Statement of

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Seapower & Expeditionary Forces Subcommittees

On the State of the Command

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INTRODUCING THE UNITED STATES TRANSPORTATION COMMAND

Mission/Organization

The United States Transportation Command (USTRANSCOM) operates the integrated, networked end-to-end distribution system that delivers to the "right place," at the "right time," for the warfighter and at the best value for our nation. As a supporting command, we execute military and commercial transportation, terminal management, aerial refueling and global patient movement throughout the Defense Transportation System (DTS) in a wide range of military and humanitarian operations. As a combatant command, we have operational warfighter requirements. As the Distribution Process Owner (DPO) we have business and logistics enterprise responsibilities.

USTRANSCOM leads a committed Total Force team of Active Duty, Guard, Reserve, Civilian, contractors and commercial partners. Our component commands – the Army's Military Surface Deployment and Distribution Command (SDDC), the Navy's Military Sealift Command (MSC) and the Air Force's Air Mobility Command (AMC) – and our enterprise partners provide the capacity to deliver logistics and distribution capability that supports the Joint Force Commanders' ability to project combat power and national power in peace and war.

Additionally, as the DPO, USTRANSCOM leads a collaborative effort within the Joint Deployment and Distribution Enterprise (JDDE) to deliver innovative and cost-efficient solutions to increase the precision, velocity, reliability and visibility of our distribution network and the overall Department of Defense (DOD) supply chain.

SUPPORTING GLOBAL OPERATIONS

In support of our warfighters across the globe our components have delivered those "right place," "right time" "best value" solutions in staggering quantities. Last year, AMC and our commercial partners moved more than 2 million passengers and 735,000 short tons (stons) of

cargo, and our aging tanker aircraft delivered 229 million gallons of fuel to U.S. and coalition aircraft. Equally impressive, MSC shipped 6.8 million square feet and SDDC moved 3 million stons of cargo worldwide. Finally, to support global DOD requirements, MSC's point-to-point tankers delivered 1.47 billion gallons of fuel. Each of our components individually possesses a tremendous capability. USTRANSCOM ties these capabilities together using intermodal solutions to maximize efficiency and best support the combatant commanders (COCOMs).

Support to USCENTCOM

USTRANSCOM continued its focus on supporting operations in the United States Central Command (USCENTCOM) Area of Responsibility (AOR). This year, establishing the Northern Distribution Network (NDN), alternative routes to Afghanistan through the Caucasus and Central Asia, has become a high priority. And we have made significant progress in partnership with the Department of State (DOS), DOD, USCENTCOM, U.S. European Command (USEUCOM), and U.S. Pacific Command (USPACOM) to establish these new routes. The NDN – along the historic Silk Road – will leverage the existing commercial distribution networks to move non-military commercial cargo using our U.S. Flag commercial carriers. The NDN also provides additional cargo throughput capabilities vital to support the increasing forces in Afghanistan.

Another top priority is working Gulf of Aden piracy issues with our commercial shipping partners. Recognizing that significant interagency and multinational actions are underway to address this growing problem, we held discussions with U.S. commercial carriers servicing DOD sealift transportation requirements to solicit their concerns. In collaboration with the Maritime Administration, USTRANSCOM served as a conduit to enable U.S. Flag carriers to develop tactics, techniques and procedures to minimize the piracy risk.

In direct support of USCENTCOM force flow, we deployed and redeployed 41 Brigade Combat Teams, 37,000 Air Expeditionary Forces, and 3 Marine Air Ground Task Forces and executed several short fuse deployments such as the 24th Marine Expeditionary Unit to Afghanistan. And to ensure warfighters in theater received the latest advances in vehicle protection, we delivered over 11,000 Mine-Resistant Ambush Protected (MRAP) vehicles and more than 8,300 improved vehicle armor kits. We also airdropped 8,000 stons of cargo in Afghanistan. This widespread use of our improved and precision airdrop capability is evidence of our promise to the COCOMs that we will take the supply chain vertically and as far forward as necessary to support them.

Support to Other Combatant Commands

The USEUCOM AOR was also very active. When Russia invaded Georgia, USTRANSCOM moved Georgian troops serving in Iraq back to defend their homeland. In less than 92 hours, AMC crews flew 14 C-17 missions, each averaging 31-minutes on the ground in Tblisi to deliver 1,700 troops – the entire Georgian First Brigade. Additional C-17 sorties delivered over 350,000 humanitarian rations as part of Operation ASSURED DELIVERY, providing hope and sustenance to the Georgian people.

As U.S. Africa Command (USAFRICOM) grows and expands its mission, USTRANSCOM will leverage our resources and expertise to support this new command.

In the U.S. Southern Command (USSOUTHCOM) AOR, we conducted detainee movement operations from Guantanamo Bay, Cuba. At the same time, our defense couriers transported attorney-client material in support of High Value Detainee litigation. Elsewhere in the region, we provided air refueling and aeromedical evacuation support for the repatriation of three U.S. hostages rescued in Colombia and moved time-sensitive cargo for humanitarian assistance and disaster relief missions in Haiti.

We supported USPACOM with force rotations and sustainment for OEF-P (Philippines), transporting more than 2,000 passengers and 2,300 stons and 63,000 square feet of cargo. In support of the National Science Foundation, Operation DEEP FREEZE set records – we airlifted over 6,400 stons of cargo and 5,400 passengers and sealifted nearly 6 million gallons of fuel and 10,500 stons of cargo into McMurdo Station, Antarctica.

