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COMMITTEE ON
ENERGY AND COMMERCE
SUBCOMMITTEE ON
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OVERSIGHT & INVESTIGATION

Congress of the United States
House of Representatives

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August 4, 2020

Honorable Adam Smith
Chairman, House Armed Services
Committee
2216 RHOB
Washington, DC 20515

The Honorable Mac Thornberry
Ranking Member, House Armed Services
Committee
2216 RHOB
Washington, DC 20515

Dear Chairman Smith and Ranking Member Thornberry:

Recently, the United States Transportation Command (TRANSCOM) awarded the \$20 billion Global Household Goods Contract to the American Roll-on-Roll Off Carrier (ARC). TRANSCOM's decision to accept a higher priced bid, from a subsidiary of a foreign-owned company with a questionable track record, is deeply troubling. With this in mind, I urge you to conduct an independent investigation into TRANSCOM's decision.

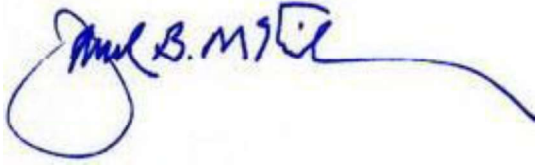
According to official documents, TRANSCOM is paying \$2 billion more for ARC than other highly qualified bidders. Following serious allegations, TRANSCOM announced on June 9th that it was pulling back the award from ARC to take corrective action. Two separate bidders submitted protests to the GAO outlining nine issues with TRANSCOM's decision, including the fact that ARC failed to disclose its ownership by a foreign company with an international criminal history. Even after this, on June 29th, TRANSCOM announced it was re-awarding the Global Household Goods Contract to ARC. Just two weeks of review is not a serious reconsideration.

When bidding, ARC listed their owner as the Norwegian shipping conglomerate, Wallenius Wilhelmsen Logistics (WWL). This is particularly concerning in light of WWL's history of criminal activity in the United States. In July 2016, WWL plead guilty for its role in a conspiracy to fix prices of international ocean shipments of roll-on, roll-off cargo to and from the Port of Baltimore and other locations in the United States. In June 2017, the Department of Justice indicated three WWL executives for participating in a long-running conspiracy to allocate certain customers and routes, rig bids, and fix prices for the sale of international ocean shipments of roll-on, roll-off cargo to and from the United States.

Failure to accurately disclose corporate ownership or criminal history on the official U.S. government websites should automatically render a bidder as ineligible for the award. Further, trusting a company with a checkered history to handle the valuables of our service men and women is irresponsible. Considering the significance of this contract to our national security, an

independent investigation is imperative. Please keep my office updated on what action the Committee plans in response. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David B. McKinley". The signature is stylized with a large loop at the beginning and a long horizontal flourish extending to the right.

David B. McKinley, P.E.
Member of Congress