

**VISA EXECUTIVE WORKING GROUP (EWG) VTC
MEETING MINUTES, 13 DECEMBER 2001**

1. 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. Industry representatives on the EWG are selected by Mr. James Henry, Chairman of the NDTA Sealift Committee (telephone (301) 423-3335). 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. The DOD point of contact is CDR Humberto Quintanilla, who can be contacted by e-mail *humberto.quintanilla@hq.transcom.mil*, telephone (618) 229-1529, fax (618) 256-6877, or by mail: USTRANSCOM, ATTN: TCJ5-AS (CDR Quintanilla), 508 Scott Drive, Scott Air Force Base, Illinois, 62225-5357. Interested parties also may contact the NDTA through Mr. James Henry [telephone (301) 423-3335], the DOT through Mr. James Caponiti [telephone (202) 366-5400], or any industry member of the EWG. Industry members of the EWG are (in alphabetical order):

<u>Name</u>	<u>Organization</u>	<u>Telephone</u>
Mr. Edward Fortunato	Crowley Maritime Corp.	(703) 684-3132
Mr. Michael Garvin	Matson Navigation Company	(415) 957-4200
Mr. Kenneth Gaulden	Maersk - SeaLand	(703) 351-9200
Mr. Edward Kelly	American Maritime Officers	(202) 628-6322
Mr. Ans Kristbergs	Farrell Lines, Inc.	(201) 896-8979
Mr. J. Robert Leyh	Waterman Steamship	(202) 659-3804
Mr. Eric Mensing	APL	(202) 434-8761
Mr. Steve Gill	American Roll-on Roll-off Carrier	(201) 571-0441
Mr. James Wachtel	Lykes Lines Limited	(813) 276-4698

2. The agenda is at Attachment 1.
3. The list of EWG attendees is at Attachment 2.
4. The updated list of tasks from the EWG is shown at Attachment 3.
5. MEETING SUMMARY.

a. Opening Remarks.

- (1) LTG Brown welcomed the meeting participants. He provided an overview of Monday's NDTA/Industry Security Advisory meeting. Gen Handy (CINCTRANS) had the opportunity to meet with Industry CEOs and Representatives.
- (2) LTG Brown announced the possibility of a VISA CEOs meeting with Gen Handy in February 02 (location to be determined) if a sufficient number of issues are developed for presentation at that time.

b. Rapid Improvement Team (RIT) Update.

- (1) Ms. Jorgenson (USTRANSCOM): provided a progress update on the RIT activities. The RIT is going well. Progress is being made in getting movement requirements for the Dedicated Liner Service. The Government and industry will provide their position on the payment process at the 11 Feb 02 EWG. This will allow enough time to get modifications into the next round of contracts. A RIT meeting the second week of Jan 02 is being scheduled.
- (2) The Carrier Industry Members have been in contact with J5-AS suggesting 9–10 Jan 02 in DC for the meeting. A confirmation is still required from all RIT members. The carriers asked about Tug and Barge Pricing. Ms. Jorgenson referred them to the Carrier RIT members for an update. The carriers inquired about the status of the VCC/DCC extensions. Ms. Jorgenson stated that the audits have slowed some of the extensions. The audits have been a learning process and most them are complete with the exception of some of the larger carriers. No DCAA representative was available for comment. DCAA will be requested to provide an update to EWG members on the status of the audits. **NOTE: The following information was provided by the DCAA Representative Mike Andert 17 Dec 01.** All but one of the audits are complete and that one is expected to be completed in late February 02.

c. Security Clearances Issues and Procedures

- (1) Ms. Fran Olsen (MARAD) briefed the MARAD security process and procedures. She presented process diagrams that showed the interaction of MARAD, DSS and the Carriers in obtaining a security clearance.
 - (a) Security Clearances
 - 1) 60% of VISA participants hold Facility Clearances
 - 2) 27% w/o FCLs are tug & barge operators
 - a) 70% (9 t & b companies) have terminated process
 - 3) 13% w/o FCLs are ship operators
 - a) 15% (two ship operators) have terminated process
 - b) According to MARAD documentation from previous EWG/JPAG meetings, 65% of participants with Facility Clearances hold Individual Clearances for JPAG participation.
 - c) Process for obtaining Individual Clearances is strictly between DSS and the carrier
 - (b) Facility Clearance Process
 - 1) MARAD's Director, Office of Sealift Support, forwards DD-254 for VISA Carrier Participant
 - 2) MARAD's Security Officer receives DD-254 and forwards to DSS
 - 3) DSS performs initial investigation
 - 4) Interim Facility Clearance is granted by DSS if there are no problems
 - (c) Individual Clearance Process
 - 1) Facility clearance is approved by DSS
 - 2) Individual required to submit clearance paperwork to DSS
 - 3) DSS will grant Interim clearance if no problems found on initial review
 - 4) Cleared VISA Participant can attend Secret level meetings
 - (d) Requirements

