



UNITED STATES TRANSPORTATION COMMAND J5/4 and TCAQ 22 October 2018 Readiness Programs

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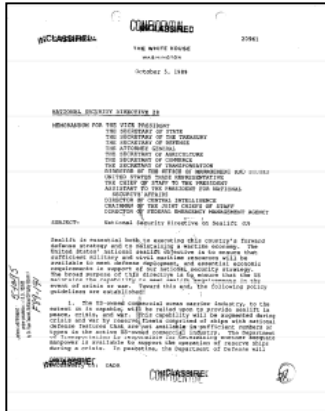




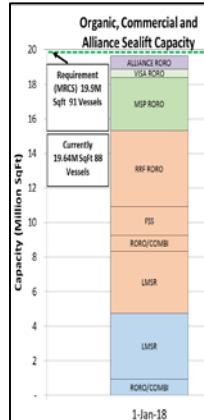
Commercial Sealift Readiness

- **Governance:** National policy mandates ability to respond unilaterally to any contingency
- **Requirement:** Mobility analysis defines sealift requirement for unilateral response
- **Capacity:** Assured access through VISA is critical component to strategic portfolio
- **Readiness Challenge:** U.S. fleet & mariner pool in decline

Governance



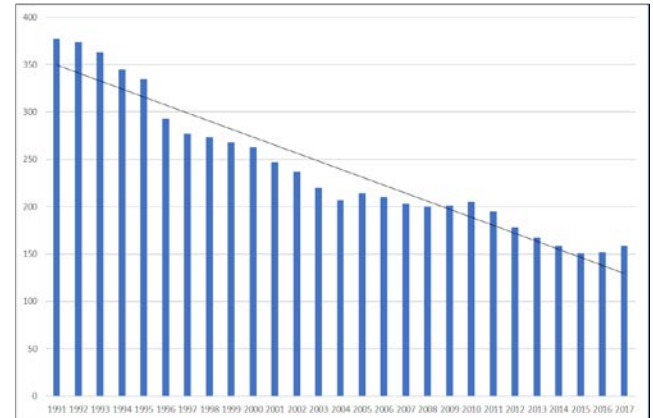
Requirement



Capacity

VISA Stage Sizing Summary	SqFt (RO/ROs)
All VISA Vessel Source Capacity (419 Vessels)	7,915,718
Stage I Commitments – 15%	602,743
Stage II Commitments – 40%	1,607,329
Stage III Commitments – 50%	5,469,414
Stage III Commitments – Ships Only (98 Ships)	3,582,145

Challenge





Voluntary Intermodal Sealift Agreement (VISA)



Background

- Partnership between the U.S. Government and the Maritime industry to provide DOD with assured access to commercial sealift and intermodal capacity
- Provide a rapid transition from peacetime to contingency operations through pre-coordinated contingency contracts
- Program authorized under the Maritime Administration's authorities under the Defense Production Act of 1950 and the Maritime Security Act of 2003

Key Contract Terms & Conditions

- 4-year base (01 Sep 15 - 30 Sep 19)
- 5-year option (01 Sep 19 - 30 Sep 24)
- Exhaust Volunteer capacity
- Time-phased capacity (Stages I, II, and III)
- Activation (Requested by TCCC, SECDEF approval)
- TCAQ issues all VISA contingency contract task orders
- Joint Planning Advisory Group (JPAG) brings participants into the DOD planning process

Industry Touch Points

- Support Major Conflicts; Increased Readiness; Improved Warfighter Support
- Industry Days, Collaborative feedback, Always looking to adopt commercial best practices
- VISA Participant - two-step process (MARAD application/approval and USTRANSCOM contingency contract)
- 54 VISA contracts; 60 MSP vessels with Military Useful Capacity (see USTRANSCOM Instruction 24-10, Atch 2)
- JPAG includes USTRANSCOM, SDDC, MSC, MARAD, and Industry
- War Risk Insurance (WRI) - MARAD will issue WRI policies to the vessel owner



Universal Services Contract (USC-8)



Background

- Directly supports VISA; USC carriers exercised daily
- Provides domestic and international cargo via liner services with ancillary logistical services
- (27) carriers; Multiple Award IDIQ with EPA
- Final option year; 01 Sep 18 - 31 Aug 19
- 3-yr contract; Program Value: \$2.9B

