



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

**VISA EXECUTIVE WORKING GROUP (EWG)
MEETING MINUTES
16 March 2023**

NOTICE

The Executive Working Group (EWG) was organized by the National Defense Transportation Association (NDTA) Sealift Committee in March 1995 and consists primarily of representatives from the Department of Defense (DoD), the Department of Transportation (DOT) and the transportation industry. The purpose of the EWG is to study transportation issues of interest to government and industry and report the status of these issues to the NDTA membership. The EWG is a forum for the exchange of information. DoD officials participating in the EWG may not transfer any authority or responsibility for government decisions to industry or to the industry members of the EWG. The EWG is a discussion body used to strengthen the strategic relationship between DoD, DoT, and industry. It is not to obtain advice from individual attendees and not for the purpose of utilizing the group to obtain consensus advice or recommendations. The EWG is not a forum to be used for contract negotiations or contract discussions between carriers and the DoD. Such negotiations and discussions will be in accordance with applicable DoD contracting policies and procedures. By making the minutes of EWG meetings available electronically, DoD, DOT, and the NDTA promote other forums for the exchange of information. DoD invites interested parties to comment on issues considered at EWG meetings, to provide additional information, or to request further information. The EWG, however, is not a decision-making forum. EWG discussions cannot and do not obligate the Government contractually or otherwise or set formal policy. A list of meeting participants is enclosed at the end of this document.

MEMBERS

<u>Organization</u>	<u>Telephone</u>
American President Lines, Ltd	(202) 496-2484
American Roll-On Roll-Off Carrier, LLC	(201) 571-0484
Crowley Maritime Corporation	(305) 470-4098
Hapag-Lloyd USA, LLC	(813) 276-4698
Liberty Global Logistics LLC	(516) 488-8800
Maersk Line, Limited	(703) 351-0124
Matson Navigation Company, Inc.	(415) 957-4200
Overseas Shipholding Group Inc.	(813) 209-0600
Pasha Hawaii Transport Lines, LLC	(415) 927-6400
Schuyler Line Navigation Company, LLC	(410) 216-9281
Seafarers International Union	(301) 899-0675
TOTE, Inc.	(704) 246-8839
US Ocean, LLC (Patriot Shipping)	(281) 885-3500
Waterman Steamship Corp./Waterman Transport, Inc.	(251) 243-9812



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

MEETING SUMMARY

1. Opening Remarks

- a. Meeting opened with remarks by LTG Sullivan (TCDC).
 - (1) Welcomed everyone and thanked the Maritime Administration (MARAD) for setting up the meeting at the National World War II Museum in New Orleans. TCDC also commended MARAD for the WWII Merchant Mariner engagement and tour of the CAPE KENNEDY on 15 March.
 - (2) TCDC highlighted USTRANSCOM's support to allies and partners in Europe. 63 ship voyages moving equipment and supplies with 80% conducted by industry partners. The level of support provided to Europe could not have happened without industry participation.
- b. Kevin Tokarski – Maritime Administration (MARAD)
 - (1) Welcomed everyone and discussed the MARAD footprint in New Orleans and the rich maritime history of the area.
- c. A listing of attendees is located at Attachment 1.

2. Presentations

- a. Intelligence/Current Operations/Cyber/Political Affairs Update
 - (1) Intelligence update was provided by CAPT Bosworth (TCJ2)
 - (a) Overview of Ukraine/Russia war; highlighted the current 600-mile static line between the forces.
 - (b) Overview of China/Taiwan and the rising tensions in the region.
 - (2) Current Operations update provided by Maj Gen Lenderman (TCJ3)
 - (a) Thanked industry as the cornerstone of the movement of material to Ukraine while continuing to provide services for force rotations in the U.S. European Command (EUCOM) and U.S. Central Command (CENTCOM) regions.
 - (b) TCJ3 highlighted industry adjusting liner schedules to support USTRANSCOM.
 - (c) Anticipate 19 large moves between now and the end of the year. More and more requirements coming from U.S. Africa Command (AFRICOM).
 - (3) Cyber Update provided by Jeff Hurley (Exec. Dir., TCJ6)
 - (a) Pro-Russian and Pro Ukrainian cyber activity against each other and against countries that support each of the countries.
 - (b) Cybersecurity is a top priority. USTRANSCOM Cyber Support can assist carriers with no-cost cyber security program services.



