

UNITED STATES TRANSPORTATION COMMAND



Reporting Period: 19 Dec – 14 Mar 18

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REPORT FROM THE HILL:

Appropriations:

The two year budget deal has invigorated a listless appropriations process for the Fiscal Year 2018 federal budget. The House and Senate are now planning to vote on the FY18 omnibus package by the end of next week before the continuing resolution expires on 23 March, but will likely not release the details of the bill until Sunday, 18 March. Several issues still remain unresolved and could threaten passage by next week: border wall funding; DACA protections; defunding of “sanctuary” cities; Planned Parenthood funding; and NYC Gateway Project, among others. Congress has come to agreement on Defense Department funding, so all potential roadblocks are currently non-defense related.

Budget:

The President sent his FY19 budget to congress on 12 Feb 18 with a total outlay of \$4.388 Trillion.

| | 2017 | 2018 | 2019 |
|--|-------|-------|-------|
| Outlays: | | | |
| Discretionary programs: | | | |
| Defense | 590 | 611 | 637 |
| Non-defense | 610 | 661 | 656 |
| Subtotal, discretionary programs | 1,200 | 1,271 | 1,293 |
| Mandatory programs: | | | |
| Social Security | 939 | 987 | 1,047 |
| Medicare | 591 | 582 | 640 |
| Medicaid | 375 | 402 | 420 |
| Exchange subsidies (including Basic Health Care Program) | 39 | 48 | 48 |
| Other mandatory programs | 574 | 570 | 576 |
| Subtotal, mandatory programs | 2,519 | 2,588 | 2,731 |
| Net interest | 263 | 310 | 364 |
| Total outlays | 3,982 | 4,170 | 4,388 |

The details of the budget indicate priorities of the White House and includes more than 200 pages of “Major Savings and Reforms.” These savings and reforms are not reflected in Congress’s two-year budget deal. As a result of the budget deal, the savings and reforms in the President’s Budget will not have much impact on Congress’ appropriations bills for FY19 which will largely reflect the budget deal funding levels.

National Defense Authorization Act

Armed Services Committee staffs are preparing initial drafts of the FY19 NDAA. HASC markup is planned for next month, and SASC markup is planned for May. Ten of twelve TRANSCOM legislative proposals have been approved at the DOD level and are now either pending transmission to Congress or to OMB for final Executive Branch approval.

Commission on the National Defense Strategy

The USTRANSCOM commander will appear before the Commission on the NDS on 19 Mar to give testimony on the USTRANSCOM perspective of assumptions, prioritization of missions/risks/resources, force posture, and force structure necessary to execute the National Defense Strategy. Commission members include:

John Kyl, Fmr Senator (AZ)
Thomas Mahnken, Pres. CSBA
Jack Keane, GEN (ret), Fmr VCSA
Christine Fox, Fmr Act. DEPSECDEF
Anne Patterson, Fmr Asst. SoSEA
Michael Morell, Fmr Act. CIO Director
Eric Adelman, Ambassador, Fmr USD-P
Andrew Krepinevich, Fmr CEO, CSBA
Roger Zakheim, Fmr HASC staffer
Kathleen Hicks, Fmr PDUSD-P
Michael McCord, Fmr USD-C
Gary Roughead ADM (ret), Fmr CNO

SENATE ACTIONS ON NOMINATIONS & CONFIRMATIONS:

Recently Approved:

John Henderson to be an Assistant Secretary of the Air Force
Michael D. Griffin to be Under Secretary of Defense for Research and Engineering
Kevin Fahey to be an Assistant Secretary of Defense
William Roper to be an Assistant Secretary of the Air Force
Phyllis L. Bayer to be an Assistant Secretary of the Navy
Thomas E. Ayres to be General Counsel of the Department of the Air Force
John H. Gibson II to be Chief Management Officer of the Department of Defense
Adam J. Sullivan to be an Assistant Secretary of Transportation (DOT)
Ronald L. Batory to be Administrator of the Federal Railroad Administration (DOT)
Raymond Martinez, to be Administrator of Federal Motor Carrier Safety Admin. (DOT)
R. D. James to be an Assistant Secretary of the Army
John C. Rood to be Under Secretary of Defense for Policy
Robert P. Storch to be Inspector General of the National Security Agency
Thomas Harker to be an Assistant Secretary of the Navy
John P. Roth to be an Assistant Secretary of the Air Force
Bruce D. Jette to be an Assistant Secretary of the Army
James E. McPherson to be General Counsel of the Department of the Army
Randall G. Schriver to be an Assistant Secretary of Defense

