

VISA EXECUTIVE WORKING GROUP (EWG) MEETING MINUTES, 9 February 2012

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 Mr. Ken Mills, who can be contacted by e-mail kenneth.mills@ustranscom.mil, telephone (618) 220-1529, fax (618) 256-6877, or by mail: USTRANSCOM, ATTN: TCJ5J4-IS (Mr. Mills), 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. Kevin Tokarski [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 Berti	Horizon Lines	(704) 973-7017
Mr. Jay Brickman	Crowley Maritime Corporation	(305) 470-4098
Mr. Eric Ebeling	American Roll-On Roll-Off Carrier	(240) 482-3711
Mr. Michael Garvin	Matson Navigation Company	(415) 957-4200
Mr. Jared Henry	Hapag-Lloyd USA	(813) 276-4698
Mr. Peter Johnston	Central Gulf Lines and Waterman Steamship	(504) 593-8394
Mr. William Kenwell	Maersk Line Limited	(703) 351-0124
Mr. Lars Magnusson	American President Lines	(202) 496-2484
Mr. Eric Smith	Overseas Shipping Group	(212) 953-4100
Mr. Augie Tellez	Seafarers International Union	(301) 899-0675
Mr. John Tirpak	Foss International	(206) 315-3537
Mr. Robert Wellner	Liberty Global Logistics	(516) 488-8800

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 at Attachment 3.
5. Meeting Summary.

a. Opening Remarks

- (1) LTG Gainey, TCDC, opened the EWG and thanked Pete Johnston, Central Gulf/Waterman Steamship Co., for hosting the meeting in Mobile, AL.

- (2) Mr. Jim Henry followed and welcomed everyone to the EWG. He announced that on 5 March 2012, there would be an industry discussion on the Marine Highway Initiative at the Army/Navy Club in Washington, DC.
 - (3) Pete Johnston, thanked all for attending and provided a brief history of the Waterman Steamship Co. and Mobile. He focused on industry's commitment to supporting the DOD and mentioned a local memorial of the SS Azalea, which was lost to a German U-boat in 1942. Waterman Steamship owned the vessel and 38 mariners were lost. Overall, Waterman Steamship lost 20 ships during WWII and the American merchant mariners suffered a higher casualty rate than any other service. He summed up the commitment of industry and commitment to the DOD/Industry partnership.
- b. Quick Hits—Mr. Ken Mills (TCJ5J4-IS) reviewed the quick hit agenda items.
- (1) SDDC provide EDI 858 update. **Complete.**
 - (a) Mr. Williams identified the root of the problem with EDI transactions as “inaccuracy of shipper information.” He noted on 38.6% of shippers input their data correctly. Also, Mr. William noted that business practices would be updated to assign a single point of contact for each carrier.
 - (b) LTG Gainey charged SDDC with updating EDI to not allow a shipper to complete a transaction with errors. LTG Gainey also tasked SDDC with identifying the most egregious shippers and displaying shipper information at the next EWG.
 - (2) SDDC Business Rules update. **Complete.**
 - (a) Mr. Williams provided an update on the status of US Bank Third Party Payment System Business Rules.
 - (3) Manual Review of \$2500.00 threshold and audit exceptions. **Complete.**
 - (a) Mr. Stanton, OSD-TP, and Mr. Williams noted that only 6% of over 100,000 transactions are below the \$2500.00 threshold. They reported that the Government Accounting Office (GAO) is not ready to relax the current rules.
 - (b) LTG Gainey tasked SDDC to review the policy for partial payment of disputed invoices without rejecting the entire invoice.
 - (4) MSC discussion with MARAD, USTC, DLA, and industry concerning fuel shipments, cargo preference and US flag tankers. **Complete.**
 - (a) Mr. Thayer, MSC, stated that MSC hosted a meeting for all concerned 2 February 2012. He also stated there would be a future outreach meeting with industry suppliers.
 - (b) Mr. Tokarski, MARAD, stated that we are “still not there on collaboration of all parties.”
 - (c) LTG Gainey tasked MSC to follow up on the discrepancy between business processes and the DFAR.
 - (5) Develop strategy for holding cargo in container yards. **OPEN.**

