

Component: USTRANSCOM
 Data Call for reply to Representative Blumenauer
 Granted Indemnification in accordance with Public Law 85-804 since 2005

Contracting Activity	Contract Number	Contractor	DUNS	Services/Supply	List of Lawsuit Filed	Amount of Dollars Paid Out
Directorate of Acquisition	HTC711-09-D-5006	ABX AIR	099867038	SERVICES	0	0
	HTC711-09-D-5005	AIR TRANSPORT INTERNATIONAL	836752030	SERVICES	0	0
	HTC711-09-D-5006	ALASKA AIRLINES AMERICAN AIRLINES	007942493	SERVICES	0	0
	HTC711-09-D-5004	ASTAR AIR CARGO	006979801	SERVICES	0	0
	HTC711-09-D-5004	ATLAS AIR INC	029861580	SERVICES	0	0
	HTC711-09-D-5005	BRENDAN AIRWAYS LLC DBA USA3000 AIRLINES	797770773	SERVICES	0	0
	HTC711-10-D-C001	CONTINENTAL AIRLINES	027909055	SERVICES	0	0
	HTC711-09-D-5005	CONTINENTAL AIRLINES	099447401	SERVICES	0	0
	HTC711-10-D-C003	MICRONESIA	778908210	SERVICES	0	0
	HTC711-09-D-5004	DELTA AIR LINES	006924872	SERVICES	0	0
	HTC711-09-D-5004	EVERGREEN INTERNATIONAL	030795413	SERVICES	0	0
	HTC711-09-D-5005	FEDERAL EXPRESS	195349030	SERVICES	0	0
	HTC711-09-D-5007	HAWAIIAN AIR	006926901	SERVICES	0	0
	HTC711-09-D-5008	JETBLUE AIRWAYS	089002799	SERVICES	0	0

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HTC711-09-D-5006	KALITTA AIR, LLC	004625435	SERVICES	0	0
	LYNDEN AIR				
HTC711-09-D-5009	CARGO	796303501	SERVICES	0	0
HTC711-09-D-5010	MIAMI AIR	783270317	SERVICES	0	0
	MIN AIRLINES LLC				
	DBA SUN				
	COUNTRY				
HTC711-09-D-5011	AIRLINES	114370096	SERVICES	0	0
	NORTH				
	AMERICAN				
HTC711-09-D-5004	AIRLINES	604089995	SERVICES	0	0
	NORTHERN AIR				
HTC711-09-D-5006	CARGO	003845526	SERVICES	0	0
	OMNI AIR				
HTC711-09-D-5005	INTERNATIONAL	174112102	SERVICES	0	0
	POLAR AIR				
	CARGO				
HTC711-09-D-5005	WORLDWIDE	796181063	SERVICES	0	0
	RYAN				
	INTERNATIONAL				
HTC711-09-D-5006	AIRLINES	362150070	SERVICES	0	0
HTC711-09-D-5006	SOUTHERN AIR	072512101	SERVICES	0	0
	UNITED AIRLINES				
HTC711-09-D-5004	UNITED AIRLINES	006933030	SERVICES	0	0
	UNITED PARCEL				
HTC711-09-D-5006	SERVICE	155953086	SERVICES	0	0
HTC711-09-D-5004	US AIRWAYS	006919229	SERVICES	0	0
	WORLD AIRWAYS				
HTC711-09-D-5006	WORLD AIRWAYS	006910202	SERVICES	0	0



UNITED STATES TRANSPORTATION COMMAND
608 SCOTT DRIVE
SCOTT AIR FORCE BASE, ILLINOIS 62225-5357

22 October 2010

MEMORANDUM FOR DEPUTY DIRECTOR
DEFENSE PROCUREMENT & ACQUISITION POLICY
CONTRACT POLICY & INTERNATIONAL CONTRACTING

FROM: TCCC

SUBJECT: Congressman Blumenauer Request for Contractor Indemnification
Information (Congressman Blumenauer Ltr, 23 Sep 10)

1. In response to Congressman Blumenauer's request for contractor indemnification information (paragraph 2 of referenced letter), the United States Transportation Command (USTRANSCOM) has 28 contracts under the International Airlift Services Contract supporting the Civil Reserve Air Fleet (CRAF) that include an indemnification clause under the authority granted in PL 85-804. The requested contractor list is provided in Attachment 1. No lawsuits have been filed, and no money has been paid out as a result of contractor actions or as a result of indemnity agreements with contractors.
2. Regarding the Congressman's question (paragraph 3 of referenced letter), USTRANSCOM does not use the type of authority referenced in the letter and codified in NDAA 2004 Public Law 108-87, Section 8091(b). Therefore, this request for information does not apply to USTRANSCOM.
3. For further assistance, please contact Ms Susan Sembenotti, Directorate of Acquisition, at (618) 220-7124 (DSN 770).

A handwritten signature in black ink, appearing to read "Duncan J. McNabb".

