

# UNITED STATES TRANSPORTATION COMMAND



Reporting Period: 28 Nov – 13 Dec 2016

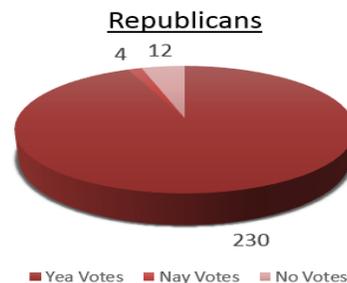
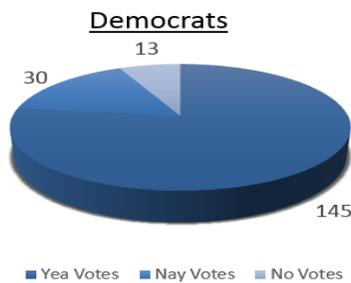
Published: 19 Dec 2016

## ENVIRONMENT ON THE HILL:

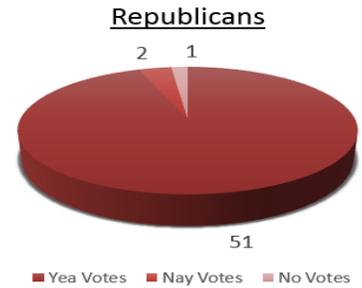
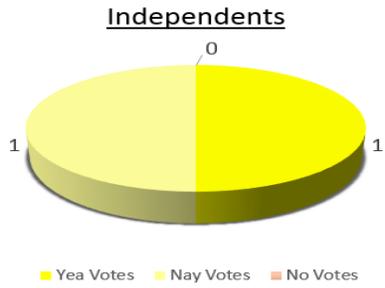
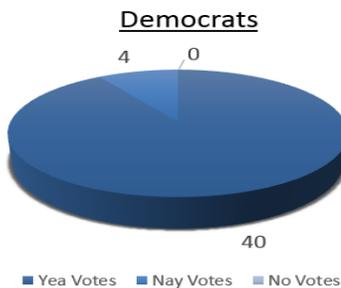
In the post-election scramble to finish the 2016 legislative year, there was growing uncertainty whether the lame-duck Congress would be able to pass the FY 17 National Defense Authorization Act (NDAA) and fund the government before it expired on 9 Dec. Fortunately, they accomplished both. Congressional leaders had been very clear that they would not be seeking full year funding through the remainder of the FY 17 and that another continuing resolution bill would be pursued through early next year. Late last week with only a few hours to spare before a government shutdown, Congress was able to pass an extension to the existing [continuing resolution](#) which will run through 28 Apr 2017.

In an effort to align defense programs and associated authorities for potential increases to defense budgets, lawmakers worked diligently to pass the FY 17 [NDAA](#). Early last week, the House approved the NDAA by a veto-proof margin of 375-34 while the Senate passed it with a similar margin of a 92-7 vote (see graphs below). The NDAA “enrolled bill” is now awaiting transmission to the White House where President Obama is expected to sign it into law despite the Administration’s objections ([SECDEF heartburn letter](#)).

### House of Representatives Votes on FY 17 NDAA



### Senate Votes on FY 17 NDAA



## Continuing Resolution (CR)

While congressional leaders expected the bill to move quickly through the House and Senate to avoid a government shut down on 9 Dec, the bill stalled in the Senate following the House's overwhelming vote for passage (326-96). House lawmakers then departed Washington, leaving the Senate with one option: pass the bill by midnight or shutdown the government. Senator Joe Manchin of West Virginia, threatened to hold up the CR past midnight over concerns regarding the Miners Protection Act provisions within the CR. But late in the day, Sen Manchin dropped his threat to delay the CR any further, paving the way for a successful vote on passage (63-35) at 10:45 p.m. The CR legislation was immediately forwarded to the President avoiding a government shutdown.

Typically CR bills freeze programs and associated funds at the previous year's levels. However, the recently passed CR includes a few positive anomalies that permits Department of Defense (DoD) programs to ramp up production. Such programs include:

- Increased funding for the Ohio Replacement submarine
- Authority for multiyear procurement of the AH-64E Apache and the UH-60M Black Hawk helicopters
- Funding for the KC-46A tanker to support the production rate

Overall Defense spending in the measure is \$8 billion above the current funding level, including an increase in the base defense budget.

## National Defense Authorization Act (NDAA) for FY 17:

The NDAA is the vehicle which allows Congress to meet one of its most important constitutional obligations in "providing for the common defense" of the country done by way of providing funding and authorities required by the military. The FY 17 NDAA permits investments of core DoD programs and functions while establishing reforms to improve its agility. The \$619 billion NDAA supports baseline national defense while authorizing an additional \$5.8 billion in supplemental funding for operations in Iraq, Afghanistan, and Europe and an extra \$3.2 billion for Readiness Stabilization Funding which affords the following:

- Provides a 2.1% pay raise for troops
- Stops the drawdown and increases the military's end strength
- Increases ground and aviation training
- Provides Operation and Maintenance support for a larger force, including increased depot maintenance, facilities sustainment and modernization and ship maintenance
- Replenishes munitions inventories
- Begins a turnaround in ship procurement with advanced funding for submarines and amphibious ships

In an effort to identify USTRANSCOM equities and items of interest, we have reviewed the [NDAA Conference Report](#) in its entirety and highlight the following.