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

- (4) Foreign Policy Update provided by Bryan Hunt (USTRANSCOM Foreign Policy Advisor)
 - (a) No closer to a resolution between Ukraine and Russia. Russia is not interested in a peace deal.
 - (b) China/Taiwan – China wants to be a world superpower, watching world reaction to Russia/Ukraine.
 - (c) Islamic radicals on the rise in Africa.
 - (d) Political instability in Western Hemisphere.
- b. Bulk Fuel Update
 - (1) RDML Sobeck (TCJ4J5) discussed lines of effort for USTRANSCOM's Global Bulk Fuel team. Purpose of the Global Bulk Fuel Manager is to provide DoD with a single point manager to coordinate across the whole spectrum of fuel management and distribution. Leveraging Military Sealift Command's tanker table-top exercise series.
 - (2) Mr. Thayer (MSC) provided a review of the tanker exercise conducted earlier in the week.
- c. IMO 2023 Update – CDR Strom (U.S. Coast Guard)
 - (1) Provided an update on IMO 2023 and impacts to industry.
 - (2) Commercial vessels under DoD time charters, no commercial nexus, are exempt from the IMO regulation. Vessels must work with USCG to obtain waivers.
 - (3) USCG will work with industry to develop a waiver process.
- d. Maritime Sector Updates
 - (1) Multi-purpose – Will Terrill (US Ocean, LLC)
 - (a) Container and bulk sectors are leading indicators of the multi-purpose (MPP) market.
 - (b) Sector reached a high point last year; fourth quarter 2022 was down 6% month over month and down 10% in Jan 2023. Sector looks to have reached bottom.
 - (c) MPP vessels returning to spot market as container market frees up capacity.
 - (d) U.S. flag market cargoes are important. Export-Import (EXIM) Bank cargoes that historically go to MPP market are very limited. Money to EXIM Bank has not translated into cargo.
 - (2) Container – Bill Woodhour (Maersk Line, Limited)
 - (a) Sector back to 2019 rates vs 2022 highs. Consumer spending changes are driving the market.
 - (b) Companies are recapitalizing and shipyards are full. 28% of existing fleet will be recapitalized in the next 3 years.



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

- (c) Services and networks are changing due to IMO requirements. Reliability of the networks are improving, and congestion is down.
- (d) Alternate fuels are costing 2 to 3 times the current fuel prices.
- (3) Roll-on Roll-off (Ro/Ro) Sector – Chris Heibel (American Roll-on Roll-off Carrier, LLC)
 - (a) Lingering COVID impacts persist, and there is significant port congestion and regular berthing delays at commercial RoRo terminals in Europe and Asia. This is a result of the combination of very high volumes and shoreside labor shortages. Berthing delays are negatively impacting military cargo load and delivery dates. Industry would like to see DoD engage with our allies to ensure that US Flag vessels with military cargo onboard are given berthing priority, especially when using non-traditional ports as part of the port diversification strategy.
 - (b) Need to improve efficiencies on shore side operations. Commercial vessels will have to slow down to be compliant with IMO, and companies will no longer be able to sail a ship at full speed (which is common current practice) to make up for lost time caused by shoreside inefficiencies.
 - (c) Cargo dimensional data validation is a problem and 20-30% of validated unit cargo data remains inaccurate. The most common errors are with dimensional data associated with nested loads, vehicles that have been up-armored and vehicles with add on weapon system mounts. Hazardous cargo documentation and placarding deficiencies are commonplace, and present a health and safety issue for cargo, vessel, and crew. Inaccurate data affects virtually everything in logistics – stow planning, port space, onward movement, transit permits, and country clearances – and can cause significant delays. As an interim fix, industry recommends using commercial surveyors at cargo origin to validate data.
 - (d) Electric vehicles are a safety concern. DoD is moving electric vehicles, both military equipment and personal vehicles. Industry recommended this be added as a future topic.
- (4) Jones Act/Domestic Sector – Sean Moroney (Matson Navigation Co., Inc.)
 - (a) Domestic fleet continues to maintain schedules with mid-90% on time.
 - (b) International Longshore and Warehouse Union (ILWU) contract negotiations continue to be a top-priority for maintaining reliable schedules.
 - (c) Full year 2022 volumes were up on the Puerto Rico and Alaska trade lanes and ~3.5% down on the Hawaii and Guam trade lanes.
 - (d) Intermodal network is fluid and approaching pre-pandemic volumes and throughput.
 - (e) Fuel prices remain volatile. Investing in LNG vessels and infrastructure.
- e. Legislative Affairs Update
 - (1) Overview of Congress



