



**SURFACE EXECUTIVE WORKING GROUP
MEETING MINUTES
4 February 2016**

NOTICE

One of the initiatives following the 2012 National Defense Transportation Association (NDTA) Forum was to establish a Surface Executive Working Group (EWG). The purpose of this EWG is to promote dialogue between government and industry while focusing on preserving readiness capability and ensuring the nation has access to necessary commercial transportation capability. Within the EWG, transportation issues of government and industry are studied and the statuses of the issues are reported at large. The EWG is led by quad-chair: United States Transportation Command (USTRANSCOM), Department of Transportation (DoT) Federal Motor Carrier Safety Administration (FMCSA), DoT Federal Rail Administration (FRA), and NDTA Surface Transportation Committee. The body of the EWG consists of a cross-section of senior leader representatives from the surface industry, Department of Defense (DoD), DoT, and the Department of Labor (DoL). Industry representatives of the EWG are selected on a 2-3 year rotating basis determined by USTRANSCOM in collaboration with the Military Surface Deployment and Distribution Command (SDDC) and NDTA. NOTE: DoD officials participating in the EWG may not obligate the government contractually or make policy, nor may they transfer any authority or responsibility for government decisions to industry or to the industry members of the EWG. By making the minutes of EWG meetings available electronically, DoD, DoT, DoL, and NDTA promote the exchange of information to other forums. DoD invites interested parties to comment on issues considered at EWG meetings, to provide additional information, or to request further information.

CURRENT INDUSTRY REPRESENTATIVES:

<u>Organization</u>	<u>Telephone</u>
ABF Freight Systems, Inc.	(801) 721-3449
American Short Line Rail Road Association	(202) 585-3442
Baggett Transportation Company	(205) 322-6501
Black Knight Specialized Haulers, LLC	(904) 337-2001
Boyle Transport	(978) 670-3408
Coyote	(866) 490-8804
CSX Transportation	(904) 359-2316
Hub Group	(630) 271-3711
Landstar Transportation Logistics	(904) 390-4898
Menlo Worldwide	(630) 870-3001
National Defense Transportation Association	(703) 751-5011
National Van Lines	(800) 323-1962
Norfolk Southern Corporation	(312) 606-1481



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	<u>POINTS OF CONTACT</u>
USTRANSCOM/ERC-I	(618) 220-4948
FMCSA	(202) 366-8163
FRA	(202) 493-6194
NDTA	(904) 390-4823

Secured Land Transport	(623) 344-1144
The Pasha Group	(415) 927-6340
Tri-State Motor Transit Co.	(417) 624-3131
TTX Company	(312) 606-1481
Unigroup, Inc.	(636) 349-2891
Union Pacific Railroad	(402) 544-4446
United Parcel Service	(618) 406-3543
Universal Truckload Services, Inc.	(586) 920-0100
Vane Brothers Company	(410) 274-0952

TASKS

The updated list of tasks from the EWG is at Attachment 1.

MEETING SUMMARY

1. Opening Remarks. Lieutenant General Stephen Lyons (LTG Lyons) welcomed all attendees with special acknowledgement of new industry representatives. LTG Lyons emphasized the goal of the Surface EWG which core theme is to maintain dialogue between the Government and industry to discuss strategic surface issues ensuring that the Government has sustained access to industry's vast infrastructure commercial transportation capability.
 - a. Attendees introduced themselves.
2. Trucking Industry Review - Mr. John Collins, Landstar.
 - a. Briefed the uncertainties of the US Economy: excessive inventory levels, slowing manufacturing, softening demand, reduction of exports, and slowing global economy.
 - b. Briefed the uncertainties of the Industry: disruptive technology (similar to the way Uber changed the taxi industry), workforce investment, regulatory strain, loosening capacity, and consolidation.
 - c. Good news: housing up, automotive up, transportation bill passed, lower energy costs, and consumption.
 - d. Truck utilization constant at 95%; down from high of 99% (Feb 2014).
 - e. Driver shortage projected to get worse.
3. Railroad Industry Review - Mr. Adam Simeon, Union Pacific.
 - a. Rail economic outlook echoed trucking industry review. Strong dollar impacting exports affecting US industrial base.
 - b. Overall rail traffic down 5-10% against previous year. Coal traffic down ~30% against previous year due to low natural gas prices resulting in a sharp decrease in coal and rail. Reduction in rail traffic has increased rail speed.