- **Study on space-available travel system of the DoD (sec. 352)**
  - Requires Secretary of Defense (SECDEF) to commission a Federally Funded Research and Development Centers to study feasibility and impact of extending Space-A to disabled veterans.

- **Evaluation of motor carrier safety performance and safety technology (sec. 353)**
  - Requires SECDEF to evaluate proven safety technology in vehicles transporting Transportation Protective Service (TPS) shipments, which TPS is managed by Military Surface Deployment and Distribution Command.
- **Military-to-mariner transition (sec. 568)**
  - Requires a report from SECDEF and Secretary of Homeland Security on the efforts to ensure service members' training and qualification are creditable toward merchant marine licenses and certification.
- **Use of transportation worker identification credential to gain access at DoD installations (sec. 1050)**
  - To the maximum extent practicable, to ensure that the Transportation Worker Identification Credential (TWIC) be accepted as a valid credential for unescorted access to DoD installations by transportation workers and
    - Exempts TWIC-carrying transportation workers with a current secret clearance issued by the DoD from further vetting.
- **Maritime Administration (MARAD) (sec. 3501)**
  - Authorizes Maritime Security Program funding at \$299,997,000 (equates to \$4,999,950 per ship, 60 ships, which is the authorized amount by law for FY17).
- **Maritime workforce working group (sec. 3517)**
  - Assigns a subject matter expert from MSC as part of the MARAD working group to assess the pool of mariners necessary to support the U.S. flag fleet.
- **Research, Development, Test, and Evaluation (RDT&E) Deployment & Distribution Enterprise**
  - Funded at the requested level, \$25.9M. This funds USTRANSCOM's RDT&E.
- **Air Force O&M, Combatant Commanders Core Operations**
  - Funded at the requested level, \$199M. This funds the Joint Enabling Capabilities Command.

Goldwater-Nichols Reform Items:

- **Reduction in number of general and flag officers on active duty and authorized end strength after 31 Dec, 2022 of such general and flag officers (sec. 501)**
  - Reduction of 110 Flag Officers/General Officers (FO/GOs); requires SECDEF to submit a plan on the reduction at the same time FY 19 budget is submitted, and to provide a progress report FY 20-22.
    - The House receded (dropped) their provision that component commands shall be no higher than an O-9 in lieu of their amendment to reduce FO/GOs by 110.
  - Requires SECDEF to submit a report by 1 Apr 17 which identifies an additional 10% reduction above the 110, but does not direct those billets to be eliminated.
- **Limitation on number of DoD Senior Executive Service (SES) positions (sec. 1109)**
  - Limits the number of DOD SES authorized to 1,260, and Highly Qualified Experts to 200.
- **Expansion of eligibility for deputy commander of combatant command having United States among geographic area of responsibility to include officers of the Reserves (sec. 516)**
  - Requires at least one deputy commander be a member of the Reserve.
- **Reform of administration of the Defense Health Agency (DHA) and military medical treatment facilities (MTF) (sec. 702)**
  - Requires the Director of the DHA, beginning October 1, 2018, to take responsibility for the administration of each MTF and establish a professional staff within the DHA related to the administration of MTFs.

- **Organization of the Office of the Secretary of Defense (sec. 901)**
  - Establishes an Under Secretary of Defense for Research and Engineering, an Under Secretary of Defense for Acquisition and Sustainment, and a Chief Management Officer, effective on 1 Feb 2018.
- **Establishment of Unified Combatant Command for Cyber Operations (sec. 923)**
  - In establishing the unified CCMD for cyber operations, the conferees expect DoD to establish formal procedures for notification to Congress of significant operations in cyberspace on a timely basis and delegation of new authorities to the United States Cyber Command (USCYBERCOM) Commander for cyberspace operations.

In addition to the above NDAA language, USTRANSCOM achieved success by having 4 of 5 legislative proposals (LPs) included in this year’s NDAA. The below LPs will enhance USTRANSCOM authorities by providing the following:

- **Expanded authority for transportation by the DoD of non-DoD personnel and cargo (sec. 1041)**
  - A new subsection would authorize the SECDEF to enter into a contract or other arrangement with one or more commercial providers to provide commercial insurance products to non-DOD shippers using the Defense Transportation System at no cost to the DoD.
- **Extension of authority of Secretary of Transportation to issue non-premium aviation insurance (sec. 1046)**
  - Authorizes the Secretary of Transportation to provide aviation insurance and reinsurance upon the request of another United States Government agency through December 31, 2019.
- **Liquidation of unpaid credits accrued as a result of transactions under a cross-servicing agreement (sec. 1083)**
  - Provides SECDEF with the discretionary authority to liquidate unpaid debts owed to the United States by a foreign government or international organization as a result of the DoD providing logistic support, supplies, and services to that foreign government or international organization.
- **Authority to extend certain age restrictions relating to vessels in the Maritime Security Fleet (sec. 3502)**
  - Authorizes SECDEF, in conjunction with the Secretary of Transportation, to extend the 20 and 25 year age restrictions, for a period of up to 5 years, when the Secretaries jointly determine that it would be in the national interest to do so.