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

- (a) Overall themes: China, budget, debt ceiling, and bipartisan support for DoD
- (b) USTRANSCOM events:
 - 1) USTRANSCOM Commander and Maritime Administrator office calls in support of hearings.
 - 2) House Armed Services Committee (HASC)/Senate Armed Services Committee (SASC) Staffer Day at USTRANSCOM, 20 March.
 - 3) House Hearing before the Readiness and Seapower & Projection Forces Subcommittees, 28 March, with the Maritime Administrator; Senate Armed Services Committee, 27 April, with Commander, U.S. European Command.
- (2) FY2024 National Defense Authorization Act (NDAA) Outlook:
 - (a) Continuous sealift recapitalization.
 - (b) Support for mariners and MARAD's efforts.
 - (c) Maritime Security Program (MSP) and Tanker Security Program (TSP) fully funded.
- f. Merchant Mariner Licensing and Documentation (MMLD) System– RDML Arguin, U.S. Coast Guard (USCG)
 - (1) Paper based system to transition to fully electronic/automated system.
 - (2) \$11 million USCG Unfunded Priority List (UPL) item.
 - (3) Build initial system and then “bolt-on” as required.
- g. Strategic Implications of a Smaller Mariner Labor Pool
 - (1) Sara Fuentes (Transportation Institute)
 - (a) Presented the efforts of *Operation Mariner*.
 - (b) Combined efforts of industry and labor, no federal agencies, were divided into four Task Forces to address wages and benefits, quality of life, marketing and outreach, and regulatory barriers.
 - (c) Task forces provided recommendations. Next steps for USCG to review and provide feedback. MARAD will review longer term projects and labor and industry will assist with Hill outreach.
 - (2) Augie Tellez (Seafarer's International Union (SIU))
 - (a) Short term proposals made by *Operation Mariner* focus on decreasing time to produce a mariner.
 - (b) All training schools are running and will take 2-3 years to make up for the loss of mariner training due to COVID in addition to the normal attrition of mariners.
 - (c) Excess of mariners in the junior ratings but short in the critical Able Seaman (AB) rating.



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

- (d) Quality of life remains top issue. Latest survey by SIU highlighted lack of Wi-Fi on vessels as a top issue.
 - (3) MSC indicated they are experiencing the same recruitment and retention issues.
 - h. Cargo Forecast – Bruce Busler (Dir., Joint Distribution Process Analysis Center (TCAC))
 - (1) Estimate of workload for FY24-FY28 provided. Broken out regionally.
 - (2) Summary-
 - (a) FY22 reflects a new reality. No changes expected in FY24-25.
 - (b) Forecast reflected known/projected unit moves and rotations but does not reflect posture changes.
 - (c) Majority of continental U.S. (CONUS) outbound cargo is containerized and does not return.
 - (d) Majority of port handling workload is bi-directional breakbulk cargo.
 - (e) Petroleum (POL) forecast evolving.
 - i. MARAD Update
 - (1) Ready Reserve Force (RRF) recapitalization
 - (a) CAPE CORTEZ and CAPE ARUNDEL have been reclassified.
 - (b) Acquisition approaching for the third, fourth, and fifth vessels.
 - (c) Maritime Security Program (MSP) and Tanker Security Program (TSP) are fully funded.
 - (2) Cargo Preference – Lisa Burley (MARAD)
 - (a) Provided update on the status of cargo preference actions at MARAD.
 - (b) Request for information: Administration of the Cargo Preference Act of 1954 – <https://www.federalregister.gov/d/2023-04201>.
 - (3) Commercial Sealift – Dave Hatcher
 - (a) Solicitation for two MSP Operating Agreements will be in-conjunction with the award of the TSP Operating Agreements.
 - (4) Mariners – Matthew Edwards
 - (a) Provided and update on Every Mariner builds a Respectful Culture (EMBARC) Standards.
 - (b) Interim SASH (sexual assault/sexual harassment) regulations were published without public comment.
3. Open Discussion – Around the Room.
 - a. Industry asked MARAD what enforcement mechanisms they have available to enforce the Cargo Preference Act of 1954. MARAD indicated that willful negligence is difficult



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

to prove against another federal agency. MARAD focuses efforts on having agency provide make-up cargo for U.S. flag carriage.