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- c. Rail industry invested \$29B into rail infrastructure in 2015 (up 3% from 2014).
 - d. Military shipments: 88% on 89ft chain flat railcars and 13% on 60ft chain flat railcars. Fleet size of military useful railcars continues to shrink and needs to be addressed soonest to be incorporated into a build schedule.
 - e. Railroad industry continues to be the safest form of surface shipment.
 - f. Regulatory Issues: some states considering two-person crew requirements, positive train control extension (End CY18), crude safety, merger talks within industry.
4. Port Review - Mr. Nuns Jain, Maritime Administration.
- a. Provided overview of the Strategic Seaport Program and the National Port Readiness Network (NPRN).
 - b. Provided NPRN 2015 Workshop recommendation that a strategic port industry representative be invited to join the Surface EWG.
 - c. Suggested that EWG may wish to identify and consider any topics of mutual interest related to improving the interface between surface carriers and commercial strategic ports.
 - d. Briefed Port and Surface TSP common issues: container weight mandate, chassis pools, drayage, and intermodal connectors.
 - e. Provided information on state of post-PANAMEX ships and the potential shift of some cargo from West Coast to East Coast after the Panama Canal expansion as the East Coast ports become better equipped to handle the increased size of ships.
5. Executive Order 13673 Fair Pay and Safe Workplaces - Mr. Charles Burton, TCAQ.
- a. Requires contracting agencies to consider prospective contactors' record of compliance with 14 labor laws and provides "paycheck transparency."
 - b. Forbids contractors from compelling arbitration of claims under Title VII, Civil Rights Act.
 - c. Offerors self-report at time of offer and semi-annually if awarded contract.
 - d. Expected implementation in June 2016.
6. Strategic Update on Domestic Contracts - LTC Ray Casher, TCAQ:
- a. Updated group on role of Service Acquisition Manager and the Service Acquisition Process.
 - b. Advanced Traceability & Control (ATAC) III awarded Sep 2015 to 1st Coast Cargo.
 - c. Defense Transportation Coordination Initiative (DTCI).
 - (1) Period of performance extended until Apr 2017.
 - (2) DTCI will continue until the last site is transitioned to Defense Freight Transportation Services (DFTS).



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- d. DFTS. Awarded Dec 2015 to Geno Infrastructure Solutions.
 - e. Transportation Safety and Security Inspection II (TRANSS).
 - (1) Contract is still in execution.
 - (2) Planning for potential to execute a contract re-compete.
 - f. Total Delivery Service (TDS) & Surface Small Package (SSP). USTRANSCOM is exploring potential consolidation of small package delivery.
 - g. Defense Personal Property System (DPS).
 - (1) FY16 Integrated Master Schedule (IMS) baselined – in execution.
 - (2) FY17 planning in progress: planning considerations include incorporating NTS functionality into DPS, security enhancements, architecture improvements, interface modernization, and technical upgrades.
7. Household Goods Update - Mr. Danny Martinez, SDDC.
- a. Briefed group on highlights of DP3 2015 Peak Season Hot-wash with HHG carriers.
8. Household Goods Sub-Committee Chair Report - Mr. Keith Tounget, The Pasha Group.
- a. Provided industry perspective on Channeling Concept Pilot introduced in Federal Register. Industry believes a number of critical questions must be answered prior to proceeding with the pilot. Industry would like to participate in planning this concept and any others that would alter DP3 going forward.
 - b. Provided industry perspective on the lack of progress in software development for the Defense Personal Property System (DPS). While DP3 has been a qualified success to date, it remains incomplete and software development supporting its completion has ground to a near halt since the beginning of FY14.
9. Munitions Sub-Committee Chair Report - Mr. Marc Boyle, Boyle Transportation.
- a. Awaiting determination from DoD regarding TWIC and standardized DoD installation access processes.
 - b. Updated group on language of the GAO report recommendations concerning the safety of HAZMAT carriers and reporting. <http://www.gao.gov/products/GAO-16-82>
10. Rail Sub-Committee Chair Report - Mr. Rob Robinson, Norfolk Southern.
- a. Stressed the need for better DoD cargo forecasts
 - b. SDDC draft advisory pertaining to ordering general purpose flatcars for loading
 - c. 2016 fleet additions and retirement update.
11. Fort-to-Port Update (F2P) - Mr. Curt Zargan, SDDC Transportation Engineering Agency (TEA). Follow-up to TEA study to determine the means to meet continental U.S. fort-to-port deployment needs for a large scale deployment with minimal-notice.
- a. Model complexities are being resolved to better represent rail and truck processes in DoD



