



**Civil Reserve Air Fleet (CRAF)
Executive Working Group (EWG)
Minutes**

United States Transportation Command (USTRANSCOM) hosted our annual CRAF EWG on 11 May 2022 at the Seay Auditorium at USTRANSCOM. Vice Admiral (VADM) Dee Mewbourne, Deputy Commander USTRANSCOM (TCDC) and Brigadier General (Brig Gen) Neil Richardson, Air Mobility Command (AMC) Deputy Director of Operations, representing the AMC Deputy Commander, served as co-chairs. Seventy-three participants attended, including senior principals and representatives of USTRANSCOM, AMC, Office of the Deputy Assistant Secretary of Defense for Logistics, Federal Aviation Administration (DOT/FAA), General Services Administration (GSA), and U.S. commercial air carriers subscribed to the CRAF Program. The full attendee list is provided at the end of this document.

MEETING SUMMARY.

1. Opening Administrative Comments. Mr. David Atkinson, Commercial Airlift Programs Manager, USTRANSCOM. Mr. Atkinson opened the EWG with administrative remarks. The agenda was divided into four discussion blocks, with the first block a classified session, and the remaining three blocks unclassified. The first block consisted of Intel, Cyber, Operations, and National Defense Strategy updates. The remaining three blocks covered industry updates, AMC initiatives and operations, Epidemiology, Legislative Affairs, Contracting, and Forecasting.

2. VADM Mewbourne and Brig Gen Richardson Opening Remarks.

- a. Brig Gen Richardson thanked everyone for attending and stated a few examples of how critical the CRAF program is to national defense. He assured everyone that we would continue to have great dialog as we face new challenges. He noted the Pacific theater is a crucial challenge and would take much work and effort to solve the “tyranny of distance” in that AOR. He stated we need to work to close those gaps now and not wait for a driving crisis. He finished by stating, “No one is as ready as they think they are.” Preparation is key to our goals.
- b. VADM Mewbourne welcomed everyone to the in-person EWG and his final EWG as TCDC. He expressed his personal gratitude for the carriers’ support, collaboration, and friendship over his three-year tenure. Specifically, he expressed great appreciation for the assistance with support to Ukraine and the carriers’ flexibility and response to emerging and urgent requirements. He acknowledged DOD is a difficult customer; reiterating how incredible the support was from the CRAF team. He emphasized that USTRANSCOM works hard to avoid activation unless necessary.



3. Block One - Operations, Intelligence, and Cyber-Security Review. CAPT Fraser-Loria assembled an Intelligence, Counterintelligence, and Cyber panel to advise the CRAF EWG participants of current world events. They discussed the Russia-Ukraine situation, Cyber security, Counterintelligence operations and opportunities. The panel emphasized industry threat awareness and ways to insulate from cyber-attacks, to include state actors and independent hackers from across the globe. The guests in the room asked about *how cyber-attacks were perceived by NATO* and *would it be possible to trigger an Article-5 NATO response with a Cyber-attack*. Additionally, TCJ3, Maj Gen Martin expressed gratitude for the members of CRAF and outlined a few operations that would not have been possible without the assistance of the carriers. He further praised their patriotism and willingness to go above and beyond to assist in operations critical to National Security. Finally, Mr. Peter Mahoney updated the CRAF participants on the details of the new National Defense Strategy (NDS), how it applies to DOD, and what role the CRAF program plays to support the NDS. Further details of the discussions are classified and will not be outlined in this document.

- a. **Intelligence and Cyber Security Panel.** *Classified session.*
- b. **USTRANSCOM Operations Update.** *Classified Session.*
- c. **National Defense Strategy Review:** *Classified Session.*

