

UNITED STATES TRANSPORTATION COMMAND



Reporting Period: 14 Mar – 19 Jun 18

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HAPPENINGS ON THE HILL:

Full House passed [NDAA \(Summary\)](#) on 24 May 2019.

SASC Passed its version of the NDAA – “*John S. McCain National Defense Authorization Act for Fiscal Year 2019*” [\(Summary\)](#)

House FY19 - National Defense Authorization Act

House Armed Services Committee passed its version of the FY19 NDAA on May 10, 2018 with a 60-1 vote and the Full House passed it on 24 May with a bipartisan vote of 351 to 66. The HASC Chairman Thornberry stated: “This defense bill, which is once again the product of strong bipartisan work, takes the crucial next steps to rebuilding our military and reforming the Pentagon. Both are essential to helping our troops prepare and respond to the complex security challenges we are facing around the world”.

There were a number of required **reports** and/or **briefings** with USTRANCOM interest or equity:

- 1) Briefing (NLT 31 Aug 18) on household goods weight allowances (focus on professional gear)
- 2) Briefing (NLT 1 Sep 18) as to the Maritime Security Program impact, if any, of the 2016 U.S.- Israel (MOU) (ending foreign military financing funding for jet fuel purchases) (OPR USTRANCOM)
- 3) Report (NLT 30 Sep 18 and 180 days thereafter) on the U.S. casualty estimates for likely scenarios of an armed conflict with North Korea.
- 4) PII Briefing (NLT 31 Oct 18) detailing information security technologies that the Department employs to protect the official unclassified email and official unclassified mobile communications of its employees

Other USTRANCOM related sections of note:

- 1) Space-Available Transportation on Military Aircraft for Disabled Veterans with a “Total” Service-Connected Permanent Disability (allows CONUS and OCONUS Space-A travel)
- 2) Clarified authority of SECDEF to Determine Command and Control (C2) Relationships. (This language overrides previous DOD Appropriations Act restrictions on KC135 and C-130 aircraft assigned to PACOM and EUCOM)
- 3) Authorizes the Navy to procure up to 10 foreign built ships if SEDEF certifies the Navy has initiated an acquisition strategy for the construction of 10 new sealift vessels
- 4) Granting permanent authority for the Secretary of Transportation to issue Vessel War Risk Insurance vice a required reauthorizing every five years. (USTRANCOM legislative proposal)
- 5) Requirement for the Navy to retain two hospital ships until the Secretary of Defense certifies that a replacement capability has been fielded
- 6) Procedures and reporting requirement on cybersecurity breaches and loss of Personally Identifiable Information (PII) (requires prompt notification to congress in the event of a significant loss of PII of civilian or uniformed members of the Armed Forces)

- 7) Actions to Increase the Efficiency and Transparency of the Defense Logistics Agency – requires that the Director of the Defense Logistics Agency (DLA) and the CMO jointly: implement a comprehensive system not later than January 1, 2021, that enables customers to view items and materials available to customers, the delivery status of items and materials in transit, and predictive analytics designed to improve the system’s efficiency; reduce charged rates by at least 10 percent, eliminate duplication of services; and establish specific goals and metrics to ensure the agency is fulfilling its mission by January 1, 2021.

Senate FY19 - National Defense Authorization Act

The Senate approved their version of the FY19 NDAA on 18 June. The details of it are not yet out. However, there are a number of USTRANSCOM interest item in the SASC Report:

- 1) Included is the permanent authority of Secretary of Transportation to issue vessel war risk insurance
- 2) Alcohol testing of civil service mariners of the Military Sealift Command assigned to vessels
- 3) Limitation on use of funds for retirement of hospital ships
- 4) National Defense Sealift Fund – “the committee understands that meeting the full sealift recapitalization requirement would entail procuring 26 used vessels through fiscal year 2031”
- 5) Limitation on duration of homeporting of certain vessels in foreign locations – “The committee recommends a provision that would limit the overseas homeport duration of certain ship classes to not more than 10 consecutive years”
- 6) Enabling and other activities of the Cloud Executive Steering Group – “The committee emphasizes the importance, to the DOD’s cloud transition and enterprise efficiency goals, of modernizing networks by adopting advanced commercial capabilities”
- 7) Space-available travel on Department of Defense aircraft for veterans with service-connected disabilities rated as total - “The committee recommends a provision to authorize veterans with a permanent service-connected total disability rating to travel on military aircraft on a space-available basis”
- 8) Plan for incorporating logistics sustainment under attack into war games – “The committee recognizes that the National Defense Strategy’s focus on near-peer adversaries fundamentally challenges long-held assumptions around uncontested logistics sustainment. The committee urges the Department of Defense to incorporate appropriate and realistic assumptions around logistics and transportation into operational war gaming”

