



**SURFACE EXECUTIVE WORKING GROUP
MEETING MINUTES
26 July 2018**

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 co-chair: United States Transportation Command (USTRANSCOM), and the Military Surface Deployment and Distribution Command (SDDC). The body of the EWG consists of a cross-section of senior leader representatives from the surface industry, Department of Defense (DoD), Department of Transportation (DoT), and the Department of Labor (DoL). Industry representatives of the EWG are determined by USTRANSCOM in collaboration with SDDC. Invites to all participants are based on agenda focus areas. 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.

ATTENDING INDUSTRY REPRESENTATIVES:

<u>Organization</u>	<u>Telephone</u>
Bennett International Group	(770) 957-1866
BNSF	(817) 867-0644
Boyle Transport	(978) 670-3408
CSX Transportation	(404) 350-5459
Crowley Maritime	(904) 727-4176
Landstar Transportation Logistics	(904) 390-4898
Mercer Transportation	(800) 626-5375



National Defense Transportation Association	(703) 751-5011
Norfolk Southern Corporation	(478) 258-0027
Northwest Seaport Alliance	(253) 592-6792
Port of Beaumont	(409) 835-5367
Port of Virginia	(757) 683-2105
Ports America	(912) 644-6123
Tri-State Motor Transit	(623) 344-1144
TTX Company	(312) 606-1481
Union Pacific Railroad	(402) 544-5285
YRC Worldwide	(301) 797-5922

TASKS

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

MEETING SUMMARY

Notes: (a) Where possible, this meeting summary is chronological synopsis of related discussions. In some cases, individual questions/ comments are captured. In other cases, the paragraph summarizes a common thought/understanding. (b) The term “industry” appears in this document both in a collective sense (i.e., at large) as well as by mode (trucking, rail, and/or seaports). (c) In some cases, there are comments/points associated with individuals, while in others they are simply noted collectively e.g., “industry.” The difference is for clarity, based on a single comment/point versus a more collective discussion. Comments/Points by individuals are not meant to imply there may be others in industry/industry mode who do/do not share the same view.

1. Opening Remarks. Lieutenant General John Broadmeadow (TCDC)
 - a. Welcomed all attendees and briefed the group on the changes to structure and representation from previous Surface EWGs in order to facilitate a specific discussion set. For this meeting, the discussion set was centered on: strategic domestic surge deployments.
 - b. TCDC emphasized the relationship of USTRANSCOM’s “4th Component” (commercial industry) is more than a business



relationship. Industry should expect to be targeted by our adversaries as they provide the military the means to project forces globally. USTRANSCOM is in the process of developing metrics to assess and mitigate these risks. Based on the statements from the SECDEF and the guidance contained in the National Defense Strategy (NDS), DoD will become less predictable to our adversaries. As a result of this, USTRANSCOM will have to balance the value of forecasting transportation requirements versus the advantage of surprise.

- c. He further stated the desired meeting outcome is to understand how DoD can increase capacity during a surge and determine how we guarantee assurance that industry will meet DoD requirements and priorities.
2. Surge Deployment and SDDC Perspective. Major General Stephen Farnen (SDDC CG)
 - a. SDDC CG briefed how commercial industry was integrated in the way SDDC supports the DoD. He described how SDDC exercises/ tests the entire transportation network by a series of planned known brigade combat team (BCT) type movements. These “mini surges” exercise trucks, rail, and strategic seaports. SDDC has the ability to optimize the movements by shaping the routes to decrease the transit times and to provide military cargo to some seldom used Strategic Seaports. While this optimization of deployments may appear to defy logic it ultimately saves time in units’ deployment process. US Army Forces Command (FORSCOM) understands and supports.
 - b. The Army is “wrapping their head around” what a true surge deployment looks like and will have to exercise its deployment muscle after years of atrophy.
 - c. Wants to bring industry into the planning sooner, and that will require security clearances. There will be some classified briefings in October for some cleared industry representatives to provide subject matter expertise.