- (a) CAPT Carrier, SDDC, provided a brief overview of the SDDC strategy being developed to address this issue.
 - (b) Carriers stated they need firm direction from SDDC on staging cargo.
- c. NDN Performance—briefed by MAJ Zetterwall (TCJ3)
 - (1) NDN volume has increased and velocity along the NDN has also increased. Average time is 95 days, goal is 70 days.
 - (2) MAJ Zetterwall displayed graphics showing the capacity of the NDN. Current volume is below capacity yet time to transit is increasing. Challenge is to increase velocity.
 - (3) Industry offered SDDC to have a representative walk through the diplomatic note application process to better understand what is needed and where there are issues.
- d. USC-7 Update—briefed by Ms. Gail Jorgenson (TCAQ)
 - (1) USC-7 timeline
 - 20 Mar 2012 – closing RFP
 - 29 Jun 2012– anticipated award date
 - 15 Aug 2012 – contract start date
- e. Industry Concerns—briefed by Mr. Bill Kenwell (Maersk)
 - (1) Mr. Kenwell presented a consensus position of industry concerning USC 7.
 - (2) Following Mr. Kenwell the carriers each made short statements concerning issues with USC 7.
 - (3) Industry wrapped up requesting a consideration be given to delaying the implementation of USC 7 until their issues can be addressed.
- f. US Bank Freight Payment Update—briefed by Ms. Cheryl Garcia (US Bank)
 - (1) Ms. Garcia provided an update on the EDI 858 development.
 - (2) LTG Gainey tasked SDDC, TCAQ, and US Bank to review the top four service code occurrences and determine if there are process issues and if these can somehow be built into rates.
- g. MARAD Update—briefed by Mr. Kevin Tokarski (MARAD)
 - (1) Mr. Tokarski provided updates on the following:
 - MSP reauthorization
 - Tank Vessel Security Fleet (TVSF)
 - UCSG Navigation and Vessel Inspection Circular (NVIC)
- h. Marine Highway Initiative—briefed by Mr. Roger Bohnert (MARAD)
 - (1) Mr. Bohnert provided an overview of the Marine Highway Initiative and the Dual Use Vessel concept.

- i. State of the Shipping Industry—briefed by carriers
 - (1) Industry representatives provided a current overview of the state of their respective areas within the shipping industry.
 - RO/RO—Liberty Global Logistics, LLC
 - Tanker—Overseas Shipping Group (OSG)
 - Container—Maersk Line, Ltd.

j. Suez Canal Policy Update—not formally briefed due to time

k. Wrap up/Review the Taskers. See Attachment 3 for taskers stemming from this EWG.

l. Review/Amend EWG Schedule.

(1) Current schedule shows the following dates:

<u><i>Scheduled Meetings</i></u>	<u><i>Tentative Meetings</i></u>
Jun 2012, New York (Hosted by Liberty Global Logistics)	13 Sep 2012, TBD
	Feb 2013, TBD

m. Closing Remarks.

- (1) LTG Gainey closed the meeting thanking everyone for attending.
- (2) Meeting adjourned.

6. Point of contact for updates or corrections to these minutes is Mr. Ken Mills at (618) 220-1452, fax (618) 256-6877, e-mail: kenneth.mills@ustranscom.mil.

Attachments:

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

VISA Executive Working Group Meeting
Hosted by: Central Gulf Lines / Waterman Steamship Company
The Battle House Renaissance Hotel
26 North Royal Street
Mobile, AL 36602

February 8-9, 2012

AGENDA

Wednesday, February 8, 2012

Dress: Casual, open collar with no jacket

TIME	TOPIC	POC
1830-2130	Evening Social Location: The Battle House Renaissance Hotel Room: The Oakleigh Garden Room	Mr. Erik Johnsen Mr. Pete Johnston