The Bills and accompanying Committee Report are on the USTRANSCOM Legislative Affairs SharePoint page; as well as the Congress.gov website below.

https://ustranscom.eim.amc.af.mil/tcccla/FY_19%20Authorization/Forms/AllItems.aspx?RootFolder=%2Ftcccla%2FFY%5F19%20Authorization%2FHASC%20NDAA&FolderCTID=0x01200059E6B09F682F0B4482C3EB1E11D5B4A0&View={B2805958-F8BA-45F1-B9DA-DA5EBDC52BF1}

<https://www.congress.gov/bill/115th-congress/house-bill/5515/text?q=%7B%22search%22%3A%5B%22hr5515%22%5D%7D&r=1>

<https://www.congress.gov/congressional-report/115th-congress/house-report/676/1?q=%7B%22search%22%3A%5B%22hr5515%22%5D%7D&r=1&overview=closed>

SENATE ACTIONS ON NOMINATIONS & CONFIRMATIONS:

RECENTLY APPROVED:

Vice Adm. Karl L. Schultz to be Commandant of the United States Coast Guard and to Admiral
 Vice Adm. Charles W. Ray to be Vice Commandant, United States Coast Guard and to Admiral
 Lt. Gen. Paul Nakasone to be Commander, U.S. Cyber Command and to General
 ADM Philip S. Davidson to be Commander, U.S. Pacific Command
 Gen. Terrence J. O'Shaughnessy to be Commander, U.S. Northern Command

NOMINATIONS IN COMMITTEE (Civilian)

James H. Anderson to be an Assistant Secretary of Defense.
 Lisa Porter to be a Deputy Under Secretary of Defense.
 James N. Stewart to be an Assistant Secretary of Defense

PENDING NOMINATIONS ON THE EXECUTIVE CALENDAR (Civilian)

Anthony Kurta to be a Principal Deputy Under Secretary of Defense.
 Paul C. Ney, Jr. to be General Counsel of the Department of Defense.
 John E. Whitley to be an Assistant Secretary of the Army.

MILITARY IN COMMITTEE:



Lt. Gen. Stephen R. Lyons, to be General (Hearing tentatively scheduled for 26 June)
 Lt. Gen. Giovanni K. Tuck, to be Lieutenant General (Presidential nominee to be the JS J4)

RECENT HEARINGS OF INTEREST:

Date	Hearing Topic	Committee
10 Apr	Posture of the United States Transportation Command	SASC
12 Apr	355 Ship Navy: Delivering the Right Capabilities	HASC
12 Apr	FY19 National Defense Authorization Budget Request	HASC
17 Apr	Navy Shipbuilding Programs	SASC
18 Apr	Oversight and Reform of the Department of Defense 4th Estate	HASC
24 Apr	Maritime Transportation: Opportunities and Challenges	(S) Commerce, Science, & Trans.
26 Apr	Department of Defense Budget Posture	SASC

CONGRESSIONAL CALENDAR:

(Note: Senator Mitch McConnell announced that he is canceling most of the Senate's month-long August recess)

 Both chambers in session
 Senate only in session

July

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
1	2	3	4 Independence Day	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15 Eid al-Adha	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

REPORTS TO CONGRESS:

Due Date	Requirement	Description
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:
17 Jan17 Audit Team: GAO	Maritime Security Program	- Objectives: Goals and costs of the MSP, process used to determine the selection and reimbursement rate of vessels in the MSP, and how alternative methods of procuring vessels for periods of national need could potentially impact the program's cost and ability to meet its goals - Status: Awaiting Draft Report for review
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: Statement of Facts received and reviewed. Awaiting Draft Report for review.
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: GAO questions submitted via TMT awaiting OCR responses. Exit conference anticipated during the month of June.