- b. Industry concerned about an increase in activations to support exercise in the Pacific and the impact to U.S. flag carriers in the region. USTRANSCOM agreed to continue the discussion in another venue.
 - c. Industry highlighted a concern with the transportation of electric vehicles. Sara Fuentes from Transportation Institute mentioned there is a National Defense Transportation Association (NDTA) sub-group that was recently established to address the issue.
 - d. Augie Tellez offered to host the August/September 2023 VISA EWG at the SIU Training Center in Piney Point, MD.
4. Task Review
 - a. IMO 2023 – Identify DoD charters that may qualify for an IMO waiver by U.S. Coast Guard. TCJ5-IS to work with USCG to establish exemption documentation process for ships under time charter to MSC that can be coordinated with appropriate Foreign Flag states. (OPR- TCJ5-IS; OCR- MSC, USCG)
 5. Closing Comments
 - a. Kevin Tokarski – Thanked everyone for coming. Reminded everyone of National Maritime Day on 22 May 2023.
 - b. LTG Sullivan – Thanked everyone for their dialogue.
 6. Meeting adjourned.
 7. Updates and corrections - Please use the USTRANSCOM TCJ5-I point of contact listed for updates or corrections to these minutes.



U.S. TRANSPORTATION COMMAND

	<u>POINTS OF CONTACT</u>
USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

Attachment 1Meeting Participants

US TRANSPORTATION COMMAND

John Sullivan	LTG	Deputy Commander
Laura Lenderman	Maj Gen	Director, Operations
Philip Sobek	RDML	Director, Strategic Plans, Policy and Logistics
Kenneth Brennan	SES	Director, Acquisition
Bryan Hunt	SES	Political Advisor
Bruce Busler	SES	Director, JDPAC/SDDC TEA
Jeffery Hurley	SES	Executive Director, Command, Control, Comm & Cyber
Richard Bosworth	CAPT	Director, Intelligence
Andras Marton	Col	Staff Judge Advocate
John Foy	Col	Director, Legislative Affairs (DC)
Dan Mendoza	Col	Chief, Global Bulk Fuel
Al Lopez	GS-15	Chief, Intermodal Programs
Brandon Snyder	GS-15	Chief, Mobility Requirements Division/TCJ38
Tim Boemecke	GS-14	Program Manager
Ron Marselle	GS-14	Chief, Sealift & Surface Distribution Branch
James Losee	LCDR	Aide-De-Camp
Peter Mahoney	GS-14	TCDC Executive Assistant
Rob Wieland	GS-13	Public Affairs
Tim Grout	CTR	Senior Consultant/Contractor

MILITARY SEALIFT COMMAND

Chris Thayer	SES	Director, Maritime Operations
Sean Kerr	GS-15	OIC, MSC Det. USTRANSCOM

SURFACE DEPLOYMENT & DISTRIBUTION COMMAND

Jeff Olenick	GS-15	Chief, Movement Support Division
--------------	-------	----------------------------------

DoT/MARITIME ADMINISTRATION

Kevin Tokarski	SES	Associate Administrator for Strategic Sealift
Dave Hatcher	GS-15	Director, Office of Sealift Support
Lisa Burley	GS-15	Director, Office of Cargo & Commercial Sealift
Matt Edwards	GS-15	Senior Policy Advisor, MET
John Reardon	GS-14	MARAD LNO to USTRANSCOM
Matt Butram	GS-13	Program Analyst

OSD

Leigh Method	SES	Deputy, Under Secretary of Defense (Logistics)
--------------	-----	--

US COAST GUARD

Wayne Arguin	RDML	Asst. Commandant for Prevention Policy
Frank Strom	CDR	Chief, Systems Engineering Division
Charles Bright	GS-14	USCG, Office of Merchant Mariner Credentialing



U.S. TRANSPORTATION COMMAND

POINTS OF CONTACT

USTRANSCOM TCJ5-I	(618) 220-4948
NDTA	(301) 423-3335
MARAD	(202) 366-5400

Attachment 1**INDUSTRY**

Andy Brown	President & CEO	NDTA
Sara Fuentes	VP Government Affairs	Transportation Institute
Margaret Groth	Dir, Military Cont & OHW	Pasha Hawaii Holdings LLC
Chris Heibel	Sr. VP Commercial	American Roll-On Roll-Off Carrier, LLC
Lars Magnusson	Chief Operating Officer	APL, LLC
Dave Minetti	President	Liberty Global Logistics, LLC
Sean Moroney	Director, Gov't Services	Matson, Inc.
Dion Nicely	Chief Executive Officer	Schuyler Line Navigation, Co.
Henry Nuzum	President	Waterman Transport
Andy Rabuse	Sr Dir. Maritime Performance	Crowley Solutions
Peter Strohla	VP, Marine Services	TOTE Services LLC
Augie Tellez	Exec. VP	Seafarers International Union
Will Terrill	President	Patriot Shipping & US Ocean
Bill Woodhour	CEO & President	Maersk Line, Limited
David Zimmermann	President & CEO	Hapag-Lloyd USA, LLC