Thursday, February 9, 2012

Uniform: Khaki's, Class "B"
Civilian: Open collar with no jacket

TIME	TOPIC	POC
0715-0815	Breakfast Served, Outside Meeting Room	All
0815-0830	Arrive Meeting Room LOCATION: Battle House Hotel ROOM: Moonlight C	All
0830	VISA EWG Begins <ul style="list-style-type: none"> • Opening Remarks 	All LTG Kathy Gainey Mr. Jim Henry Mr. Kevin Tokarski Mr. Pete Johnston
0845-0945	Quick Hits (Update on taskers from October EWG at Piney Point, MD) <ul style="list-style-type: none"> • SDDC provide cost to upgrade to EDI 858 LEAD: SDDC • SDDC provide business rules update LEAD: SDDC • Agency owner; manual review of \$2,500.00 threshold and audit exceptions LEAD: OSD-TP & SDDC • TCAQ lead legal discussion on USTRANSCOM Multi-Modal acquisition proposal LEAD: TCAQ • MSC lead discussion with MARAD, USTC, and DLA concerning fuel shipments, cargo preference and US flag tankers LEAD: MSC • Develop strategy for holding cargo in container yards (CONUS or Afghanistan) LEAD: SDDC/USTRANSCOM J3-G 	Mr. Ken Mills TCJ5J4-IS

VISA Executive Working Group Meeting

TIME	TOPIC	POC
0945-1000	Carrier Performance	Mr. Joe Repp SDDC
1000-1020	US Bank Update <ul style="list-style-type: none"> • Progress Made • Road Ahead 	Ms. Cheryl Garcia US Bank
1020-1045	Break	All
1045-1100	Suez Canal Policy Update	LCDR Chris Gilbertson TCJ5/4-I
1100-1130	Marine Highway Initiative <ul style="list-style-type: none"> • Projects • Dual Use Ships 	Mr. Roger Bohnert MARAD
1130-1230	Lunch – Location TBD	All
1230-1245	USC07 Update	TCAQ
1245-1300	Multi-Modal Update	TCAQ
1300-1330	NDN Performance Brief <ul style="list-style-type: none"> • Retrograde Predictions 	MAJ Tim Zetterwall TCJ3-G
1330-1400	MARAD Update	Mr. Kevin Tokarski
1400-1420	Break	All
1420-1500	Labor/Industry Concerns <ul style="list-style-type: none"> • Industry Sector Updates 	Labor/Industry
1500-1515	Wrap-up <ul style="list-style-type: none"> • Review/Amend the Schedule • Review EWG Taskers 	Mr. Ken Mills TCJ5J4-IS
1515-1530	Closing Remarks	Mr. Johnston Mr. Tokarski Mr. Henry LTG Gainey
1530	EWG Meeting Adjourns	

ATTENDEES

LTG Kathy Gainey	TCDC
Mr. Kevin Tokarski	MARAD
Mr. Roger Bohnert	MARAD
Mr. Jerome Davis	MARAD
Mr. James O'Malley (Mike)	MARAD
Mr. John Thackrah	MSC
Mr. Christopher Thayer (Chris)	MSC
Mr. Judi Farmer	MSC
Mr. Michael Williams (Mike)	SDDC
CAPT Kevin Carrier	SDDC
Mr. James Henry (Jim)	Transportation Institute / Chair, NDTA Military Sealift Committee
Mr. Donald Stanton (Don)	DASD (TP)
CDR Scott Hudson	JSJ4 Sealift Officer
Mr. Edward Berti (Ed)	Horizon Lines
Mr. Jay Brickman	Crowley Maritime Corporation
Mr. Eric Ebeling	American Roll-On Roll-Off Carrier, LLC
Mr. Michael Garvin (Mike)	Matson Navigation Company
Mr. Jared Henry	Hapag-Lloyd USA, LLC
Mr. Peter Johnston (Pete)	Central Gulf / Waterman
Mr. William Kenwell (Bill)	Maersk Line, Limited
Mr. Rick Boyle	Maersk Line, Limited
Mr. Lars Magnusson	American President Lines
Mr. Eric Smith	Overseas Shipping Group
Mr. Augie Tellez	Seafarers International Union
Mr. Charlie Boggs	Foss International
Mr. Robert Wellner (Bob)	Liberty Maritime Corporation
Lt Col Christopher Van Hoof	USTRANSCOM TCDC-A
Maj Chad Annunziata	USTRANSCOM TCDC-A
Ms. Gail Jorgenson	USTRANSCOM TCAQ
COL Jon Lightner	USTRANSCOM TCJA
Col John Michel	USTRANSCOM TCJ5J4-D Military
Mr. Ronald Marselle (Ron)	USTRANSCOM TCJ5J4-IS
LCDR Christopher Gilbertson (Chris)	USTRANSCOM TCJ5J4-IS
Mr. Kenneth Mills (Ken)	USTRANSCOM TCJ5J4-IS
MAJ Timothy Zetterwall (Tim)	USTRANSCOM TCJ3-W
Mr. Timothy Grout (Tim)	CGI Federal
Ms. Cheryl Garcia	US Bank

