

## **VISA EXECUTIVE WORKING GROUP (EWG) MEETING MINUTES, 24 October 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 email [kenneth.mills@ustranscom.mil](mailto: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) Meeting opened with remarks by LTG Gainey, Kevin Tokarski, Jim Henry and Augie Tellez.

- b. Quick Hits—LCDR Chris Gilbertson (TCJ5J4-IS) reviewed the quick hit agenda items.
- (1) Identify, based on industry recommendations, potential methods by which to streamline accessorial charges, in coordination with SDDC and shippers.  
**Lead: Industry. Status: Ongoing.**
    - (a) Industry stated they were not ready to provide an update. Industry asked if accessorial charges can be addressed in the Terms of Reference (TOR) for USC-7.
    - (b) TCDC stated USTRANSCOM would be open to discussing the streamlining of accessorial charges. MG Richardson (SDDC) will take this on within the USC-8 Working Group.
    - (c) Industry owes a list of potential accessorial charges which could be consolidated or streamlined (Maersk has lead)
  - (2) Report on status of Shipper Performance Working Group.  
**Lead: SDDC. Status: Complete.**
  - (3) Based on industry inputs, address carrier concerns with costs associated with moving containers in/out via PAKGLOC.  
**Lead: TCAQ/TCJ3. Status: Ongoing**
  - (4) Afghan Public Protection Force (APPF): Report on costs of implementing its use once forces are operational.  
**Lead: SDDC. Status: Complete**
    - (a) APPF has published their service costs on their website. Progress has been slow in implementation and has slid to the right (March 2013) for implementation of fixed site and convoy support.
  - (5) Report on actual shipper payment goals IAW Management Reform Memorandum #15.  
**Lead: SDDC. Status: Complete**
  - (6) Provide updated status on 3 day payment automation process.  
**Lead: US Bank. Status: Complete**
    - (a) Addressed in US Bank briefing.
  - (7) Provide assessment of other community financials (TPS, HHG, etc).  
**Lead: USTC-ERC. Status: Ongoing.**
    - (a) USTC-ERC is reviewing portfolio to find potential areas to increase business within the Defense Transportation System (DTS).
  - (8) Provide more detailed timeline on EDI 310 and Matching Implementation Approach.  
**Lead: US Bank. Status: Complete.**
    - (a) Addressed in US Bank briefing.
  - (9) Provide guidance on cargo and container disposition for items held in Karachi.  
**Lead: TCJ3. Status: Complete.**

- (a) Addressed during USTC J3 hosted meeting in August 2012.
- (10) Provide update on empty containers in theater.
  - Lead: APL. Status: Ongoing.**
  - (a) Approximately 13,000 containers between Maersk, APL, and Hapag-Lloyd remain in Afghanistan due to Pakistan restriction for returning via the NDN. Carriers are incurring storage costs for containers they are unable to evacuate from Afghanistan.
  - (b) Carriers would like to see the issue of storage costs resolved through a “force majeure” process with the US government. Carriers stated that these containers were not priced as being disposable.
- (11) Identify what will be received for hostage cargo storage fees to facilitate notification of shippers.
  - Lead: Industry. Status: Ongoing.**
  - (a) Carriers asked if the process for invoicing storage costs incurred on containers could be streamlined. Carriers have negotiated lower storage fees with host country and would like to submit a “blanket invoice” for container storage fees.
- (12) Develop guidance and business rules for adjudicating costs of frustrated cargo.
  - Lead: TCAQ. Status: Complete.**
- (13) Notify services of disposition of frustrated cargo and equipment in the holding yards.
  - Lead: TCJ3. Status: Complete.**
- (14) Address storage issue during negotiations with Government of Pakistan to propose waiving fees.
  - Lead: TCJ5/4. Status: Complete.**
  - (a) Addressed by Office of Defense Representative, Pakistan (ODRP) in the Terms of Reference (TOR) negotiations.
- (15) USTC coordinates with MARAD and USCG to identify negative carrier performance issues.
  - Lead: TCJ5/4. Status: Complete.**
  - (a) U.S. Coast Guard will identify any issues concerning the suspension or removal of a vessels documentation or safety certificates to MARAD. MARAD will automatically notify USTRANSCOM, MSC, SDDC Operations Centers.
- c. OSD Transportation Policy—briefed by Mr. Don Stanton (DASD-TP)
  - (1) DASD(TP) hosted a meeting with State Department, OSD, USTRANSCOM, and MARAD representatives to discuss cargo availability and DOD’s desire to utilize VISA and CRAF carriers by pushing additional cargo through the DTS. USTC-ERC will continue this effort.