DUNCAN J. McNABB
General, USAF
Commander

2 Attachments:

1. USTRANSCOM Indemnified Contractor List
2. Congressman Blumenauer's Ltr, 23 Sep 10

USTRANSCOM INDEMNIFIED CONTRACTORS

The following is a list of contractors that have contracts containing indemnification clauses for unusually hazardous risks associated with flying CRAF or CRAF-like missions under PL 85-804.

CONTRACT CARRIERS

ABX AIR
Air Transport International
Alaska Airlines
American Airlines
ASTAR Air Cargo
Atlas Air Inc
Brendan Airways LLC (dba USA3000 Airlines)
Continental Airlines
Continental Micronesia
Delta Air Lines
Evergreen International
Federal Express
Hawaiian Air
JetBlue Airways
Kalitta Air, LLC
Lynden Air Cargo
Miami Air
MN Airlines (dba Sun Country Airlines)
North American Airlines
Northern Air Cargo
Omni Air International
Polar Air Cargo Worldwide
Ryan International Airlines
Southern Air
United Airlines
United Parcel Service
US Airways
World Airways

EARL BLUMENAUER
THIRD DISTRICT, OREGON

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEES:

TRADE

SELECT REVENUE MEASURES

COMMITTEE ON BUDGET



Congress of the United States
House of Representatives
Washington, DC 20515-3703
September 23, 2010

WASHINGTON OFFICE:
2267 RAYBURN BUILDING
WASHINGTON, DC 20515
(202) 225-4811
FAX: (202) 225-8941

DISTRICT OFFICE:
728 N.E. OREGON STREET
SUITE 115
PORTLAND, OR 97232
(503) 231-2300
FAX: (503) 230-8413

website: blumenauer.house.gov

The Honorable Robert M. Gates
Secretary
U.S. Department of Defense
1000 Defense Pentagon
Washington DC, 20301

Dear Secretary Gates,

Thank you for directing Army Secretary McHugh to respond to my request for information about the 2003 Restore Iraq Oil (RIO) contract awarded to Kellogg, Brown, and Root, Inc. (KBR) in the opening days of the Iraq War. I appreciate that Secretary McHugh provided the unclassified portion of the RIO contract, including Task Order 3, in his response. However, the full scope of my inquiry remains unaddressed.

I remain concerned by the apparent lack of accountability for contractors such as KBR and the lack of information to which Congress and the American people have access. The Department should consider whether KBR's record of alleged negligence in this and other cases warrants a moratorium on future contracts until the Department can be assured its contractors meet all legal and ethical standards. In the case of the Oregon National Guard, the terms of indemnification included in the RIO remain classified. These terms may leave the Army - and by extension the U.S. taxpayer - responsible for lawsuits, health costs, and court fees resulting from KBR's alleged negligence. My priority is now twofold: to restore Congressional oversight of war contracts and to ensure that the American taxpayer does not bail out any contractor for consequences resulting from its own gross negligence and misconduct.

Therefore, I respectfully request the following information be provided to my office within 14 days.

1. I request for a second time the declassification of KBR's terms of indemnification in the RIO contract, and for my office to receive this information immediately.
2. I request for a second time a list of contractors that have been granted indemnification under PL 85-804, from not only the Army but from all procuring activities as defined by 48 CFR 2.101 under the authority of the Department of Defense, including each of the military departments and services within the departments, the list of lawsuits filed as a result of contractor actions, and the amount of taxpayer money the Federal government has paid out as a result of indemnity agreements with contractors.
3. It has come to my attention that contractors may have been granted indemnification using a second type of authority, granted annually since 2003 as part of the Defense Appropriations bill, whereby "contracts entered into under the authority of this section may provide for such indemnification as the Secretary determines to be necessary." Please immediately

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provide a written justification of the need for this authority including, but not limited to, any legal opinions provided in support for this request, as well as a description of this authority's use since 2003. In addition, please provide a list of contracts and contractors that have been granted indemnification using this authority, the text of each contract's indemnification language, a list of lawsuits filed as a result of contractor actions, and the amount of taxpayer money the Federal government has paid out as a result of these agreements.

In his letter dated August 31, 2010, Secretary McHugh assured me that the Army uses indemnification provisions only in "extraordinary circumstances" and "extremely narrow situations." To ensure that Congress and the American public are able to judge this for themselves, I will introduce legislation to restore oversight to the indemnification process and clarify the instances in which contractors will not receive indemnification.

The U.S. government shoulders a heavy burden of responsibility when it indemnifies a contractor against future action. We must ensure that such indemnification does not insulate a contractor from accountability. No company that has done wrong can be allowed to hide behind the government. No government agency can be allowed to hide behind a veil of secrecy. That we are all ultimately held accountable is fundamental to our system of government and to our system of justice.

Congress must serve alongside the Department of Defense to ensure the safety of personnel, civilians, and taxpayer dollars. I hope you will stand alongside me to ensure reforms are instituted immediately.

Sincerely,



EARL BLUMENAUER
Member of Congress