3. Domestic Surface Transportation Demands. (Mr. Bruce Busler (TCAC/TEA)
 - a. TCAC/TEA quantified orders of magnitude to meet surge deployment requirements as compared to steady state. In addition to meeting these requirements there will be a large ammunition transportation requirement all while operating in a domestic contested environment (e.g., cyber (transportation systems, electrical grid, etc.), domestic sabotage, et. al.).
4. Rail Discussion.
 - a. Ms. Theresa Lorinser (BNSF) provided a brief state of the industry with a general takeaway: “Business is strong.”
 - b. Railcar capacity is easier to quantify than the trucking sector. The number of military useful railcars is quantifiable and relatively static. There is a large number of DODX railcars that will age out shortly. Question to rail: “How can the industry increase its railcar capacity?” The rail industry would consider purchasing additional military useful railcars if there was a steady demand for their use (commercial or military). However, these types of railcars (50 year asset) are typically a low density fleet that may not provide an adequate return on investment. DoD has made focused effort to park the DoDX fleet and push the movement requirements to commercial industry to improve their military useful railcar utilization rates. Bottom-line: the additional capacity will have to be purchased by DoD or find better ways to utilize multipurpose railcars. That said, recent heavy lift railcars have been built to accept both civilian and military chains (military is a heavier chain), providing a stronger return on investment.
 - c. During a surge deployment, industry would re-prioritize allocating resources (locomotives, crews, etc.) to support DoD requirements.
 - d. Industry is seeing an increase in National Guard Rail movements as they come together to perform collective training. Infrastructure may limit capacity to some National Guard units. TCAC/TEA stated they track all DoD (includes National Guard) rail infrastructure based on rail requirements. Expect this spike to continue.



- e. Industry believes a Reserve and/or National Guard call up would not have an impact on the rail workforce to meet surge deployment requirements.
- f. Industry is fairly integrated with SDDC and participate in classified ROC drills.
- g. TCAC/TEA coordinate with the Federal Railroad Administration on waivers related to hours of service. There is not a need for complete relief from hours of service, rather a safe extended period of time required to complete certain missions.

5. Truck Discussion

- a. Mr. John Collins (Landstar) provided a brief state of the industry with two general takeaways: (a) business is strong such that pricing has increased 15% or more (year-over-year) across all equipment types, and (b) there is a significant driver shortage with a turnover rate is 70-90%.
- b. Steady state forecasting was discussed. Mr. Don Welchoff (Tri-State) stated the BCT patch chart does not provide a level of fidelity for any decisions to be made. The trucking industry needs to know the requirements in terms of types of trailers opposed to truckloads.
- c. TCDC stated we need to figure out how USTRANSCOM's Global Operations Center (GOC) can better forecast/communicate with industry these requirements. USTRANSCOM needs metrics to assess the capacity. Request industry's help to identify the right metrics to track capacity.
- d. Ms. Gail Jorgenson (TCAQ) asked industry to determine how far in advance a forecast is needed to affect their supportability decisions. Industry responded stating for that answer to be detailed in nature, DoD would need to define: trailer requirements, pick up/drop off locations, and lead time for DoD to assess the feasibility of meeting forecast expectations.
- e. Industry believes the best efficiencies in a surge will be achieved by installations inputting transportation requirements (i.e., the pull method) as opposed to a centralized top down organization approach (i.e., the push method). In other words, the ITO should be able to have some authority to decide which carriers they utilize for surge requirements (because the ITOs know which carriers best serve their



installations). There was discussion that USTRANSCOM/SDDC should have the installations identify their surge truck/trailer requirements ahead of time (installation playbooks) (advocated by JDDC) so that they could better define capacity requirements. This might also help with providing fidelity to steady state BCT movements and forecasting.

- f. Mr. Marc Boyle (Boyle) stated prioritization of shipments will be critical for ammunition movements during a surge. Ammunition is different than other sets of cargo in that the truck and trailers are not interchangeable. Dropping trailers off, i.e., “spotting trailers and drivers/cabs go elsewhere” will erode efficiency. Additional trailers (possibly rentals) may be a solution. DoD may have to assume some risk to normal peace time tracking to meet deployment timelines based on size of requirements.
- g. Increasing Truck Capacity
 - i. Mr. Brian Carter (YRC) stated industry is limited by the driver shortage, more trucks is not a solution. The driver is the most important resource to truck companies. Increasing driver/trailer efficiency will increase capacity.
 - ii. Industry stated, currently carriers have their pick of loads they want to move, because the demand is so high. Trucking companies want to work with predictable/efficient customers. DoD is considered unpredictable and inefficient. DoD can increase their access to capacity by becoming a better customer. Boyle Transportation provided a list of items DoD could improve on to become a better customer at the NDTA Surface Transportation Committee Meeting this past May (Attachment 2 – Joint Costs is for reference and was not discussed during meeting).
 - iii. TCAQ asked industry to provide a comparison of commercial utilization rates versus DoD. Industry stated: Ultimately there is enough capacity in the commercial system to support a surge deployment, DoD just needs to expect that the spot bid price will increase based on demand and it will be expensive at time of need. More precisely, price will be indicative of market rates and reflect the carrier’s cost of moving capacity away from existing shippers in support the DOD.