- 1) Historically, security clearance based on JPAG execution
- 2) Recent events (9/11) dictate need for a broader range of maritime officials to hold security clearances

(e) Next Step

- 1) Carriers without individual clearances...
 - a) Submit documentation to DSS
- 2) Carriers with individual clearances...
 - a) Provide clearance to MARAD LNO for reference in support of future JPAG meetings or other maritime related meetings with DoD and DoT

(2) Discussion

LTG Brown inquired as to whom was the sponsoring organization for security clearances. Ms. Olsen stated that MARAD is the sponsor for carriers seeking Government Security Clearances. Carriers asked about clearances for other members of their team such as contracting, operations and port management. Some carriers have already submitted other members of their respective companies for clearances. LTG Brown asked MARAD to determine which Carriers are still in need of clearances and to explore all security clearance options to determine the best avenue to pursue in getting Carrier clearances.

d. Operations Update

(a) ADM Fahy provided a recap of the 10 Dec 02 VISA industry members meeting held prior to the NDTA meeting. A briefing update on Operation Enduring Freedom and the movement of sustainment via surface mode was provided. The issues around Mariners to include income tax relief were addressed. Taxes on U.S. Flagged ships were also addressed. Efforts to strengthen U.S. Flag shipping are of vital interest to USTRANSCOM. USTRANSCOM will evaluate the various views of industry and consider input from impacted governmental organizations before deciding whether to attempt to persuade DOD to support any particular legislative proposal.

- (b) Enduring Freedom Surface Update
- (c) Manpower/Mariner Issues
- (d) Legislation/Taxes
- (e) MSP Renewal

(2) Mr. Frank Weber (USTRANSCOM) stated that Operation Enduring Freedom surface movements are increasing and will continue. We are testing the rail system now to determine timeframes for delivery. Humanitarian assistance items such as blankets and wheat are being delivered. Sending cargo by surface has proven challenging. Mr. Weber thanked several carriers for general information provided as background for the planning effort. Mr. Weber commented on the challenges of Operation Enduring Freedom and some lessons learned so far. All attendees were invited to supply any issues, problems, lessons learned, etc. Mr. Weber will head a lessons learned effort to capture issues and problems encountered by industry members. This will lead to a better process for the Government and the carriers.

- (a) The DTS in Operation Enduring Freedom
- (b) Over 2,100 refueling missions
- (c) Deployed over 22,000 troops
- (d) Delivered over 43,000 tons of cargo
- (e) Supported U.S. and int'l humanitarian operations
 - 1) 1.9 million Humanitarian Daily Rations
 - 2) Over 1 million pounds of wheat
 - 3) 80,000+ blankets

- (f) A Mobility Challenge
 - 1) Landlocked
 - 2) Limited Overflight
 - 3) Poor Road Network
 - 4) Limited Airfields
 - 5) Long Distances
 - a) CONUS
 - b) Europe
 - 6) Pol - Mil Relationships

- e. War Risk Insurance
 - (1) Mr. Bill Lucas (MTMC) opened a discussion on War Risk Insurance (WRI). Mr. Craig Robinson (MTMC) briefed MTMC's proposal on providing WRI for commercial carriers.
 - (a) War Risk Insurance Background
 - 1) Reason For Modeling Contract Language
 - a) To make the contract procedure less cumbersome
 - b) Current contract language not in accordance with commercial practice
 - (b) Modification Features
 - 1) Allows Carriers to Bill under USC-03 at the FMC posted rate
 - 2) FMC may audit and adjust posted rates
 - 3) Government reserves the Right To Adjust Surcharge Based On FMC Audit
 - 4) If Government Self-Indemnifies the WRI Surcharge Collected from Commercial Shippers Would go to U.S. Treasury
 - (2) Discussion

The Carriers expressed some concern in how the WRI was going to be implemented. The understanding of the how the coverage would be implemented and how commercial customers would have to reimburse the Government was thought to be filled with potential problems.

- f. Review the Taskers. See Attachment 3.