In Committee:

James N. Stewart to be an Assistant Secretary of Defense
Alex A. Beehler to be an Assistant Secretary of the Army
Lisa Porter, to be a Deputy Under Secretary of Defense
Charles Douglas Stimson, to be General Counsel of the Department of the Navy
Gregory J. Slavonic, to be an Assistant Secretary of the Navy

RECENT HEARINGS OF INTEREST:


| Date | Hearing Topic | Committee |
|-------------|---|--|
| 17 Jan | CDM, the Future of Federal Cybersecurity? | Senate, Commerce, Science, & Transportation |
| 17 Jan | The State of the U.S. Flag Maritime Industry | House, Trans. & Infrastructure - Subcommittee on Coast Guard & Maritime Transportation |
| 25 Jan | Global Challenges and U.S. National Security Strategy | SASC |
| 30 Jan | Situation on the Korean Peninsula and U.S. Strategy in the Indo-Pacific Region | SASC |
| 30 Jan | Securing Our Surface Transportation Systems: Examining the Department of Homeland Security's Role in Surface Transportation Technologies | House, Homeland Security Committee |
| 30 Jan | Readying the U.S. Military for Future Warfare | HASC |
| 06 Feb | Data Security and Bug Bounty Programs: Lessons Learned from the Uber Breach and Security Researchers | Senate, Commerce, Science, and Transportation |
| 06 Feb | U.S. Cyber Diplomacy in an Era of Growing Threats | House, Foreign Affairs Committee |
| 06 Feb | The Administration's South Asia Strategy on Afghanistan | Senate, Foreign Relations Committee |
| 06 Feb | The National Defense Strategy and the Nuclear Posture Review | HASC |
| 14 Feb | The Military Posture and Security Challenges in the Indo-Asia-Pacific Region | HASC |
| 14 Feb | Air Force Readiness Posture | HASC |
| 14 Feb | Current Readiness of U.S. Forces | SASC |
| 14 Feb | Modernizing Food Aid: Improving Effectiveness and Saving Lives | House, Foreign Affairs Committee |
| 14 Feb | More Than a Nuclear Threat: North Korea's Chemical, Biological, and Conventional Weapons | House, Foreign Affairs Committee |
| 15 Feb | Evolution, Transformation, and Sustainment: A Review and Assessment of the Fiscal Year 2019 Budget Request for U.S. Special Operations Forces and Command | HASC |
| 15 Feb | Strategic Competition with China | HASC |
| 15 Feb | United States Northern Command and United States Southern Command | SASC |
| 27 Feb | USCYBERCOM – Defense Authorization Request for Fiscal Year 2019 and the Future Years Defense Program | SASC |
| 6 Mar | Department of the Navy FY 2019 Budget Request for Seapower and Projection Forces | HASC |
| 8 Mar | TCCC Testimony before the HASC (Readiness and Seapower Subcommittees) | HASC |
| 13 Mar | USAFRICOM, USCENTCOM -- Defense Authorization Request for Fiscal Year 2019 and the Future Years Defense Program | SASC |

KEY DATES:

19 Mar '18 - TCCC meets with Commission on the National Defense Strategy
 17 Apr '18 – TCCC Testimony before the SASC (Open Session)
 18 Apr '18 – TCCC Testimony before the SASC (Closed Session)

CONGRESSIONAL CALENDAR:

 Both chambers in session

 Senate only in session

March

| Sun. | Mon. | Tues. | Wed. | Thurs. | Fri. | Sat. |
|------|------|-------|------|--------|-----------------------------------|-------------------------|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 St. Patrick's Day |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 Good Fri. Passover (begins) | 31 |

April

| Sun. | Mon. | Tues. | Wed. | Thurs. | Fri. | Sat. |
|----------------------|------|-------|------|--------|------|------|
| 1 Easter Sunday | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 Orthodox Easter | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