- iv. In addition to the items described in attachment 2, industry is concerned about additional delays, during a surge, related to regulations/policy. Moving cargo through multiple states will be a problem during a surge because there will not be the time properly coordinate. Jack Lubay (Mercer) stated in previous conflicts, DoD issued a Letter of Essentiality to help with overcoming some state and federal issues/regulations. DoD may want to look into this. Request DoD discover ahead of time how to navigate the states. Collective discussion identified that TCAC/TEA to coordinate with Federal Highways Administration and Federal Motor Carrier Safety Administration on possible waivers related to relief from hours of service and/or for waivers concerning a safe time extension in order to complete certain missions. Additionally observed that TCAC/TEA, in collaboration with SDDC G3, coordinate with FHWA, State DOTs, and State Defense Movement Coordinators on implementing more efficient or even pre-coordinated/pre-approved permits for DoD oversize/overweight movements.
 - h. COL Kevin Baird (OUSD) provided an update on installation access policy. TCDC stated he will be personally engaged on this issue through USTRANSCOM's role as the JDDC. This is a security issue and the transportation aspect of it is one of many layers in balancing a solution.
 - i. Mr. Jim Utley (Bennett) indicated Qualcomm is no longer manufactures or supports the tracking/messaging units used for transportation protective service (TPS) shipments. Parts and units can only be found on the secondary market creating a potential risk to future shipments. Request SDDC provide guidance on a replacement or alternate solution.
6. Strategic Seaports Discussion
- a. Mr. Chris Fisher (Port of Beaumont) briefed how the Strategic Seaports were prepared to execute their respective port planning order within 48hrs of notification. "48hrs is a tight window, but achievable. Each port is different in terms of mission, labor, and familiarization with military cargo."



- b. Mr. Kevin Beckett (Northwest Seaport Alliance) described his concerns on combating the cyber threat and needed guidance to ensure he met DoD's expectations. Additionally he requested DoD and DoT conduct a National Shipping Authority Service Priority Order (NSPO) walk through with Strategic Seaports to identify potential contractual or labor related problems/issues. Coordinate with BCT moves.
- c. Ms. Cathie Vick (Port of Virginia) briefed how the Port of Virginia is rarely used to move military cargo and believes DoD should make it a priority to exercise the Strategic Seaports so that they are sure the labor force can meet surge deployment requirements.
- d. TCDC asked if TCAC/TEA looks at the workforce capabilities in addition to the infrastructure aspects when conducting port studies. TCAC/TEA indicated currently they do not. SDDC CG stated the labor/workforce is reviewed when planning actual movements; TCAC/TEA needs to add seaport workforce and related criteria to future port studies.
- e. Mr. Kevin Tokarski (MARAD) echoed DoD needs to focus on using all Strategic Seaports every so often in order to maintain their labor skills and keep them motivated to stay in the program as there currently are no fiscal incentives. Currently the standard for cybersecurity at seaports resides with the US Coast Guard. If USTRANSCOM had additional requirements it can be passed through the National Ports Readiness Network (NPRN).
- f. SDDC CG indicated he wanted a more robust relationships with the Strategic Seaports and recommended they resurrect the NDTA Seaport Sub Committee. Ports of America indicated they also needed to be part of that group.
- g. MARAD stated the Port Readiness Committees need to be incorporated into deployments and related Sealift Emergency Deployment Readiness Exercises (SEDREs).
- h. MG Kurt Ryan (USFORSCOM) asked if there were any outstanding Port Support Activity (PSA) requirements that needed addressing. An example would closing the gap between life support contracts Mr. Matt Sannito (ASC) indicated they owned the contracts and they could cover multiple tenants over prolonged timelines at ports.



- i. USFORSCOM asked if there were any outstanding labor requirements that Army needed to plan for or backfill. The discussion included if military personnel could support an outload if requirement exceeds S&RTS labor capabilities. While the issue of military support may differ from port to port/contract to contract, it was noted this topic could be a possible issue for the NDTA Port Sub Committee.
 - j. LTG Laura Richardson (USFORSCOM) stated if ports need training on military cargo (e.g. tie down procedures, vehicle licensing, etc.) USFORSCOM will support.
7. Multi-Modal/Open Discussion.
- a. COL Dawson, (TCJ3 D) briefed the Transportation Management System (TMS) USTRANSCOM is transforming its stove piped information processes to a commercial system/process via a system application and products (SAP) integrator. Same process commercial industry would use by working with your shippers and your customers. In the past USTRANSCOM has tried to adapt commercial solutions to our internal processes, and this time the plan is to adapt our processes around a commercial solution that will better support transportation carrier back-shop operations and improve efficiencies. USTRANSCOM is 5 months into a 24 month process.
 - b. Cyber.
 - i. TCAQ stated since we do not have the same contractual relationship with trains, trucks and ports as we do with air and sealift carriers. Therefore, how do we assess your [industry] vulnerability and securities without having a contract? USTRANSCOM will share that contractual language/standards with industry (perhaps through NDTA); and industry following/meeting basic NIST standards and becoming more aware. An observation was made that the information/standards could be incorporated in to the Military Freight Traffic Unified Rules Publication (MFTRP).
 - ii. TCJ3 informed the group that the TCJ3 Commercial Industry Branch is designed to be a single point of contact for industry for operational issues affecting movements, reaction to cyber incidents, other crisis related events, etc. Industry can also sign up for USTRANSCOM related cyber newsletters. The