- g. Review/Amend EWG Schedule. Current schedule shows the following dates:
 - (1) EWG meeting on 17 Jan 02
 - (2) Possible CEO/EWG meeting in Danna Florida on 10 - 11 Feb 02

17 Jan 02	21 Nov 02
11 Feb 02 (tent CEO)	12 Dec 02 (tentative)
21 Mar 02	16 Jan 03
18 Apr 02 (tentative)	20 Mar 03
16 May 02	15 May 03
20 Jun 02 (tentative)	17 Jul 03
18 Jul 02	18 Sep 03
15 Aug 02 (tentative)	20 Nov 03
19 Sep 02	15 Jan 04
17 October 02 (tentative)	

h. Friction Points/Issues.

(1) None

i. Rate the EWG Meeting. Ratings: N/A

j. Closing Remarks.

(1) LTG Brown thanked the VISA EWG members for their attendance and wished all a Happy Holiday Season.

6. Point of contact for updates or corrections to these minutes is CDR Humberto Quintanilla at (618) 229-1529, fax (618) 256-6877, e-mail: humberto.quintanilla@hq.transcom.mil.

Attachments:

1. EWG Agenda
2. EWG Attendees
3. Tasker list from EWG

**VISA EXECUTIVE WORKING GROUP
13 DECEMBER 2001**

AGENDA

<u>TIME</u>	<u>TOPIC</u>	<u>POC</u>
1240	Arrive at Video Tele-Conference Locations (USTC, MSC, MTMC, and MTMC Operations)	All
1300	Opening Remarks	DCINC
	Rapid Improvement Team (RIT) Update	TCJ4-BCO
	Security Clearance Issues/ Procedures	MARAD
	<ul style="list-style-type: none">• Request Procedures• Clearance Status (Individual & Facility/FSO)	
	Operations Update (UNCLASS)	RADM Fahy
	<ul style="list-style-type: none">• Operational Overview• Ammunition Sustainment• Humanitarian Daily Rations (HDR)	TCJ4-D
1445	Wrap-up	Mr. McMillin
	<ul style="list-style-type: none">• Review EWG Taskers• Review/Amend the Schedule• Friction Points• Rate the Meeting	
1455	Closing Remarks	DCINC
1500	Meeting Adjourns	

ATTENDEES FOR 13 DECEMBER 2001 EWG MEETING

LTG Daniel Brown	USTRANSCOM/TCDC
ADM Edward Fahy (Ed)	USTRANSCOM/TCJ5
Brig Gen James Swanson (Jim)	USTRANSCOM JA
Mr. Frank Weber (Frank)	USTRANSCOM/J4-D
Mr. Dan McMillin (Dan)	USTRANSCOM J5-V
Ms. Fran Olsen (Fran)	MARAD
Mr. Richard Haynes (Rick)	MSC
Captain Shaw Cohe (Shaw)	MSC
Mr. James Fischer (Jim)	MSC
Mr. William Lucas (Bill)	MTMC
Mr. Craig Robinson (Craig)	MTMC
Mr. Kenneth Gaulden (Ken)	Maersk Line Ltd.
Mr. Eric Mensing (Eric)	American President Lines, Ltd.
Mr. Ans Kristbergs (Ans)	P&O Nedlloyd/Farrell
Mr. Edward Fortunato (Ed)	Crowley Logistics
Mr. Michael Garvin (Mike)	Matson Navigation Company
Mr. James Wachtel (Jim)	Lykes Lines Limited, LLC
Mr. J. Robert Leyh (Bob)	Waterman Steamship Corporation
Mr. Steve Gill (Steve)	American Roll-On Roll-Off Carrier
Mr. Lary Mohl (Lary)	USTRANSCOM JA
Ms. Gail Jorgenson (Gail)	USTRANSCOM J4-D
CDR Jay Stocks (Jay)	USTRANSCOM J5-AS
CDR Humberto Quintanilla (Burt)	USTRANSCOM J5-AS
Mr. Kenneth Mills (Ken)	USTRANSCOM J5-AS
MAJ Todd Robbins (Todd)	USTRANSCOM J5-AS
Mr. John Boysha	Stanley Associates
Ms. Jeannine Kenyon	Stanley Associates

TASKERS FROM 13 DECEMBER 2001 EWG

TASK	ECD
1. Determine RIT December meeting date Lead: Ms. Gail Jorgensen	
2. Explore All Clearance Options Lead: MARAD	
3. Determine Who else needs a clearance Lead: MARAD	
4. Lessons Learned from Enduring Freedom surface movements Lead: Mr. Frank Weber	
5. Audit Update NOTE: Tasker is completed and responded to in paragraph 5 b (2) Lead: DCAA	Completed 17 Dec 01