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- plans.
- b. New Defense Planning Guidance for FY16 may impact analysis
 - c. Way ahead is to reconcile scope, modeling approach/assumptions and scenario/demand signal; results to inform POM 19-23.
12. Congressional Actions Update - Mr. Kurt LaFrance, USTRANSCOM Legislative Affairs (TCCC-LA).
- a. Discussed the passage of the Fixing America's Surface Transportation (FAST) Act HR22.
 - (1) Nationally significant Freight and highway projects.
 - (2) Opportunities for veterans.
 - (3) Medical certification of veterans for commercial driver's licenses (CDLs).
 - (4) Commercial driver pilot program.
 - (5) Delays in goods movement.
 - (6) HHG consumer protection working group
 - b. Surface Transportation Extension Act 2015, HR 3819.(Positive Train Control).
 - c. Should not expect any large bills passed in 2016 based on elections.
13. SDDC G3/G9 Reorganization Update - Mr. Tye Beasley, SDDC G3.
- a. Briefed the incorporation of G9 transportation operations into G3.
 - b. G3's mission has not fundamentally changed with reorganization: To provide global surface deployment command and control and distribution Operations to meet national security objectives in peace and war.
 - c. G9's new mission: To lead collaborative strategic sourcing efforts by critically analyzing SDDC's spending to make effective and efficient business decisions. Ensure quality of best value contract solutions, through contract lifecycle management, to support customer requirements while building effective capabilities and strong enterprise relationships.
14. SDDC Surface Forecast - Mr. Tye Beasley, SDDC G3.
- a. International Movements (6 months): CONUS to OCONUS (Total 823K sqft; 170K mTons), OCONUS to CONUS (Total 366K sqft; 77K mTons)
 - b. JRTC Rotations: Ft Bliss, TX; JBER, AK; Ft Hood, TX; Ft Campbell, KY.
 - c. NTC Rotations: Ft Lewis, WA; Ft Hood, TX; Ft Bliss, TX; Ft Lewis, WA.
15. SDDC Global Freight Management - Mr. Rob Tondevold, SDDC G6. Briefed scheduled production releases.
16. Motor Carrier Installation Access and Office of the Secretary of Defense (OSD) Update -



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COL Jim Utley, Department of the Assistant Secretary of Defense (DASD) Transportation and Policy (TP).

- a. Update to **Surface EWG tasker 201401-3** "Provide update on base access for trucking providers Lead DASD(TP)." Status: "OPEN," see below.
- b. OSD(Intelligence) to release DRAFT memo to DoD Components for coordination which will require all DoD installations to accept the Transportation Worker Identification Credential (TWIC) without additional background checks. Military Services will have 30 days to comment. Assessing ways to validate a "carrier's need for access."
- c. Briefed on DoD's implementation of REAL ID Act. Reminded carriers to view SDDC issued Carrier Advisory.