Commercial Industry Branch will also have all pertinent information related to cybersecurity points of contact and working groups to improve your readiness. For administrative, policy, and normal customer service type information continue to reach out to your normal points of contact. Commercial Industry Branch, 618-220-7522, transcom.scott.tcj3.mbx.commercial-industry-branch@mail.mil. Contact the Deployment Distribution Operations Center (DDOC) for 24hr/after hour support, 618-220-7000. Industry indicated they wanted to make sure their companies were linked up to this outreach.

8. Closing Remarks.

- a. TCDC thanked all for attending, affirmed there would be follow ups to the actions taken, and closed the meeting with quote from Secretary Mattis, "If you cannot move, you are not lethal."

ATTACHMENTS:

1. Surface EWG Tasks
2. Opportunities in Joint Costs (Industry Slide)

UPDATES/CORRECTIONS

Contact the USTRANSCOM J5-I point of contact at (618) 220-4948 or email: transcom.scott.tcj5j4.mbx.i-division@mail.mil for updates or corrections to these minutes.

COPIES OF ASSOCIATED BRIEFS

This meeting was discussion based with only a few conversation starter slides. Contact the USTRANSCOM J5-I point of contact at (618) 220-4948 or email: transcom.scott.tcj5j4.mbx.i-division@mail.mil for copies of the slides presented during this Surface EWG meeting.



ATTACHMENT 1 SURFACE EWG TASKS

New Tasks:

TASK	LEAD	DUE
(#201807-1) Identify metrics USTRANSCOM/ SDDC needs to track. How can or should they be tracked?	Industry (NDTA Surface Committee)	TBD*
(#201807-2) Provide BCT forecasts for steady state.	USTRANSCOM / SDDC	TBD*
(#201807-3) Define how far in advance industry would need forecasting data to affect BCT movement (what is the desired outcome).	Industry (NDTA Surface Committee)	TBD*
(#201807-4) Identify efficiencies DoD could make to improve capacity? [Industry provided copy of slide used in previous NDTA Surface Transportation Committee Meeting (Attachment 2).]	Industry (NDTA Surface Committee)	Closed
(#201807-5) Reference (#201807-4), explore/further discuss suggested potential actions	USTRANSCOM / SDDC	TBD*
(#201807-6) Engage with DoT (FHWA, FMCSA) to assess the feasibility of relaxing Hours of Service constraints to support surge deployment operations.	SDDC TEA	TBD*
(#201807-7) Further discuss feasibility of relaxing Rail Hours of Service constraints to support surge deployment operations.	SDDC TEA / Industry (NDTA Rail Sub-Committee)	TBD*
(#201807-8) Coordinate with FHWA, State DOTs, and State Defense Movement Coordinators on implementing more efficient or even pre-coordinated/pre-approved oversize/overweight permitting	SDDC TEA	TBD*
(#201807-9) Confirm the cyber related groups' information is being dispersed through NDTA Primary and Sub committees (Rail/Truck/Ports).	NDTA	TBD*
(#201807-10) Utilize the Port Readiness Committees in future Emergency Deployment Exercises.	FORSCOM/ SDDC	TBD*



U.S. TRANSPORTATION COMMAND

POINTS OF CONTACT
 USTRANSCOM/J5-I (618) 220-4948
 SDDC (618) 220-6534

(#201807-11) Exercise NSPO/PPO process.	USTRANSCOM /SDDC/ MARAD	TBD*
(#201807-12) Provide guidance for replacement to Qualcomm's tracking/messaging units for TPS shipments.	SDDC	TBD*

*** Leads provide the update due dates within 30 days of minutes release.**

Ongoing 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)	Next EWG

Tasks Closed Since Previous EWG:

TASK	LEAD	COMPLETED