- (2) PAKGLOC Terms of Reference (TOR) with Pakistan will be signed early November 2012.
- (3) Container detention costs—This issue has the attention of ASD L&MR and Congress. Monitoring costs on a monthly basis.
- (4) Strategic Ports—Port Caucus formed in Congress and a meeting was the week of 15 Oct with representatives from strategic ports. Strategic ports would like greater visibility to leverage federal funds to make infrastructure improvements.
- d. Carrier Performance—briefed by Brian Rivera (SDDC)
  - (1) October 1, 2012 started operating under the rules of USC-7.
  - (2) TCDC directed SDDC to provide carrier performance metrics at monthly carrier meetings.
- e. NDN Performance—briefed by LTC Bryan Edwards (TCJ3)
  - (1) LTC Edwards provided an update on NDN performance metrics.
  - (2) See briefing slides attached.
- f. Enterprise Readiness Center—briefed by Col Ed Koharik (USTC-ERC)
  - (1) Col Koharik provided a brief on the establishment of an Enterprise Readiness Center (ERC) within USTRANSCOM to be the interface with industry partners.
  - (2) The ERC has been established and will be fully operational January 1, 2013.
- g. Cargo Preference—briefed by Dennis Brennan (MARAD)
  - (1) Industry recommended changing the “three year rule” that requires a vessels to be US flagged for three years before being eligible to carry preference cargo. USTRANSCOM has also proposed this as part of the Cargo Preference Tiger Team initiative. (This requirement does not apply to vessels in the Maritime Security Program)
  - (2) Industry asked what MARAD estimates the impact of MAP-21 will be on the US flagged fleet. MARAD estimates there could be as many as 16 US flagged vessels and up to 650 mariner jobs lost if the law is not overturned.
  - (3) Industry asked if all government agencies have a Cargo Preference Act stipulation in their contracts. Industry indicated that the prime contract may be stipulated, but, inquired about sub-contracts.
  - (4) USTRANSCOM ERC and industry are both going to review the Defense Federal Acquisition Regulation (DFAR) and discuss further.
- h. US Bank Update—briefed by Cheryl Garcia (US Bank)
  - (1) Ms. Garcia provided an update on US Bank taskers and invoice payment metrics.
  - (2) Invoice payment metrics and briefing slides attached.

- i. Maritime Administration Update—briefed by Kevin Tokarski (MARAD)
  - (1) Mr. Tokarski provided an update on various topics of interest to the maritime community.
  - (2) Briefs included: MARAD Update; Mariner availability; Evolving E-Navigation concerns.
- j. Labor/Industry Concerns—briefed by Industry.
  - (1) Retrograde and redeployment plans from OEF—LTC Edwards (TCJ3) presented estimated Afghanistan retrograde numbers. USTRANSCOM requested comments and recommendation from industry on the most cost effective ports to utilize for retrograde cargo.
  - (2) T1 and Proof of Delivery processes—Industry led a discussion on issue involving the processing of T-1's and Proof of Delivery documents in Afghanistan. Carriers are incurring charges for truck/driver wait times while waiting for proof of delivery documentation on T-1's to release drivers. Industry would like to discuss options to modify the current process. SDDC will look at the process for cargo already in Afghanistan and also for all inbound cargo. Industry was requested to provide SDDC the “pitch & catch” method used with AAFES.
  - (3) New PAKGLOC rate structure development—USTRANSCOM announced three different proof of principles (POPs) after the Terms of Reference are signed. These POPs will be introduced in December and January as one-time only (OTO) movements.
  - (4) USTRANSCOM/Industry/Subcontractor operational oversight and Quality Assurance—Industry noted an increased number of carrier deficiency notices (CDNs) under the USC-7 performance measure. Industry requested the contract representatives conduct more research prior to issuing CDNs and provide additional feedback to the carriers.
  - (5) Identify additional cargo opportunities—Industry believes there is cargo leakage with Logistics Civil Augmentation Program (LOGCAP) cargo.
  - (6) “Commercial First” policy concerns—USTRANSCOM indicated that sealift policy directed by NSD-28 and DOD policies/directives has not changed.
  - (7) Fuel surcharge concerns/Emission Control Area (ECA) implementation—Industry indicated that within the Europe ECA ship's costs are increased by \$1,000/day for fuel. Industry requested the ERC take this on as a policy issue to reimburse carriers for the cost. USTRANSCOM is reviewing information they currently have on ECA fuel surcharges. USTRANSCOM requested industry provide information on how their commercial customers are billed for the ECA fuel charges.

