



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  
27 March 2019**

**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. 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. A list of meeting participants is enclosed at the end of this document.

**MEMBERS**


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<u>Organization</u>	<u>Telephone</u>
American President Lines, Ltd	(202) 496-2484
American Roll-On Roll-Off Carrier, LLC	(201) 571-0484
Central Gulf Lines, Inc./ Waterman Steamship Corp.	(504) 593-8394
Crowley Maritime Corporation	(305) 470-4098
Farrell Lines, Inc.	(703) 351-0125
Foss International, Inc.	(206) 315-3537
Hapag-Lloyd USA, LLC	(813) 276-4698
US Ocean, LLC (Patriot Shipping)	(281) 885-3500
Liberty Global Logistics LLC	(516) 488-8800
Maersk Line, Limited	(703) 351-0124
Matson Navigation Company, Inc.	(415) 957-4200
Overseas Shipping Group, Inc.	(212) 953-4100
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

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## MEETING SUMMARY

### 1. Opening Remarks

- a. Meeting opened with remarks by Lt Gen Broadmeadow (TCDC). Welcomed everyone and acknowledged new attendees: Ken Brennan (TCAQ), Terri Dilly (TCJ8), and from the Navy Staff, Erica Plath, Director, Strategic Mobility and Combat Logistics Division (OPNAV N42).
- b. Kevin Tokarski
  - (1) Maritime Administrator is focused on ships and mariners.
  - (2) Working VISA program extension through the Defense Production Act (DPA).
  - (3) Looking to reauthorize the Maritime Security Program (MSP) early through coordination with the House Armed Services Committee, Seapower & Projection Forces Subcommittee. Need to address stipend decrease in 2022.
  - (4) Acknowledged product tanker gap. Only have assured access to 6 product tankers.

### 2. Cyber Security Self-Assessments

- a. Annual Self-Assessments
  - (1) 72% compliant.
  - (2) 11 high risk; 17 medium risk.
  - (3) Main areas of non-compliance – multi-factor authentication, audit records, and media marking.
- b. Way Ahead
  - (1) Continue consultation and outreach/partnership on compliance and cybersecurity.
  - (2) Mature information sharing.
  - (3) Reviewing options to address resiliency.
  - (4) Red Teaming.
  - (5) Best practices (e.g. USB device management).
- c. Industry is concerned with the amount of information government provides with shipments. Not just personally identifiable information (PII) but additional information that is not used, or needed, in the commercial sector. TCDC indicated that the Transportation Management System (TMS) would address some of these issues.
- d. TCJ6 is available for assistance with cyber security and is planning to establish an audit program.

### 3. Classified Session



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- a. Classified briefings included a threat briefing, countering maritime threats, operational plan (OPLAN) review, and an overview of the Mobility Capabilities and Requirements Study 2018.
4. Maritime Readiness Table Top Exercise (TTX)
    - a. 3 May 2019, Scott AFB.
    - b. TTX will examine sealift sufficiency, readiness, and positioning, related to force closure, bulk ammunition shipments, bulk fuel shipments and mariner availability in support of a major OPLAN. Primary objective is to identify shortfalls impacting USTRANSCOM's ability to project/sustain the force.
    - c. Industry recommended having a future VISA Activation TTX to walk through the paperwork processes for VISA activation (e.g. war risk insurance, carrier coordination agreements, foreign flag backfill, and Stage III allocation).
  5. Legislative Affairs Update
    - a. Recent hearings affirmed Gen Lyons position on sealift recap, and support for acceleration of buy used authority continues in House and Senate. Expect push for legislation this year since next year is a Presidential election year.
    - b. DoD budget will be a challenge for Congress with respect to return to Budget Control Act (BCA) levels, and large Overseas Contingency Operations (OCO) proposal submitted in the President's Budget (PB).
    - c. Business Case Analysis (BCA) for sealift recap and the Mobility Capabilities and Requirements Study (MCRS) have been completed and delivered to Congress; expect further analysis after OPLANs are completed later this summer.
    - d. Legislative proposal for protection of service member PII is stalled at Office of Management and Budget (OMB) due to interagency non-concurrence.
    - e. MSP reauthorization likely to be included in this year's National Defense Authorization Act (NDAA) -- expect to work details with Congress in coming weeks.
    - f. Planning a visit to MSC in Norfolk for House Armed Services Committee (HASC) Minority Staff Director.
    - g. TCDC mentioned Defense Personal Property Program (DP3) restructure continues to generate significant interest on the Hill, expect to be working that issue with Congress through this year.
  6. Transportation Management System (TMS)
    - a. 24 month prototype (March 2018- March 2020).
    - b. Release 1.1 went live 1 Nov 2018; gained visibility of CONUS freight shipments; connected to four legacy systems.
    - c. Release 1.2 will focus on four scenarios: two "Project the Force"; two "Sustain the Force."
    - d. Three components to system: transportation, finance, and technical.