Key Contract Terms & Conditions

- Cargo booked via SDDC IBS or Direct Bookers
- Ensure accurate IBS vessel schedules; flag of service
- Cybersecurity language; NIST 800-171
- Non-PKI Multi-Factor Authentication (Yubikey)
- Foreign Entity Vetting (coming for USC-9)

Industry Touch Points

- Held Industry Days, Market Research, Identified Problem Statements
- Continuous Industry Input, Adopt commercial best practices
- Drafting USC-9 solicitation
- Issue RFP - 03 Oct 18
- Receive Proposals - 16 Nov 18
- FBO link with solicitation number HTC711-19-R-W001



Commercial Multi-Modal (CMM)



Background

- Supports domestic and international cargo via multi-modal transportation with ancillary logistical services
- Flexibility; mix of surface/air; end-to-end solution
- (6) carriers; Multiple Award IDIQ with EPA
- Last option year; 01 May 18 - 30 Apr 19
- 3-yr contract; Program Value: \$297M

Key Contract Terms & Conditions

- Prime contractors must be CRAF or VISA participants
- Task Orders -- awarded via Spot-Bid process
- Mode agnostic, time sensitive customer option
- Safety and Audit Oversight Program
- Foreign Carrier Information Sheet
- Cybersecurity language; NIST 800-171

Industry Touch Points

- Same industry touch point concepts as USC
- Drafting CMM-3 Solicitation
- Issue RFP - 03 Oct 18
- Receive Proposals - 05 Nov 18
- Changing to a 10-yr contract (2yr base = 4x2yr options)
- FBO link with solicitation number HTC711-19-R-W002
- Shipments include containers, break-bulk, rolling stock (DOD, FMS, DLA)



Points of Contact



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Questions?



CRAF



Background

- Charter Airlift Services in Support of the Civil Reserve Air Fleet (CRAF) Program
 - International airlift services during peacetime; International and Domestic Airlift Services during Activation (3 Stages)
- (25) carriers; Multiple Award IDIQ with EPA
- 6-yr contract; Program Value: \$11.9B

Key Contract Terms & Conditions

- Multiple Indefinite Delivery Indefinite Quantity (IDIQ)
 - Firm Fixed-price w/ Economic Price Adjustment
 - Fuel pegged rates
- Period of Performance Oct 2018 – Sep 2024
- Limited to DoD-approved, FAR 121 certificated carriers, CARB approval required
- Cybersecurity language; NIST 800-171

Talking Points

- Historical CRAF Contract Structure
 - FY19 Efforts and Changes
- Contract Metrics and Deliverables
- Entitlement system overview and mechanics
- Teaming Arrangements
- Fixed Buy vs Expansion Buy; Ordering
- CRAF Rate Authority and Processes; Escalation



Background

- **Founded on Defense Production Act of 1950; established in 1951 and instituted by Presidential Executive Order 10219 in 1952**
- **Voluntary, contractual arrangement, supported by public law, implemented by national policy**
 - Fly America Act (49 USC 40118)
 - Fly CRAF Act (10 USC 9516 and 49 USC 41106)
- **President Reagan reaffirmed importance in 1987 National Security Decision Directive 280, *National Airlift Policy***
- **Two Activations: DS/DS (1990-91) and OIF (2003)**





Program Highlights

- **Composed of U.S. registered aircraft owned or controlled by U.S. air carriers specifically allocated by FAA registration number by DOT**
 - 434 Aircraft from 25 Carriers*
- **Provides capacity beyond organic military airlift fleet**
 - Designed to move 10K troops and associated cargo in 7 Days
 - ≈90% of passengers and ≈40% of bulk cargo
- **Program divided into 2 segments:**
 - International: Long-Range (Min Rg 3500 NM) and Short-Range (Min Rg 1500 NM) sections
 - Required 4:1 crew ratio (pilots to aircraft)
 - Domestic (Min 75 pax or 30K lbs cargo)
- **Min aircraft commitment of CRAF capable fleet:**
 - 40% for International segment
 - 15% for Domestic segment





FY 19 CRAF Carriers (25)