TASKERS

TASK	ECD
<p>1. Identify what needs to happen to enable partial payment for segments of bills we agree on and what data the carrier must submit on the second invoice for disputed segments of bill.</p> <p style="text-align: right;">LEAD: SDDC</p>	17 Feb 2012
<p>2. USTC arrange coordination with Industry to better understand customs and diplomatic note processes</p> <p style="text-align: right;">LEAD: TCJ5/4-P</p>	17 Feb 2012
<p>3. Multimodal</p> <ul style="list-style-type: none"> - Gather industry concerns on model <p style="text-align: right;">LEAD: TCAQ</p>	24 Feb 2012
<p>4. USC 07</p> <ul style="list-style-type: none"> - Requiring special reporting and accounting systems - Review collective bargaining rates that apply to Services Contract Act - Why do we have security requirement for CONUS moves? - DOL guidance on book keeping + compliance <p style="text-align: right;">LEAD: TCAQ</p>	24 Feb 2012
<p>5. Tanker discussion follow-up</p> <ul style="list-style-type: none"> - Review discrepancy between MSC business processes and DFAR (30 vs 45 days) <p style="text-align: right;">LEAD: MSC</p>	24 Feb 2012
<p>6. US bank capabilities available but not in use</p> <ul style="list-style-type: none"> - Two capabilities SDDC is not leveraging: <ol style="list-style-type: none"> 1. Attachments for billing 2. Approval routing for verification of service or payment <p style="text-align: right;">LEAD: SDDC</p>	2 Mar 2012
<p>7. Examine top 4 e-bills required on slide 4 of US bank presentation and determine how we could reduce these.</p> <ul style="list-style-type: none"> - SDDC examine what carriers G&F are doing right and replicate with other carriers. <p style="text-align: right;">LEAD: SDDC</p>	2 Mar 2012
<p>8. APPF security requirement</p> <ul style="list-style-type: none"> - What has GOA defined as requirement? - What agency do carriers go to? - Will it be ready to implement 20 March? <p style="text-align: right;">LEAD: SDDC</p>	2 Mar 2012
<p>9. Tanker discussion follow-up</p> <ul style="list-style-type: none"> - Set up meeting with industry suppliers <p style="text-align: right;">LEAD: SDDC</p>	2 Mar 2012

TASKERS

TASK	ECD
10. US Bank next steps - Present POA&M to TCDC (within 30 days) and brief at next EWG. <div style="text-align: right;">LEAD: SDDC</div>	12 Mar 2012
11. Fix erroneous shipper data input to IBS. <div style="text-align: right;">LEAD: SDDC</div>	16 Mar 2012
12. US bank said we are not using the full capabilities of the Powertrak. - Can we make better use of it and how do we reconcile with statement in DTCI? <div style="text-align: right;">LEAD: SDDC</div>	16 Mar 2012
13. Carrier Holding Yards - Determine what the appropriate amount of cargo should be held there vice Karachi to keep some available to push to FOBs + depots, but keep costs down. <div style="text-align: right;">LEAD: SDDC</div>	16 Mar 2012
14. Monthly audit exception rate - Codify actions in the SDDC business rules. <div style="text-align: right;">LEAD: SDDC</div>	16 Mar 2012