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## United States Senate

WASHINGTON, DC 20510

### COMMITTEES

ARMED SERVICES  
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VETERANS' AFFAIRS

August 3, 2020

The Honorable Ellen M. Lord  
Under Secretary of Defense for Acquisition and Sustainment  
The Pentagon  
Washington, DC 22202

Dear Secretary Lord:

Thank you for your work in support of military service members and their families. Throughout these unprecedented times, we appreciate your dedication to improving the quality of life for those who serve our country.

I write to you today with concern regarding the United States Transportation Command's (TRANSCOM) decision to re-award the Global Household Goods Contract to the American Roll-on-Roll Off Carrier (ARC) without any consideration for broader improvements to the household moving system.

As you know, the military household moving system is in need of significant reform and technological upgrades. The current systems in place are poorly maintained. Military members and their families regularly lose items and are dissatisfied with the lack of customer service provided. TRANSCOM has an opportunity to improve upon the existing system to ensure those who serve our country receive the proper relocation services. Instead, they have chosen to stay with a Norwegian-owned shipping conglomerate that paid almost \$100 million to the Department of Justice in 2017 for price fixing at U.S. ports and whose subcontractors are constant sources of complaint for our military families. In addition, ARC's \$20 billion dollar award is over \$2 billion more than other bidders evaluated as highly technically qualified.

On July 9th, TRANSCOM announced they were rescinding the award, following serious allegations against ARC. However, just two weeks later on June 29th, TRANSCOM announced they were re-awarding the Global Household Goods Contract to ARC. As corrective actions normally take four months or longer, I remain concerned that TRANSCOM's two week corrective action was incomplete and superficial at best.

Prior to the announcement of corrective action, two separate bidders submitted protests to the GAO outlining at least nine issues with TRANSCOM's decision, including the fact that ARC failed to disclose its ownership by a foreign company with a recent international criminal history.

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Instead of fully vetting each allegation, TRANSCOM deemed this a clerical error. Failure to accurately disclose ownership and a criminal history makes a bidder ineligible for the award.

In addition to this concern, the protests also outlined several serious questions related to ARC's ability to meet the needs of our military families. Because of the COVID-19 stop-move orders, the 2020 military moving cycle has been severely disrupted. A significant portion of 2020 moves have been added to the thousands of households already scheduled to move in 2021, making 2021 the most complex moving season on record. Yet, ARC has zero past experience or revenue streams in the military moving space, and its subcontractors only make up 35 percent of the military moving market. On top of this capacity issue, one of those subcontractors, Suddath, who is currently the largest military-focused moving company in the United States, has been plagued with complaints and is oft referred to within the military as "Sudden Death." We must do better for our service members.

The decision to re-award the Contract to ARC triggers a 30-day deadline for an explanation from TRANSCOM to GAO. We expect TRANSCOM to do conduct a thorough review of all concerns as our service members and the American taxpayer deserve our due diligence.

Thank you, again, for your work to ensure better support and livelihood for service members and their families.

Sincerely,

A handwritten signature in blue ink that reads "Thom Tillis". The signature is fluid and cursive, with the first name "Thom" and last name "Tillis" clearly distinguishable.

Thom Tillis  
United States Senator