Miami Team	FedEx Team	Patriot Team	Independents
Miami Air Int'l	American Airlines, Inc.	ABX Air, Inc.	Alaska Airlines Inc.
MN Airlines, LLC dba Sun Country Airlines	Atlas Air, Inc.	Air Transport Int'l	Allegiant Air LLC
	Federal Express Corp	JetBlue Airways	Delta Air Lines
	Polar Air Cargo	Kalitta Air	Hawaiian Airlines
	Amerijet Int'l	Northern Air Cargo	Lynden Air Cargo
		Omni Air Int'l	National Air Cargo Group dba National Airlines
		United Airlines	Southwest Airlines
		United Parcel Service	Tatonduk Outfitters dba Evert Air Cargo
		Western Global	USA Jet Airlines



CRAF Subscription and Capacity

As of 1 October 2018

CRAF Aircraft Subscribed by Stage			I	II	III
International	Long Range	Passenger	20	115	147
		Cargo	13	63	121
	Short Range	Passenger	-	124	124
		Cargo	-	5	5
National	Domestic	Passenger	-	19	36
		Cargo	-	1	1
TOTAL			33	327	434

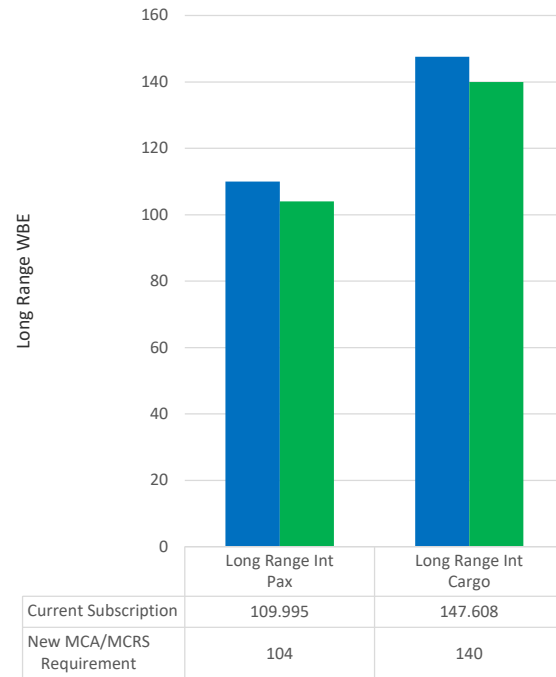
Stage III contains 110.2 MPM and 25.3 MTM of capacity



Wide Body Equivalents (WBE) by Stage			I	II	III
International	Long Range	Passenger	16.109	87.238	109.995
		Cargo	15.714	75.693	147.608
	Short Range	Passenger	-	35.050	35.050
		Cargo	-	0.727	0.727
TOTAL			31.823	198.708	293.380

WBE = 325 PAX or 78 STONS

Subscription Levels vs. Requirement





CRAF Activation

- **3 Stages of Incremental Activation**

- Stage I: Committed Expansion
 - Minor Regional Crises (33 aircraft)
- Stage II: Defense Airlift Emergency
 - Major Theater War (326 aircraft)
- Stage III: National Emergency
 - National Mobilization (437 Aircraft)



- **Stage I and II approved by SecDef; Stage III requires concurrence of SecTrans**
- **Activation can be “tailored” to fit need**
 - Can activate some or all of a particular stage
 - Carriers have 24 Hrs (Stage I) 48 Hrs (Stage II), 72 Hrs (Stage III) following Activation Order to have aircraft ready
- **ILR Min utilization: 12 hrs/day for 11 days (Stage I) or 15 days (Stages II and III)**



CRAF Program - Top Issues

- **DTR Compliance – units unprepared for deployment**
 - Units treating charters like gray tails
 - Inaccurate weights (5-6K lbs difference); baggage screening – prohibited items; inaccurate or missing manifests/info; missing/inaccurate cargo docs (RFID tags, shipping labels)
- **Increased use of sealift and commercial airlift**
 - TCJ3 message 232104ZApr18, Subj USTRANSCOM Strategic Air and Sealift Readiness
 - Users must plan for movement by following prioritized mode list:
 - Sealift, Channel Airlift, Commercial Airlift, and Organic Airlift
 - Expands airlift ALD-LAD window to 7 days
- **Tall Rigid Cargo – Impact of ISU 90s and TRICONS on MD11 and B747**
- **B777 Cargo loading system incompatibility with 463L pallets**
- **Aeromedical Evacuation requirements**



Points of Contact



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Questions?