4. Block Two - Aviation Industry Update and Review.

- a. **Cargo Charter Sector Update.** Mr. John Dietrich, President/CEO, Atlas Air. Mr. Dietrich opened with thanks for the CRAF team and fellow carriers. His remarks emphasized the market dynamics contributing to the challenges of less flexible capacity, increased charter rates, and the need for accurate forecasting from the DOD. He displayed data showing the strength of the cargo market projected growth in demand. Capacity is down 5-7% due to the Russian-Ukraine conflict (sanctions grounded a 777/18 747s) and belly cargo space aboard passenger aircraft as a result of the COVID-19 pandemic affecting passenger travel. It is not anticipated belly cargo capacity will return to pre-pandemic levels. The industry is moving toward more efficient narrow body, single aisle aircraft reducing the available belly cargo capacity even further. Though capacity is due to increase as new aircraft enter the marketplace through production, the added capacity is not enough to meet demand. Worsening ocean freight timelines are increasing demand on air freight leading to heightened price and capacity competition. Pilot and ground personnel shortages continue to challenge industry flexibility. Demand has outpaced capacity leading to intense competition between USTRANSCOM missions and commercial operations.
- b. **Passenger Charter Sector Update.** Mr. Dan Orcutt, President, Omni Air International. Mr. Orcutt started with thanks for the team and to reinforce their commitment to the CRAF program, calling CRAF participants patriots and dedicated partners to the DOD mission. Passenger charter business is beginning to recover, but still not at pre-COVID levels. As the recovery continues, leisure travel is expected to rebound faster than business travel. The industry is uncertain what the business travel segment will look like as businesses adopt more remote opportunities. The industry believes business travel will return, but with longer horizons than leisure travel. The remote opportunities contribute to labor challenges as employees seek greater flexibility in employment conditions.



- c. **Scheduled Passenger Sector Update.** Ms. Christine James-Villanueva, Managing Director of Operations Support and Dispatch, American Airlines. Ms. James-Villanueva emphasized and echoed Mr. Orcutt's and Mr. Dietrich's comments regarding labor shortages across the board. She outlined some challenges facing the airline industry, including COVID provisions, geopolitical issues (Russia-Ukraine conflict), pilot pipeline and staffing, labor market constraints, aircraft manufacturer delays, staffing for support agencies such as TSA, CBP, and Air Traffic Control. She discussed the effects of the COVID-19 pandemic on airline revenue as a percentage of GDP. Traffic is expected to be down 5-15% vs. 2019. This year, demand is robust and domestic business has recovered to about 67% of 2019 levels. Long-haul international routes are dependent on reopening countries, travel restrictions, and testing requirements, but trending positively.

5. Block Three - Operations and Execution Update. Block three included two briefings from AMC and 618th Air Operations Center (AOC). AMC covered the Primary, Alternate, Contingency, Emergency (PACE) Tabletop Exercise (TTX) and the future of the PACE requirements and the 618 AOC provided an operational update briefing.

- a. **AMC Ops and PACE TTX Update.** Mr. Ralph Muli, Chief, Commercial Airlift Division, AMC (AMC/A3B). Mr. Muli opened by outlining the challenges of communication between the commercial industry and military during contingency requirements with a focus on contested environments. He briefed the team on the 10 May 2022 TTX. The TTX identified communication challenges and opportunities to be worked for future operations. Several communication methods are available, with many systems undergoing testing to determine suitability for secure and reliable communications.

- 1) In response to whether the Indo-Pacific theater is the only theater under consideration, Mr. Muli confirmed that Indo-Pacific presents the most difficult problem-set; tactics, techniques, and procedures have been developed for the Indo-Pacific theater will be applied across the other theaters of operation.

- b. **Operations, Execution, and Scheduling Update.** Brig Gen Daniel DeVoe, Commander 618th Air Operations Center (AOC). Brig Gen DeVoe began by thanking the carriers for their incredible work during recent events and specifically their flexibility with the Presidential Drawdown Authority (PDA) packages. Brig Gen DeVoe reiterated that if commercial capacity exists, the 618th aims to utilize the commercial capacity before military transport to satisfy USTRANSCOM requirements. Brig Gen DeVoe finished by emphasizing the challenges faced today force the 618th AOC and the USTRANSCOM team to evaluate and adapt for the future. Continued dialogue is critical to success in the future.