May

| Sun. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|--------------------|--------------------|-------------|------------------------|--------|------|
| | | 1 | 2 | 3 | 4 |
| 6 | 7 | 8 | 9 | 10 | 11 |
| 13 Mother's Day | 14 | 15 | 16 Ramadan (begins) | 17 | 18 |
| 20 | 21 | 22 | 23 | 24 | 25 |
| 27 | 28 Memorial Day | 29 Vesak | 30 | 31 | |

MISCELLANEOUS INFO:

Are you traveling out to Washington D.C. and need a place to work from, check email, store luggage while in meetings? USTRANSCOM members can call our Legislative Affairs D.C. team (Col William “Doug” Hall or Lt Col Chris Thackaberry at (571) 312-8926/8854) to schedule a visit. The office is just a ~7 minute drive from the Pentagon.

EMAIL: transcom.scott.tccc.list.la@mail.mil

PHONE: (618) 220-4811 (571) 312-8926 (D.C. OFFICE)

REPORTS TO CONGRESS:

| Due Date | Requirement | Description |
|----------------------------------|---|--|
| 1 Mar 18 | Authority to Purchase Used Vessels (OPR: Sec Navy) | Assessment of the RRF and Surge Fleet, acquisition strategy, program of record associated with the CHAMP program, and legislative authority needed for the sealift recapitalization. |
| 5 Mar 18 (Briefing) | Cloud Computing (OPR: DOD CIO) | Efforts to coordinate with the acquisition community, encourage the use of cloud computing in wargaming and military exercises, and an assessment of the DoD's current cloud strategy and security requirements. |
| 1 Apr 18 | Report on Defense Combat Logistics and Strategic Mobility Forces (OPR: Sec Navy) | The report is to include a description of potential warfighting planning scenarios, capacity that may be required due to losses from attacks, projected subsurface threats, defending the forces, and capability gaps or risk areas and a solution to the gaps and risks. Strategic mobility forces in this report are Combat Logistic Forces, Ready Reserve Force, and MSC Surge Fleet. |
| 12 Jun 18 | Future Years Plan for the European Deterrence Initiative (OPR: SECDEF) | The plan is to include an analysis of the challenges to the ability of the U.S. States to deploy significant forces from the CONUS to the European theater in the event of a major contingency, and a description of the plans of the DoD, including military exercises, to address such challenges. |
| 30 Sep 18 | Mobility Capability & Requirements Study (OPR: SECDEF) | Briefing on the results of the study to include: (A) a detailed explanation of the strategy and associated force sizing and shaping constructs, associated scenarios, and assumptions used to conduct the analysis; (B) estimated risk based on CJCS risk management classifications; and (C) implications of operations in contested areas with regard to the Civil Reserve Air Fleet. |
| TBD (Fall 2018) (Briefing) | Railroads for National Defense (OPR: SDDC) | 30 Days after release of Strategic Rail Corridor Network (STRACNET) report; SDDC commander to provide a briefing on STRACNET report analysis and findings. |
| 7 Dec 18 (Briefing) | Assessment of Effectiveness of Cyber Reporting (OPR: SECDEF) | Assess compliance of industry, including the extent to which support tools to help small businesses with implementation of new cyber security and incident reporting have been effective. |

GOA and DoD IG REPORTS:

| Start Date: | Title: | Information/Status: |
|---------------------------------|--|---|
| 21 Aug 17 Audit Team: GAO | DoD management of the Airlift Readiness Account (ARA) in conjunction with the Transportation Working Capital Fund (TWCF) | -Objectives: Review USTRANSCOM oversight of TWCF and rate-setting procedure. How the AF pays its ARA bill during years in which ARA funding is not requested or cut. What steps the AF has taken to ensure the AF WCF receives appropriate funding if a cash shortfall occurs because of lack of fiscal year ARA funding. -Status: SME's providing due outs |
| 10 Jul 17 Audit Team: DoD IG | Audit of the Trans-Africa Airlift Support Contract | -Objectives: To determine whether DoD components effectively developed requirements for the Trans-Africa Airlift Support Contract (TASC) -Status: SME's providing due outs |
| 13 Oct 17 Audit Team: GAO | Federal Agencies' Progress in implementing cloud computing | -Objectives: Evaluate selected agencies' progress in implementing cloud services and determine to which extent the agencies have experienced cost savings. Describe agency reported examples of successful cloud migrations and deployments. -Status: O6/GS15 Coord of GAO questions answered by SME's |
| 03 Aug 17 Audit Team: GAO | Emerging Threats of High National Security | Objectives: Identify and assess emerging threats that could affect the national security within each geographic combatant command, the extent to which the threats are highlighted in current national security defense strategies, and which department components are tasked to monitor and mitigate these threats. Status: Entrance conference completed. Anticipate a VTC with appropriate USTRANSCOM officials. |
| 14 Jun 17 Audit Team: DoD IG | TWCF Financial Statements | -Objectives: Determine whether the financial statements and related note disclosures were fairly presented in all material respects and in conformity with accounting principles generally accepted in the US. -Status: Independent public accounting firm, Cotton & Company LLP, conducting audit. |
| 16 Oct 17 Audit Team: GAO | Federal Response to 2017 Hurricanes | - GAO beginning work on its own initiative -Objectives: Provide information on federal, state, and local coordination efforts for the affected states, territories, and jurisdictions. -Status: Entrance conference completed. Anticipate a VTC with appropriate USTRANSCOM officials. |
| 08 Nov 17 Audit Team: GAO | Combating Global Human Trafficking | -Objectives: Policies and guidance of the DoD with respect to the education and training on human slavery and the appropriate role of the US Armed Forces in combatting trafficking in persons. Report on all of the programs that address human trafficking and modern slavery, including a detailed analysis of the effectiveness of such programs. Status: Pending Entrance Conference. |

RECENTLY COMPLETED GAO REPORTS OF INTEREST:

Critical Infrastructure Protection: Additional Actions Are Essential for Assessing Cybersecurity Framework Adoption

Most ... took action to facilitate adoption of the National Institute of Standards and Technology's (NIST) Framework for Improving Critical Infrastructure Cybersecurity... Recommendation: The Secretary of Defense should take steps to consult with respective sector partner(s), such as the SCC, DHS and NIST, as appropriate, to develop methods for determining the level and type of framework adoption by entities across their respective sector.

GAO 2018-2023 Strategic Plan

GAO's strategic plan describes our goals and objectives to support the Congress in meeting its constitutional responsibilities and to ultimately help improve the safety, security, and well-being of the American people. The plan provides a comprehensive roadmap for increasing accountability across the full range of federal government operations.



Goals:

- 1) Address Current and Emerging Challenges to the Well-Being and Financial Security of the American People.
- 2) Help the Congress Respond to Changing Security Threats and the Challenges of Global Interdependence.
- 3) Help Transform the Federal Government to Address National Challenges.
- 4) Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and by Being a Leading Practices Federal Agency.



Trends Affecting Government and Society

The 8 trend areas in GAO's plan include:

1. Global conditions affecting U.S. and international security
2. The federal government's long-term unsustainable fiscal path
3. Global responses to challenges posed by divergent economic growth
4. Technological advances and their impact on preparing the workforce of the future
5. Demographic changes and their implications
6. Five emerging technologies and scientific advances that could potentially transform society
7. Increasingly complex governance relationships and practices
8. Balancing competing natural resource and sustainability needs



Defense Acquisition Workforce: Opportunities Exist to Improve Practices for Developing Program Managers

Cost and schedule overruns have plagued DOD's major defense acquisition programs, with current projected costs exceeding initial expectations by \$484 billion and delays averaging 31 months. To keep programs on track, DOD relies on program managers who can balance factors that influence cost, schedule, and performance.



The military services have taken steps to develop top-notch talent for this role. We compared their practices for training, mentoring, retaining, and selecting program managers to those of leading organizations and found shortfalls

Visit the GAO website for many more reports and information: <https://www.gao.gov/>

OTHER ITEMS OF INTEREST:

Institute for Defense Analyses (IDA) TRANSCOM-DLA Study

1. The DLA-TRANSCOM structure is working
2. A key challenge facing DOD's "end-to-end" distribution system is achieving a seamless integration of the distribution functions of TRANSCOM, DLA, the military Services, and the Geographic Combatant Commands (GCCs).

IDA

INSTITUTE FOR DEFENSE ANALYSES

TRANSCOM-DLA
Roles and Responsibilities