- k. Wrap up/Review the Taskers. See Attachment 3 for tasks stemming from this EWG.
- l. Review/Amend EWG Schedule.

(1) Current schedule shows the following dates:

**Scheduled Meetings**

21 Feb 2013, Norfolk, VA  
(Hosted by Maersk Line Ltd.)

20 Jun 2013, Charlotte, NC  
(Hosted by Horizon Lines, LLC)

**Tentative Meetings**

Sep/Oct 2013, Piney Point, MD

- m. Closing Remarks.

- (1) LTG Gainey and Mr. Tokarski 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](mailto:kenneth.mills@ustranscom.mil).

Attachments:

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

**VISA Executive Working Group Meeting**  
**Hosted by: Seafarers International Union**  
**Paul Hall Center for Maritime Training and Education**  
**45353 Saint Georges Avenue**  
**Piney Point, Maryland 20674**

**October 23 - 24, 2012**

**AGENDA**

**Tuesday, October 23, 2012**

**Dress: Casual, open collar**

<b>TIME</b>	<b>TOPIC</b>	<b>POC</b>
1830-2030	Evening Social LOCATION: Main Foyer Area	Mr. Mike Sacco Mr. Augie Tellez

**Wednesday, October 24, 2012**

**Uniform: Khaki's, Class "B"**

**Civilian: Business Casual**

<b>TIME</b>	<b>TOPIC</b>	<b>POC</b>
0715-0815	Breakfast Served, Main Foyer Area	All
0815-0830	Arrive Meeting Room ROOM: Maryland Room (Second Floor)	All
0830	VISA EWG Begins <ul style="list-style-type: none"> <li>Opening Remarks</li> </ul>	All LTG Kathy Gainey Mr. Jim Henry Mr. Kevin Tokarski Mr. Augie Tellez
0845-1000	Quick Hits (Update on taskers from June EWG at Glen Cove, NY) <ul style="list-style-type: none"> <li>Identify, based on industry recommendations, potential methods by which to streamline accessorial charges, in coordination with SDDC and shippers. LEAD: TCAQ, INDUSTRY</li> <li>Report on status of Shipper Performance Working Group. CLOSED LEAD: SDDC</li> <li>Based on industry inputs, address carrier concerns with costs associated with moving containers in/out via PAKGLOC. LEAD: TCAQ</li> <li>APPF: Report on costs of implementing its use once forces are operational LEAD: TCAQ, TCJ3</li> <li>Report on actual shipper payment goals IAW Management Reform Memorandum #15 CLOSED LEAD: SDDC</li> <li>Provide updated status on 3 day payment automation process LEAD: SDDC, US BANK</li> </ul>	LCDR Chris Gilbertson TCJ5J4-IS