**CONGRESSIONAL ACTIVITIES:**

Hearing(s):

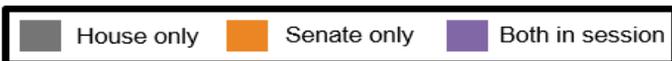
Hearing Date	Hearing Topic & Committee	Witness(es)
1 Dec 2016	<a href="#">Force Management Levels in Iraq and Afghanistan; Readiness and Strategic Considerations</a> House Armed Services Committee, Oversight & Investigations Subcommittee	GEN Carter Ham, USA (Ret.) - Former Commander, U.S. Africa Command LTG Jim Dubik, USA (Ret.) - Senior Fellow, Inst. for the Study of War Mr. Cary Russell - Director, GAO, Military Operations and Warfighter Support

6 Dec 2016	<a href="#">Emerging U.S. Defense Challenges and Worldwide Threats</a> Senate Armed Services Committee	GEN John Keane, USA (Ret.) - Chairman, Institute for the Study of War and Former Vice Chief of Staff of the Army Mr. Shawn Brimley - Executive VP and Director of Studies, The Center for a New American Security Dr. Robert Kagan - Senior Fellow, Project on International Order and Strategy, The Brookings Institution
7 Dec 2016	<a href="#">Assessing the Security of Our Critical Transportation Infrastructure</a> Senate Committee on Commerce, Science & Transportation; Subcommittee on Surface Transportation and Merchant Marine Infrastructure	Honorable John Roth - Inspector General, U.S. Department of Homeland Security Chief Neil Trugman - Interim Chief of Police, Amtrak Mr. Chris Spear - President and CEO, American Trucking Association Mr. Tony Straquadine, - Manager of Commercial & Gov Affairs, Alliance Pipeline; Representative, Interstate Natural Gas Association of America Mr. Tom Belfiore - Chief Security Officer, Port Authority of New York & New Jersey

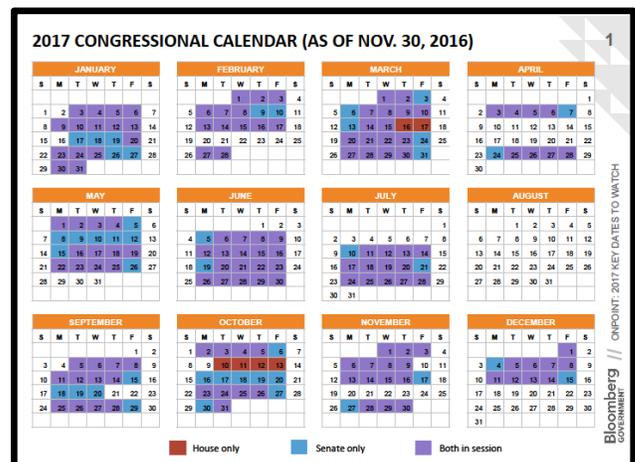
**CONGRESSIONAL CALENDAR:**

- As the 114th Congress wraps up, congressional leaders have already put together the 2017 Congressional Calendar for the first session of the 115th Congress which is set to start on 3 Jan 2017. Double-click the 2017 calendar (below) to get a sneak peek into next years Congressional workdays.

2016



2017



## RECENT QUOTES:

- Sen John McCain, Chairman Senate Armed Services Committee, recently stated that his focus for 2017 will be:
  - “Reform, reform, reform, reform.”
  - “My focus will be on ensuring the Department of Defense and our military have the resources, personnel, and capabilities necessary to defend, deter, and respond to our adversaries in cyberspace.”
- Rep Mac Thornberry, Chairman House Armed Services Committee (HASC), indicated that the HASC plans to place special attention on acquisition of services this upcoming year:
  - “We have spent ... years focused on acquisitions of weapons and equipment. The committee ... spent very little time on acquisition of services, which is actually a higher dollar amount.”
- Sen Cory Booker, Ranking Member of Surface Transportation and Merchant Marine Infrastructure, Safety and Security Subcommittee, expressed his support for the inclusion of the Maritime Administration Authorization and Enhancement Act of 2017 in the NDAA:
  - “Our ports, vessels, and Merchant Marine forces are critical to our military preparedness, economic growth, and disaster relief efforts, so I am encouraged to see that Congress has incorporated MARAD in this year’s defense bill.”

## MISCELLANEOUS INFO:

Legislative Affairs related documents, to include this and previous editions of the “Dome Lines,” can be found at the Legislative Affairs [SharePoint site](#). For those without access to the SharePoint site, this edition can be found on the USTRANSCOM public [website](#) and [LinkedIn](#) page.

### **HOW TO CONTACT YOUR USTRANSCOM LEGISLATIVE AFFAIRS TEAM**

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