<p>03 Aug 17 Audit Team: GAO</p>	<p>Emerging Threats of High National Security</p>	<p>- 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.</p> <p>- Status: Statement of Facts received and reviewed. Awaiting Draft Report for review.</p>
<p>16 Oct 17 Audit Team: GAO</p>	<p>Federal Response to 2017 Hurricanes</p>	<p>- Objectives: Provide information on federal, state, and local coordination efforts for the affected states, territories, and jurisdictions.</p> <p>- Status: Statement of Facts received and reviewed. Awaiting Draft Report for review.</p>
<p>31 Jan 17 Audit Team: GAO</p>	<p>DOD Progress on Supply Chain Management</p>	<p>- Objectives: To what extent has DOD taken action to ensure leadership commitment and capacity to resolve the high risk designation for asset visibility and materiel distribution? To what extent has DOD updated its corrective action plans for asset visibility and materiel distribution, as appropriate, and implemented corrective actions? To what extent has DOD instituted a program to monitor performance and progress for asset visibility and materiel distribution? To what extent has DOD demonstrated sustained progress, such as identifying root causes and solutions for identified problems for asset visibility and materiel distribution?</p> <p>- Status: Site visit completed 17-19 APR 18. Providing audit team with due outs.</p>
<p>20 Feb 18 Audit Team: DoD IG</p>	<p>Critical Munitions in Support of the Republic of Korea</p>	<p>- Objectives: To determine whether the US PACOM and US Forces Korea have a distribution network to receive and deliver critical munitions in support of the operation plan requirements.</p> <p>- Status: Site visit completed 27-29 MAR 18</p>
<p>10 Jul 17 Audit Team: DoD IG</p>	<p>Audit of the Trans-Africa Airlift Support Contract</p>	<p>- Objectives: To determine whether DoD components effectively developed requirements for the Trans-Africa Airlift Support Contract (TASC)</p> <p>- Status: Follow-up to Final Report D2018-116 on Recommendation 2 USTRANSCOM Acquisition Directorate's Policy Division is developing formal procedures for planning and executing service acquisitions with an estimated completion date of October 1, 2018.</p>
<p>14 Jun 17 Audit Team: DoD IG</p>	<p>TWCF Financial Statements</p>	<p>- 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.</p> <p>- Status: Independent public accounting firm, Cotton & Company LLP, conducting audit.</p>

RECENTLY COMPLETED GAO REPORTS OF INTEREST:

KC-46 Tanker Modernization: Program Cost Is Stable, but Schedule May Be Further Delayed

Under the Air Force's KC-46 modernization program, commercial aircraft are being converted by Boeing into aerial refueling tankers. The program is one of the Air Force's highest acquisition priorities, and will replace a third of the aging fleet. ... program is meeting its estimated acquisition cost. However, the program office projects that Boeing will not deliver the first 18 fully capable aircraft until May 2019 - 21 months later than initially planned.

KC-46 Aircraft Refueling a Receiver Aircraft



Source: © 2018 Boeing Company - Photo by Paul Weatherman | GAO-18-353

Cybersecurity: DHS Needs to Enhance Efforts to Improve and Promote the Security of Federal and Private-Sector Networks

In recent years, the Department of Homeland Security (DHS) has acted to improve and promote the cybersecurity of federal and private-sector computer systems and networks, but further improvements are needed. Specifically, consistent with its statutory authorities, DHS has made important progress in implementing programs and activities that are intended to mitigate cybersecurity risks on the computer systems and networks supporting federal operations and our nation's critical infrastructure

Navy Shipbuilding: Past Performance Provides Valuable Lessons for Future Investments

Challenges in meeting shipbuilding cost, schedule, and performance goals have resulted in a less-capable and smaller fleet today than the Navy planned over 10 years ago. While the Navy is continuing to accept delivery of ships, it has received \$24 billion more in funding than originally planned but has 50 fewer ships in its inventory today, as compared to the goals it first established in its 2007 long-range Shipbuilding plan.



Source: LCS R, U.S. Navy photo by Electronics Technician First Class Adam Ross | GAO-18-228P

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.

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