

**VISA EXECUTIVE WORKING GROUP (EWG)
MEETING MINUTES, 21 MARCH 2002**

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. Lawrence Cosgriff	APL	(202) 496-2480
Mr. Steve Gill	American Roll-on Roll-off Carriers	(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 (USTRANSCOM) welcomed the meeting participants.

b. VCC/DCC Extension.

(1) Ms. Gail Jorgenson (USTRANSCOM) briefed on the issue of extending the VCC/DCC contracts. She stated there might not be a need to extend the contracts. However, there are instances in which there will be an option to bridge some of the contract rates. One of the benefits of not extending the current contracts is that the associated financial data will once again become "synchronized" between annual auditing and contract renewal. Ms. Jorgenson displayed and provided the current contract timeline and emphasized that if contract milestones are accomplished on time, then the need for an extension is reduced.

c. Follow-On Improvement Team (FIT)

- (1) Ms. Gail Jorgenson (USTRANSCOM) addressed the objectives of the VISA Follow-on Improvement Team.
- (2) Desired End State: A streamlined program that contractually fulfills the operational requirements of the war fighter.
- (3) Intent: Short term benefit: To influence the VCC/DCC 03 solicitation, where possible.
Long term benefit: To improve the entire contacting process prior to VCC/DCC 04 solicitation in Jan 04.
- (4) Milestones: USTC, MTMC & MSC will begin their internal assessment of the process in April 2002. Industry representatives were encouraged also to conduct their own assessment.
- (5) Final Phase: Government and industry will jointly develop courses of action and identify key issues, approximately mid Jun 02, for presentation during 20 Jun 02 EWG.

d. USC-04 IPT Update

- (1) Mr. Craig Robinson (MTMC) briefed on the USC-04 IPT. All Government participants have been identified. The NDTA Military Sealift Committee, chaired by Mr. Jim Henry, has selected the industry participants. All associated contract issues that the Government and Industry members have identified should be sent to Mr. Craig Robinson at MTMC in advance of the IPT meetings.
 - (a) First Meeting Scheduled for 4 Apr 02
 - 1) IPT complete by Jul 02
 - 2) Government participants
 - a) USTRANSCOM Business and Acquisition Center
 - b) MTMC – AQ
 - c) MTMC – OPS
 - d) MTMC – IM
 - 3) Industry participants:
 - a) Maersk Lines Limited
 - b) American President Lines
 - c) Lykes Lines Limited
 - d) Farrell Lines
 - e) American Roll-On Roll-Off

e. MSP Update

- (1) Mr. Jim Caponiti (MARAD) briefed and discussed MSP. He noted that the section 2 citizenship issue is closer to being resolved. MARAD has an internal draft of the proposed new legislation on MSP. The number of ships could be increased as well as the vessel age

requirement remaining about the same as it is currently mandated. The proposed legislation from industry provides for an increase in per unit subsidy coupled to an index for inflation but might not be supportable due to budgetary limitations.

- (a) MARAD is currently in the process of further developing their Mariner Tracking System.
- (b) MARAD is working with the Navy on a Memorandum of Agreement on the use of Merchant Marine Reserves in the maritime sector once they are activated.
- (c) A new merchant mariner survey is being developed to gather additional information and assess interest in respondents. This new survey will also be available to other organizations for their inputs.

(2) Discussion

In support of proposed MSP legislation, LTG Brown asked if USTRANSCOM should provide movement requirements data? Mr. Caponiti responded that USTRANSCOM'S assistance would be appreciated. LTG Brown stated that the documented MRS05 lift requirements are the latest and best source for sealift movement requirements. USTRANSCOM will provide the sealift requirements data.

f. Industry Discussion

(1) Mr. Ed Fortunato (Crowley) identified two issues for EWG discussion:

- (a) In the aftermath of 9/11, there have been added costs of port security that support the Government's program in improving general port safeguarding and management. Will these increased costs continue to be assessed on the carriers?
- (b) What is the Department of the Navy's policy in regards to MSC for small business contract awards?