- 1) Brig Gen DeVoe responded to a comment regarding the bidding process. The process requires a company to pull an aircraft out of their system while awaiting the resolution of the contract award. As a result, the carriers experience large inefficiencies that cannot be recovered. The carrier requested requirement fidelity on faster timelines or that unsuccessful bids be pushed to other unmet requirements without the wait.



- 2) Brig Gen DeVoe stated he understood and empathized with the carriers. The 618th AOC operates with a sense of urgency responding to the requirements developed out of the PDA packages. The PDA packages have urgent priority resulting in tight timelines and very short bidding windows.

6. Block Four - Programs, Policy, and Contracts Review.

a. Epidemiology Update. Lt Col Christopher Cieurzo, Chief, Patient Movement Operations Division, USTRANSCOM Surgeon General. Lt Col Cieurzo provided statistics and analysis regarding the current COVID situation. Mayo Clinic analysis suggests that COVID cases will jump 65% over the next 2 weeks with a corresponding increase in case rates. However, hospitalizations and deaths are expected to decrease over the next 4 weeks. This data may point toward another surge this summer, but the number of hospitalizations and deaths is not likely to be as significant as previous waves due to vaccination rates, new therapeutics, and lower death rates from Omicron.

- 1) Questions were asked regarding carrier enforcement of a DOD mask policy. The contract states the civilian carriers must enforce the DOD mask policy when performing a DOD transportation contract. The policy contrast from the current commercial operating environment places a logistical burden on the carriers to supply masks to DOD personnel.
- 2) Mr. Ken Brennen, Director, Acquisitions, USTRANSCOM (TCAQ), explained there is no indication DOD will retract that policy. Communications from Public Affairs to educate the masses; APOE personnel & the chain of command are there to reinforce the mask policy. However, USTRANSCOM will continue to investigate issues related to the policy.

b. Airlift Forecast. Lt Col Michael Thompson, Senior Mobility Analyst, USTRANSCOM Joint Distribution Process Analysis Center. Lt Col Thompson provided a forecasting update based on historical data. Forecasting shows a steady state of airlift requirement for the foreseeable future. Short increases in operations such as recent urgent movements do not drastically change the overall average for the future as they are relatively short requirements in duration. See included slides for data/charts.

c. Legislative Affairs. Mr. Doug Hall, Chief, Legislative Affairs. Mr. Hall provided a current update to the legislative environment. He mentioned items that may prove important in the legislative process; mid-terms elections, inflation, Roe v. Wade, Former President Trump returning to Twitter, war in Ukraine, and the January 6th Commission could drastically change the makeup of the next congress.

- 1) The Senate Commerce Science and Transportation Committee will hold a hearing, "Developing the Aviation Workforce of the 21st Century." The hearing will examine workforce development issues and opportunities to diversify the U.S. aviation workforce as aviation industry recovers from the effects of the COVID-19 pandemic. Topics such as workforce education accessibility, recruitment and retention, training models, and the domestic pilot supply will be considered.



- 2) The National Defense Authorization Action added Section 1083 titled “Improvement of Transparency and Congressional Oversight of CRAF”. Section 1083 requires a report to Congress on contracts for airlift services awarded in the previous fiscal year to a carrier that doesn't have an aircraft in, or offered to, CRAF and doesn't have a certificate under 49 U.S.C. § 41102. The first report will cover fiscal year 2022.
- 3) Gen Van Ovost testified before the Senate Armed Services Committee with the Commander of U.S. European Command on 29 March and at the *House Armed Services Committee Joint Readiness Subcommittee* and *Sea power & Projection Forces Subcommittee* hearings with the acting Director of the Maritime Administration on 31 March.

7. Contracting Update. Mr. Ken Brennan, TCAQ.

- a. **Fixed Buy** – Initial offers were due 15 Apr 22. 618th AOC is reviewing offers and should have a response approximately 20 May 22. AMC/A3B is working on the fleet rebuild, which drives entitlement. Once the fleet rebuild is complete, the solicitation for a second round of offers for unfilled cargo missions will go out approximately the second week of June. The fixed buy will not be awarded at charter rates.
- b. **Fuel Increase Effective 1 May** – The Defense Energy Support Center (DESC) increased fuel prices driving the need to increase the pegged fuel rate paid in the uniform rate. *Passenger and combi rates increased 4%-6% across all categories and cargo increased 12%-16%.*
- c. **Next Contract Milestones** – Actively working source selection in July 2023 with start date of 1 Oct 2024. As part of that process, TCAQ is developing a Business Case Analysis (BCA). The BCA will help inform USTRANSCOM on any changes to consider on the next contract. All options are on the table to improve the program.