**VISA Executive Working Group Meeting**

<b>TIME</b>	<b>TOPIC</b>	<b>POC</b>
	<ul style="list-style-type: none"> <li>Provide assessment of other commodity financials (TPS, HHG, etc) LEAD: USTC-ERC</li> </ul>	
	<ul style="list-style-type: none"> <li>Provide more detailed timeline on EDI 310 and Matching Implementation Approach LEAD: SDDC, US BANK</li> </ul>	
	<ul style="list-style-type: none"> <li>Provide guidance on cargo and container disposition for items held in Karachi LEAD: TCJ3</li> </ul>	
	<ul style="list-style-type: none"> <li>Provide update on empty containers in theater. LEAD: APL</li> </ul>	
	<ul style="list-style-type: none"> <li>Identify what will be received for hostage cargo storage fees to facilitate notification of shippers. LEAD: Industry</li> </ul>	
	<ul style="list-style-type: none"> <li>Develop guidance and business rules for adjudicating costs of frustrated cargo CLOSED LEAD: TCAQ</li> </ul>	
	<ul style="list-style-type: none"> <li>Notify services of disposition of frustrated cargo and equipment in the holding yards. LEAD: TCJ3</li> </ul>	
	<ul style="list-style-type: none"> <li>Address storage issue during negotiations with Gov't of Pakistan to propose waiving fees. LEAD: TCJ54</li> </ul>	
	<ul style="list-style-type: none"> <li>USTC coordinate with MARAD and USCG to identify negative carrier performance issues. LEAD: TCJ54</li> </ul>	
1000-1010	OSD Transportation Policy	Mr. Don Stanton
1010-1020	Carrier Performance	Mr. Brian Rivera
1020-1030	NDN Performance Brief	LTC Bryan Edwards
1030-1050	Break	All
1050-1120	Enterprise Readiness Center (ERC) Update	Col Ed Koharik
1120-1150	Cargo Preference Discussion	Mr. Dennis Brennan
1150-1200	US Bank Update	Ms. Cheryl Garcia US Bank
1200-1300	Lunch – Location: Main Dining Room	All
1300-1350	MARAD Update	Mr. Kevin Tokarski
1350-1410	Break	All
1410-1500	Labor/Industry Topics <ul style="list-style-type: none"> <li>Retrograde and redeployment plans from OEF</li> <li>T1 and Proof of Delivery processes</li> <li>New PAKGLOC rate structure development</li> <li>USTRANSCOM/Industry/Subcontractor operational oversight and Quality Assurance</li> <li>Identifying additional cargo opportunities</li> <li>“Commercial First” policy concerns</li> <li>Fuel surcharge concerns/ECA implementation</li> </ul>	Labor/Industry



**VISA Executive Working Group Meeting**

<b>TIME</b>	<b>TOPIC</b>	<b>POC</b>
1500-1515	Wrap-up <ul style="list-style-type: none"><li>• Review/Amend the Schedule</li><li>• Review EWG Taskers</li></ul>	LCDR Gilbertson TCJ5J4-IS
1515-1530	Closing Remarks	Mr. Tellez Mr. Tokarski Mr. Henry LTG Gainey
1530	EWG Meeting Adjourns	

## ATTENDEES

LTG Kathleen Gainey (Kathy)	TCDC
Mr. Kevin Tokarski	MARAD
Mr. Keith Washington	MARAD
Mr. Dennis Brennan	MARAD
Ms. Anne Wehde	MARAD
CAPT David Maskoff	US Merchant Marine Academy
Mr. Peter Petrelis	MARAD
Mr. Jerome Davis	MARAD
Rear Admiral Mark Buzby	MSC
Mr. John Thackrah	MSC
Mr. Christopher Thayer (Chris)	MSC
CAPT John Burns	MSC
MG Thomas Richardson	SDDC
COL Glen Baca	SDDC
Mr. William Patterson	SDDC
Mr. Brian Rivera	SDDC
CAPT Jeremy McNeil	SDDC
Mr. James Henry (Jim)	Transportation Institute / Chair, NDTA Military Sealift Committee
Mr. Donald Stanton (Don)	DASD (TP)
Mr. Adam Yearwood	ODASD(TP)
CDR Scott Hudson	JSJ4 Sealift Officer
Mr. Edward Berti (Ed)	Horizon Lines
Mr. Rick Boyle	Maersk Line, Limited
Mr. Jay Brickman	Crowley Maritime Corporation
Mr. Christopher Heibel (Chris)	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. Lars Magnusson	American President Lines
Mr. Eric Smith	Overseas Shipping Group
Mr. Augie Tellez	Seafarers International Union
Mr. John Tirpak	Foss International
Mr. Robert Wellner (Bob)	Liberty Maritime Corporation
Maj Gen Samuel Cox (Sam)	USTRANSCOM TCJ3
Lt Col Chad Annunziata	USTRANSCOM TCDC-EA
Ms. Tammy Thouvenot	USTRANSCOM TCAQ
Mr. J.R. Oliver	USTRANSCOM TCAQ
COL Michael Benjamin (Mike)	USTRANSCOM TCJA
Col Paul Guemmer	USTRANSCOM TCJ5J4-D Military
Col Edward Koharik (Ed)	USTRANSCOM TCJ5J4-I
Mr. Michael Hansen (Mike)	USTRANSCOM TCJ5J4-L

**ATTENDEES**

CDR Julius Arnette  
LTC Bryan Edwards  
LCDR Christopher Gilbertson (Chris)  
Mr. Timothy Grout (Tim)