(2) Discussion

- (a) LTG Brown (USTRANSCOM) agreed that the cost increase due to additional security requirements should be addressed and that USC04 contracts should reflect the added costs. The forthcoming NDTA White Paper on Port Security will address some of the concerns. Security is a requirement that must be addressed by all carriers. A non-competitive security feature of the contracts must ensure that security costs are not viewed as expenses that can be eliminated or negotiated.
- (b) Mr. Lucas (MTMC) added costs are an issue for all carriers.
- (c) Mr. Haynes (MSC) noted that MSC's contracting guidance from the Department of the Navy is to utilize small businesses to the greatest extent possible. If two or more qualified small businesses are able to compete for a contract then the award will go to a small business.

g. EWG Recognition

LTG Brown noted that RADM Fahy was retiring 18 April 02. This will be his last EWG meeting and RADM Ames will be introduced as the new TRANSCOM Director of Plans and Policy.

h. Review the Taskers. See Attachment 3.

i. Review/Amend EWG Schedule.

- (1) Current schedule shows the following dates:
- (2) EWG meeting on 18 Apr 02

18 Apr 02	Scott AFB, IL
16 May 02	VTC
20 Jun 02	Washington, DC (TBD)
18 Jul 02	VTC
15 Aug 02	TBD
19 Sep 02	VTC
17 October 02	TBD
14 Nov 02	VTC
12 Dec 02	TBD

j. Friction Points/Issues.

None

k. Rate the EWG Meeting. Ratings: 8.75

l. Closing Remarks.

LTG Brown thanked the VISA EWG members for their attendance.

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

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21 MARCH 2002**

AGENDA

<u>Time</u>	<u>Topic</u>	<u>POC</u>
1400	Opening Remarks	DCINC
	Timeline	TCJ4 BCO
	VCC/DCC Extension	TCJ4 BCO
	Follow-on Course of Action for Issues Identified by Rapid Improvement Team (RIT) Update	USTC
	USCO4 IPT	MTMC
	MSP Update	MARAD
1455	Closing Remarks	DCINC
1500	Meeting Adjourns	

ATTENDEES FOR 21 MARCH 2002 EWG MEETING

LTG Daniel Brown	USTRANSCOM/TCDC
RADM Edward Fahy (Ed)	USTRANSCOM/TCJ5
Brig Gen James Swanson (Jim)	USTRANSCOM JA
Mr. Daniel McMillin (Dan)	USTRANSCOM J5-V
Mr. James Caponiti (Jim)	MARAD
Mr. Owen Doherty	MARAD
Mr. Richard Haynes (Rick)	MSC
Mr. James Fischer (Jim)	MSC
Mr. William Lucas (Bill)	MTMC
Mr. Greg Ircink	MTMC
Mr. Adam Yearwood	ADUSD/TP
Mr. Kenneth Gaulden (Ken)	Maersk Line Ltd.
Mr. David A. DeBoer (Dave)	APL
Mr. Steve Gill	American Roll-On Roll-Off Carrier, LLC
Mr. Edward Fortunato (Ed)	Crowley Logistics
Mr. James Wachtel (Jim)	Lykes Lines Limited, LLC
Mr. James Madden (Jim)	Farrell Lines / P&O Nedlloyd
Mr. J. Robert Leyh (Bob)	Central Gulf / Waterman
Mr. Edward Kelly (Ed)	AMO
Ms. Gail Jorgenson	USTRANSCOM J4-BCO
Mr. Lary Mohl	USTRANSCOM JA
Mr. Dave Dias	USTRANSCOM J5-A
CDR Burt Quintanilla (Burt)	USTRANSCOM J5-AS
Mr. Kenneth Mills (Ken)	USTRANSCOM J5-AS
MAJ Todd Robbins	USTRANSCOM J5-AS
Mr. John Boysha	Stanley Associates

TASKERS FROM 21 MARCH 2002 EWG

TASK

ECD

1. Collect issues for USC04 IPT
Lead: Mr. Bill Lucas
2. First IPT Meeting at Scott on 19 April 02