17. U.S. Army Update - Mr. Tyler Nemchick, Headquarters Department of the Army Logistics (DA G4).

- a. Focus on readiness and deployments. Focus to incorporate deployment readiness exercises with combat training center rotations.
- b. Working with SDDC and TEA on modeling and staying engaged with industry
- c. Divesting of excess locomotives and reviewing other opportunities in rail.

18. Federal Rail Administration - Mr. Patrick Warren.

- a. Briefed the extension to Positive Train Control implementation by the railroad industry until end of CY18.
- b. Reported that overall rail has a great safety record.
- c. Briefed recent regulatory actions

19. Federal Motor Carrier Safety Administration (FMCSA) - Mr. Larry Minor.

- a. Briefed Safety Fitness Determination concept. Industry expressed concern about inequalities between different sized companies whose driver populations differ significantly.
- b. Electronic Logging Device (ELDs) final rule was released 16 DEC 2015.
 - (1) Motor carriers subject to the RODS (logbook) requirements under 49 CFR Part 395 must ensure that drivers use ELDs beginning 18 Dec 2017.
 - (2) Motor carriers currently using automatic on-board recording devices (AOBRDs) to satisfy the RODS requirement must make the transition to ELDs no later than 16 Dec 2019.
- c. Reviewed Hours of Service (HOS) reporting requirements and discussed legislation protecting drivers from HOS harassment.
- d. Updated group on MAP-21 CDL Rulemaking for Military Drivers.

20. Surface EWG Rotation Plan - Mr. Jack Svoboda, TCERC.



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- a. Briefed the current status of the industry rotation plan and which carriers have completed their terms.

21. New Business.

- a. RADM (Ret) Buzby, NDTA: Reminder to plan for the NDTA-USTRANSCOM Fall Meeting in St Louis (31 Oct 2016). University Day will be expanded with more training classes offered.
- b. Tim Helenthal, National Van Lines: Appreciated the EWG structure and a way to get the issues on the table. Even though the DP3 has its issues it is a good and successful program that has improved service. The primary goal of the reengineering effort that began in 1994 was to improve the quality of life for our military members when they relocate. Our ongoing joint efforts should be to continue the mission of improving the service to customers, not just on the total dollars, because improving the service helps our customer's be ready when they are needed.
- c. Minutes can be found on USTRANSCOM website: <http://www.transcom.mil>

22. Wrap up/Review the Taskers. See Attachment 1 for tasks stemming from the EWG.

23. Upcoming Surface EWG Schedule:

- a. July 21, 2016 - O'Fallon, IL.
- b. January 2017 - O'Fallon, IL.

24. Closing Remarks:

- a. LTG Lyons closed the meeting.
- b. Meeting adjourned.

UPDATES/CORRECTIONS

Contact the USTRANSCOM ERC-I point of contact at (618) 220-4948 or email: transcom.scott.tcerc.mbx.is@mail.mil for updates or corrections to these minutes.

COPIES OF ASSOCIATED BRIEFS

Contact the USTRANSCOM/ERC-I point of contact at (618) 220-4948 or email: transcom.scott.tcerc.mbx.is@mail.mil for copies of the briefs presented during this Surface EWG meeting.



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ATTACHMENT 1

Tasks

TASK	LEAD	UPDATES DUE
(#201401-3) Update progress on base access for trucking providers. Request DASD(TP) to provide update at next Surface Transportation Committee Meeting and next Surface EWG.	OSD(AT&L)	21 Jul 2016
(#201602-1) Discuss with MARAD way ahead on Surface EWG.	TCERC	21 Jul 2016
(#201602-2) Review Right of Refusal impact on HHGs.	SDDC PP	21 Jul 2016
(#201602-3) Examine HHGs cost per 100lbs from 2014 to 2015 and report to USTRANSCOM EWG members.	SDDC PP	21 Jul 2016
(#201602-4) Provide volume of freight over time by contact instrument to TCDC.	SDDC G3	21 Jul 2016