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## 7. Maritime Security Program (MSP) 4.0

- a. Volpe Center MSP 4.0 Study - Commissioned the Volpe National Transportation Systems Center (Volpe) to assess the efficacy of MSP to meet DoD needs. Key findings and recommendations from the study:
  - (1) MSP does not meet all mobility requirements – oversupplies TEU capacity and undersupplies deck area and bulk fuel capacity [program was not designed to meet all requirements].
    - (a) Volpe recommends increasing vessel numbers, adjusting type mix, and/or seeking larger vessel capacity to strictly meet DoD’s requirements.
  - (2) Grandfathering vessels provides program consistency for carriers’ long-term investments, but reduces the number of vessel slots available to address national defense needs.
    - (a) Volpe recommends implementing a more nuanced approach to grandfathering to get a more desired vessel mix while still allowing for some consistency for carriers.
  - (3) Preference cargo revenues combined with the MSP stipend provide critical support for the current set of MSP vessels.
    - (a) Volpe recommends considering multi-year appropriations to add payment stability.
- b. Initial industry feedback
  - (a) Commercial viability not addressed.
  - (b) Increasing number of vessels decreases value of vessels in the program.
  - (c) Need to address financial stability of the company and not just the viability of the vessel.
- c. TCDC emphasized that these are Volpe recommendations only and not necessarily USTRANSCOM positions.

## 8. Cargo Preference Discussion

- a. Conversation focused on articles moving outside the Defense Transportation System (DTS) and utilizing foreign flag ocean transportation.
- b. NDTA sees the 1994 Federal Acquisition Streamlining Act (FASA) as having a negative impact on U.S. flag carriers.
- c. TCDC asked what mechanisms exist to get out in front of Major Defense Acquisition Programs (MDAP) and influence how transportation is scheduled.
- d. TCDC asked what is in the art of the changeable. What is in regulation, policy, and law?
- e. Authority to determine non-availability incorrectly assumed to be retained in immediate acquisition chain of command.



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f. TCAQ recommended establishing a NDTA-led working group to deep dive into the issue.

9. Wrap up.

- a. Industry mentioned the value of rotating the venue for the meeting. TCDC concurred.
- b. OSD highlighted the Executive Order for Military to Mariner that was recently signed. Labor noted that you can hire as many mariners as you want but you need ships to employ them.
- c. TCAQ told carriers we are entering the 5-year option period for the Visa Contingency Contract and everyone will need to sign the option modification. Pending industry interest, there will be an industry day to review updates and discuss existing contingency contract terms and conditions.
- d. Industry comment on MSP – extend to 2035, fix the stipend, and don't fix what is not broken.

10. Review of Tasks.

- a. Establish a Cargo Preference Working Group to review 1904 Cargo Preference Act waiver process, waiver authority, and decisions impacting the use of U.S. flag ocean transportation. OPR – NDTA/MARAD. OCR – OSD-TP, TCAQ, TCJA, and TCJ5/4.

11. Closing Remarks. TCDC thanked everyone for attending. He reiterated USTRANSCOM's focus on maintaining a robust commercial sealift industry which is vital to our ability to go to war.

12. Meeting adjourned

### UPDATES/CORRECTIONS

Please use the USTRANSCOM TCJ5-I point of contact listed for updates or corrections to these minutes.



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Meeting Participants

<b>Name</b>	<b>Org/Agency</b>	<b>Name</b>	<b>Org/Agency</b>
LtGen Broadmeadow	USTRANSCOM	Mr. Kevin Tokarski	MARAD
MG Ammerman	USTRANSCOM	CDR Morgan	USCG
Ms. Roxanne Banks	DLA	CDR Oswald	USTRANSCOM
Mr. Tim Boemecke	USTRANSCOM	Ms. Erica Plath	N42
Mr. Bob Bowers	USTRANSCOM	Mr. Joe Repp	SDDC
Mr. Ken Brennan	USTRANSCOM	Mr. Bryan Samson	SDDC
Mr. Bruce Busler	USTRANSCOM	Maj Severt	USTRANSCOM
RDML Clarke	USTRANSCOM	Lt Col Shirley	USTRANSCOM
RDML Clark	USTRANSCOM	Mr. Brad Snyder	USTRANSCOM
Mr. Jerry Cronin	USTRANSCOM	Mr. Jack Taylor	MSC
Ms. Rhonda Davis	MARAD	Mr. Nick Weiss	USTRANSCOM
Ms. Terri Dilly	USTRANSCOM	Mr. Adam Yearwood	ODASD, Logistics
Mr. Andy Dawson	USTRANSCOM	Mr. William Brown	NDTA
Col Erhardt	DLA	Mr. Eric Ebeling	ARC
Mr. Tom Fries	USTRANSCOM	Mr. Mike Garvin	Matson
CAPT Fuller	MSC	Mr. Paul Giovino	Maersk Line Ltd
Mr. David Gable	SDDC	Mr. Jared Henry	Hapag Lloyd
Mr. Tim Grout	USTRANSCOM	Mr. Kevin Kendrick	TOTE
Mr. Darrin Hawkins	USTRANSCOM	Mr. Eric Mensing	APL
Mr. Mike Hokana	MARAD	Mr. Henry Nuzum	Central Gulf
Mr. Dalton Jones	USTRANSCOM	Mr. Russ Paret	Schuyler Lines
Mr. Sean Kerr	MSC	Mr. Kris Rogers	Crowley
COL Koehlinger	USTRANSCOM	Mr. Augie Tellez	SIU
Mr. Kurt LaFrance	USTRANSCOM	Mr. Will Terrill	US Ocean
COL Lear	USTRANSCOM	Mr. John Tirpak	Foss International
CDR Lohrke	USTRANSCOM	Mr. Bob Wellner	LGL
Mr. Al Lopez	USTRANSCOM	Mr. Bill McDonald	MARAD
Mr. Will Macht	N42		