8. Open Mic. Open mic discussion was held with each question resulting in a due out for USTRANSCOM and external agencies. See due outs in section eight below.

9. Closing Remarks. Brig Gen Richardson thanked everyone for their participation and discussion. VADM Mewbourne thanked the group and mentioned this meeting is his last CRAF EWG; reiterating he and his office are open and available to all carriers should they need to address any issues or have input to the CRAF program.

10. Due Outs.

- a. How does the U.S. Government track donations, particularly weapons systems, given to Ukraine? (OPR: TCJ3/LNO to Defense Security Cooperation Agency)
- b. What kind of support exists for carriers that are affected by foreign state actors that cause financial losses due to operating a CRAF mission? (OPR: TCAQ, OCR: TCJA)
- c. Determine if a process can be developed to apply unused bids on contracts to fit unmet requirements. (OPR: TCAQ, OCR: 618 AOC)
- d. Could a cyber-attack provoke a NATO Article 5 response? (OPR: TCJA)



- e. Referring to CBP delays at Dover AFB, Atlas Air requested carriers receive manifests earlier (24 hours prior to departure or a direct send from the manifesting unit to CBP). (TCJ5/4 J4 Policy)
- f. DOD policy requires all personnel on DOD chartered aircraft to wear masks. Is there room for dialogue with OSD on the mask policy? Are carriers expected to enforce DOD Policy when some Troop Commanders do not comply? (OPR: TCAQ, OCR: TCJ3)
- g. Can carriers place a company representative in the AOC during high operations tempo periods or contingencies? Current contract states “When requested during CRAF activation, the contractor shall provide the pre-designated MOBREP or TAG personnel to HQ AMC, Scott AFB, IL.” (OPR: TCAQ, OCR: 618 AOC, AMC/A3B)
- h. Scheduled carriers entering Australia must provide electronic manifest data before arrival in country even if operating a military charter flight. Is there an opportunity for USTRANSCOM to dialogue with Australian Border Clearance officials to assist scheduled carriers in the CRAF program? (OPR: TCAQ)

11. Further Information. You may contact Mr. David Atkinson, Commercial Airlift Programs Manager, USTRANSCOM TCJ5-I at telephone (618) 220-1955 or email david.a.atkinson14.civ@mail.mil.



CRAF Executive Working Group Participants

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 SES Bruce Busler TCAC
 CAPT Jamie Ann Fraser-Loria TCJ2
 Maj Gen Corey Martin TCJ3
 Brig Gen Michelle Hayworth TCJ6
 Mr. Greg Hall TCCC-LA
 Ms. Gina Lee TCAQ
 Lt Col Christopher Cieurzo TCSG
 COL Andras Marton TCJA
 MG John Sullivan TCJ5/J4
 Mr. Al Lopez TCJ5-I
 LCDR Andy Moore TCJ5-IA
 Mr. David Atkinson TCJ5-IA
 Mr. Zachary Davis TCJ5-IA
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AMC (13)

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 Brig Gen Daniel DeVoe 618th AOC
 SES Elizabeth Foster AMC/A4
 Mr. Ralph Muli AMC/A3B
 Mr. Mike Holland AMC/A3B
 MSgt Nikki Masonlove AMC/A3B
 Mr. Christopher Wren AMC/A3B
 Mr. Steven Stater AMC/A3B

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Mr. Eric Adducchio American Airlines
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 Mr. John Dietrich Atlas Air
 Mr. Kevin Sarubbe Atlas Air
 Mr. Nick Scott Delta Air Lines
 Mr. Bill Wernecke Delta Air Lines
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 Mr. Robert Ragar Everts Air Cargo
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