorce which was acquired by me prior to the effective date of my orders.

2. If my orders are modified or cancelled and affect this shipment, I will immediately notify the shipping office at point of origin (or port, if any) and destination.

3. I will remit the proper amount or consent to the collection from my pay as may be necessary to cover all excess costs occasioned by this shipment.

4. I agree to furnish weight tickets within 45 days of the start of the move to preclude issuance of DD Form 139 for collection of all charges paid by the government.

5. I understand the government will not be responsible for goods remaining in storage after the expiration of the authorized period.

6. Incentives will be paid by:

NAVY - Forward documents to:
Commanding Officer
Navy Material Transportation Office
Code 024, Bldg Z-1135-5, Naval Base
Norfolk, VA 23511-6691

MARINE CORPS - Forward documents to:
Commanding General
470 MCLB
Albany, GA 31704-5000

CERTIFICATION BY MEMBER

I certify that I completed my shipment under the Do-It-Yourself Program and that my shipment consisted of household goods and personal effects that were authorized to be moved at Government expense. These goods belonged to me and were used by myself (or family) before the effective date of change of station orders. I also certify that I have not received previous payments relating to this move (*excluding operating or mileage monetary in lieu of transportation for dependents*).

DD FORM 2278 (BACK), SEP 1998

APPENDIX C. DD FORM 1351-2

DD FORM 1351-2, JUL 2004 PREVIOUS EDITIONS ARE OBSOLETE. Exception to SF 1012 approved by OSA/IRMS 12-91

PRIVACY ACT STATEMENT

AUTHORITY: 5 U.S.C. Section 5701, 37 U.S.C. Sections 404 - 427, 5 U.S.C. Section 301, DoDFMR 7000.14-R, Vol. 9, and E.O. 9397.

PRINCIPAL PURPOSE(S): This record is used for reviewing, approving, accounting, and disbursing money for claims submitted by Department of Defense (DoD) travelers for official Government travel. The Social Security number (SSN) is used to maintain a numerical identification filing system for filing and retrieving individual claims.

ROUTINE USE(S): Disclosures are permitted under 5 U.S.C. 552a(b), Privacy Act of 1974, as amended. In addition, information may be disclosed to the Internal Revenue Service for travel allowances, which are subject to Federal income taxes, and for any DoD "Blanket Routine Use" as published in the Federal Register.

DISCLOSURE: Voluntary; however, failure to furnish the information requested may result in total or partial denial of the amount claimed.

PENALTY STATEMENT

There are severe criminal and civil penalties for knowingly submitting a false, fictitious, or fraudulent claim (U.S. Code, Title 18, Sections 287 and 1001 and Title 31, Section 3729).

INSTRUCTIONS

ITEM 1 - PAYMENT

Member must be on electronic funds (EFT) to participate in split disbursement. Split disbursement is a payment method by which you may elect to pay your official travel card bill and forward the remaining settlement dollars to your predesignated account. For example, \$250.00 in the "Amount to Government Travel Charge Card" block means that \$250.00 of your travel settlement will be electronically sent to the charge card company. Any dollars remaining on this settlement will automatically be sent to your predesignated account. Should you elect to send more dollars than you are entitled, "all" of the settlement will be forwarded to the charge card company. Notification: you will receive your regular monthly billing statement from the Government Travel Charge Card contractor; it will state: paid by Government, \$250.00, 0 due. If you forwarded less dollars than you owe, the statement will read as: paid by Government, \$250.00, \$15.00 now due. Payment by check is made to travelers only when EFT payment is not directed.

REQUIRED ATTACHMENTS

1. Original and/or copies of all travel orders/authorizations and amendments, as applicable.
2. Two copies of dependent travel authorization if issued.
3. Copies of secretarial approval of travel if claim concerns parents who either did not reside in your household before their travel and/or will not reside in your household after travel.
4. Copy of GTR, MTA or ticket used.
5. Hotel/motel receipts and any item of expense claimed in an amount of \$75.00 or more.
6. Other attachments will be as directed.

ITEM 15 - ITINERARY - SYMBOLS

15c. MEANS/MODE OF TRAVEL (Use two letters)

GTR/TKT or CBA (See Note)	- T	Automobile	- A
Government Transportation	- G	Motorcycle	- M
Commercial Transportation		Bus	- B
(Own expense)	- C	Plane	- P
Privately Owned		Rail	- R
Conveyance (POC)	- P	Vessel	- V

Note: Transportation tickets purchased with a CBA must not be claimed in Item 18 as a reimbursable expense.

15d. REASON FOR STOP

Authorized Delay	- AD	Leave En Route	- LV
Authorized Return	- AR	Mission Complete	- MC
Awaiting Transportation	- AT	Temporary Duty	- TD
Hospital Admittance	- HA	Voluntary Return	- VR
Hospital Discharge	- HD		

ITEM 15e. LODGING COST

Enter the total cost for lodging.

ITEM 19 - DEDUCTIBLE MEALS

Meals consumed by a member/employee when furnished with or without charge incident to an official assignment by sources other than a government mess (see JFTR, par. U4125-A3g and JTR, par. C4554-B for definition of deductible meals). Meals furnished on commercial aircraft or by private individuals are not considered deductible meals.

29. REMARKS

- a. INDICATE DATES ON WHICH LEAVE WAS TAKEN:
- b. ALL UNUSED TICKETS (including identification of unused "e-tickets") MUST BE TURNED IN TO THE T/O OR C/O.

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