

Monday, August 10, 2020

The Honorable Ellen M. Lord
Under Secretary of Defense for Acquisition and Sustainment
The Pentagon
Washington, DC 22202

Dear Secretary Lord:

I believe I speak for the entire country when I say thank you for the work your office is doing for our military members and families. Now more than ever they deserve the best support possible.

It is in that same vein of giving our military the best that I write to you today. I am deeply concerned by the U.S. Transportation Command's (TRANSCOM) decision to re-award the Global Household Goods Contract to the American Roll-on-Roll Off Carrier (ARC), despite troubling issues in their background. While TRANSCOM did investigate protests filed on ARC on June 9, 2020 it announced only two weeks later on June 29, 2020 that it was re-awarding the Global Household Goods Contract to them. I do not believe that two weeks is enough to complete a thorough investigation.

One of the more troubling issues with ARC concerns their listed foreign owner as the Norwegian shipping conglomerate, Wallenius Wilhelmsen Logistics (WWL). In July 2016, WWL plead guilty for its role in a plot to fix prices of international ocean shipments and in June 2017, the Department of Justice indicted three WWL executives for price fixing at U.S. ports.

In addition, ARC failed to disclose its ownership by a foreign company. While TRANSCOM considered this to be a clerical error, the failure to disclose accurate ownership and criminal history should have immediately made ARC ineligible for the award. Finally, TRANSCOM is paying \$2 billion more for ARC than other bidders, which I view as another blatant waste in taxpayer funding to the Department of Defense. Awarding this bid to a foreign owned company with a criminal history seems like an inexcusable and avoidable mistake made by TRANSCOM.

This decision should immediately be reconsidered to ensure that we are providing our military families with the best possible services available. Military families regularly have issues with their household moving systems and it is crucial that the reform and upgrades we make are not done in vain. Choosing bidders for awards that cost the U.S. billions dollars needs to be done carefully and with the highest possible standards.

I therefore request an investigation be opened to address the issues described above. In addition, the decision to re-award the Contract to ARC triggers a 30-days deadline for an explanation from TRANSCOM to the Government Accountability Office. Included in that explanation TRANSCOM will need to review the concerns and justify their actions in regards to this award.

Thank you for your immediate attention to this matter and I look forward to working with your office to prevent these types of issues in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Manchin III". The signature is fluid and cursive, with a long horizontal stroke at the end.

U.S. Senator Joe Manchin III