USTRANSCOM TCJ5J4-IS  
USTRANSCOM TCJ3-GP  
USTRANSCOM TCJ5J4-IS  
CGI Federal

Ms. Cheryl Garcia  
Mr. Jeff Webb

US Bank  
US Bank

## TASKERS

TASK	Update Due
1. Address assessorial streamlining within USC-8 Working Group. Industry: Provide recommended assessorials, which should be included.  LEAD: SDDC; ASSIST: Industry	
2. (a) Review impact of storage fees of empty containers accruing due to PAKGLOC closure. (b) Review container movement policy and procedures for enabling the retrograde of empty containers  LEAD: SDDC/TCJ5/4	
3. Provide estimate of total costs to Services for all fees associated with PAKGLOC closure.  LEAD: SDDC	
4. Can the process for carriers to submit invoices for container storage costs be streamlined? "Blanket invoice"?  LEAD: SDDC; COORD: TCJA	
5. Provide carrier performance information to carriers at monthly carrier meetings.  LEAD: SDDC	
6. Identify process for industry to feed information to USTC-ERC.  LEAD: USTC-ERC	
7. Distribute USTC-ERC contact information to industry.  LEAD: USTC-ERC	
8. Review language in DFAR that covers service contracts and relation to Cargo Preference Act.  (a) Industry submit paper to USTC-ERC on industry interpretation of DFAR language and cargo preference laws. (b) OSD(TP) provide relevant DFAR language to USTC-ERC. Complete.  LEAD: USTC-ERC/TCJA; COORD: Industry, OSD-TP	
9. Submit white paper to USTC-ERC on potential LOGCAP cargo opportunities.  LEAD: Industry	
10. Provide TCDC payment timeliness data for all modes of transportation.  LEAD: US Bank	
11. Provide e-mail to carriers with requirements on what carriers must do to get reimbursement of assessorial charges not paid since 1 Oct due to USC-7/IBS error. Implement "Hold" or "Dispute" status for errored invoices just as with HHG accounting.  LEAD: SDDC	
12. MARAD provide SIU mariner manning numbers for unions to review and provide feedback/recommendations to MARAD.  LEAD: MARAD/SIU	

## TASKERS

TASK	Update Due
<p>13. SDDC solicit inputs from commercial carriers on ideas for port selection for redeployment/retrograde. Industry provide, by company, recommended ports based on expected final destination. Goal is lowest total cost to services. If booked door-to-door factor in line haul in U.S.</p> <p style="text-align: right;">LEAD: SDDC; ASSIST: Industry</p>	
<p>14. SDDC Legal review documents (T1 &amp; POD) to see if there is a way for SDDC to release drivers/trucks without having POD verification.</p> <p>(a) Look at cargo already in Afghanistan and develop process to reconcile.            (b) Develop process for all new inbound cargo.            (c) Review process to handle T-1's greater than 21 days old.</p> <p style="text-align: right;">LEAD: SDDC</p>	
<p>15. POD Process. Draft "pitch &amp; catch" methodology used with AAFES and provide to SDDC.</p> <p style="text-align: right;">LEAD: APL</p>	
<p>16. Provide USTC (TCAQ and USTC-ERC) white paper detailing the process of how ECA surcharges are passed to customer in commercial practice.</p> <p style="text-align: right;">LEAD: Industry; COORD: TCAQ/USTC-ERC</p>	
<p>17. Develop policy for how fuel surcharges are accounted for and paid to carriers.</p> <p style="text-align: right;">LEAD: USTC-ERC</p>	
<p>18. Investigate feasibility of conducting quarterly rate refreshes for PAKGLOC.</p> <p style="text-align: right;">LEAD: TCAQ</p>	
<p>19. Follow-up with Sens. Schumer and Gillibrand with regards to MSP Reauthorization.</p> <p style="text-align: right;">LEAD: TCJ5/4</p>	
<p>20. Coordinate with MARAD to include a representative in the USTC-ERC.</p> <p style="text-align: right;">LEAD: USTC-ERC; COORD: MARAD</p>	
<p>21. Review legal process to approve/disapprove transmission of carrier issues to DOJ.</p> <p style="text-align: right;">LEAD: TCJA</p>	
<p>22. Contracting Officer Representatives (COR's) review process for initiating Contractor Deficiency Notices (CDNs). Provide feedback to carriers.</p> <p style="text-align: right;">LEAD: SDDC; COORD: TCAQ</p>	