Working closely with U.S. Strategic Command (USSTRATCOM), we supported the engagement of an uncontrollable satellite with operational planning and alert strategic airlift for potential recovery and consequence management. We are also actively and uniquely involved with USSTRATCOM in the cyber security challenges that are especially evident in the strategic partnerships USTRANSCOM has with industry and the logistics enterprise.

Finally, at home, we aided U.S. Northern Command (USNORTHCOM) and government agencies, such as the Federal Emergency Management Agency, during catastrophic events. During the California wildfires we deployed command and control, aerial firefighting, and evacuation elements to reduce loss of life and property. During Hurricanes Gustav and Ike, we provided defense support to civil authorities in Texas and Louisiana, including air evacuation of 5,600 civilians and 1,000 patients. Additionally, we are dedicated to providing deployment support for USNORTHCOM's Consequence Management Response Force.

Support for the Warfighter

One of our most critical missions is moving injured warfighters from the battlefield to world-class medical treatment facilities. This complex, time-sensitive process requires close collaboration with doctors, military hospitals and our aeromedical evacuation crews to move injured personnel at exactly the right time to the right place. In 2008, we transported over 7,800 patients from the USCENTCOM AOR and over 13,000 patients globally. Should a warfighter

perish in the defense of our nation, we ensure the most dignified transport from the battlefield to final destination.

Our support to the warfighter also includes improving quality of life at home. The Defense Personal Property Program improves household goods shipments by allowing personnel to evaluate transportation service providers online, obtain counseling via the web and file personal property claims directly with the provider. With over 329,000 personnel and their families and 1.5 billion pounds of household goods moving each year, USTRANSCOM has maintained a sharp focus on this program and its associated IT system, the Defense Personnel Property System (DPS). DPS successfully came online in November 2008 at 18 DOD locations, and will be available for all 136 DOD shipping offices beginning in March 2009.

Improving Global Joint Sourcing Solutions

USTRANSCOM is always searching for ways to improve performance. We recently established our Fusion Center to integrate planning and operations, which allows more effective requirements management, improves distribution pipeline visibility and fosters customer and partner relationships. Key stakeholders are now able to collaborate on decisions, resulting in synchronized, cost effective distribution solutions.

As a result of the 2005 Base Realignment and Closure (BRAC) process, USTRANSCOM began construction of our new building designed to capitalize on efficiencies by co-locating USTRANSCOM and component command experts in close proximity to one another. This design will enable USTRANSCOM, SDDC and some of the AMC and MSC staffs to work side-by-side to resolve issues and formulate solutions from an integrated, intermodal perspective. Additionally, the new facility will include the Joint Intelligence Operations Center – Transportation (JIOC-TRANS). By integrating operations and intelligence, we will further

improve mission execution by identifying and assessing threats to our intermodal operations at seaports, airfields and connecting surface networks worldwide.

A further BRAC related effort is the Acquisition Center of Excellence (ACE) which combines program management, common carrier acquisitions and contract functions under one authority. The ACE better positions USTRANSCOM to establish long-term national-level transportation contracts with decreased overhead costs, build strategic partnerships with multi-modal transportation and distribution service providers, and manage command modernization efforts for more efficient warfighter support.

Finally, USTRANSCOM created the Joint Distribution Process Analysis Center (JDPAC), an entity which consolidates analysts from USTRANSCOM, AMC and SDDC. Because of its significant analytical capabilities, we envision it becoming the DOD's center of excellence for all joint mobility deployment and distribution studies and analyses. JDPAC's first major undertakings include oversight of the congressionally-mandated study of the size and mix of the inter-theater airlift force (conducted by the Institute for Defense Analyses) and the Mobility Capabilities and Requirements Study 2016 (MCRS-16), which we co-lead with the Office of the Secretary of Defense. These studies, expected to be completed in 2009, will aid decision makers in determining the mobility requirements necessary to defend the homeland, prevail in the war on terror, conduct irregular warfare and win conventional campaigns in the 2016 timeframe.

Maintaining Air Mobility Readiness

While we await the outcome of MCRS-16 to help shape future mobility requirements, there is no doubt that some of our organic air mobility force structure requires recapitalization.

My number one recapitalization priority is replacing the fleet of 415 Eisenhower-era KC-135s with a new platform to preserve a unique asymmetric advantage for our nation. The KC-X

with multipoint refueling allowing same sortie service to Air Force, Navy, Marine and coalition aircraft will address the significant risk we are currently carrying in air capacity and address further capability risks associated with an airframe that is almost 50 years old - and will be over 80 years old by the time we recapitalize all of them. The ability to carry cargo and operate forward with defensive systems will be a game changer when the aircraft is not needed as a tanker. Further delays in replacing this aircraft will add significant risk to our ability to rapidly project combat power to support the nation and our allies. It is imperative to expedite a smart, steady reinvestment program.

Our newest tanker, the KC-10, has also served us well since entering service in 1981. We must continue to modernize the KC-10 fleet to operate in the global airspace environment and to remain viable past 2040.

Our national defense strategy requires a viable fleet of strategic airlift aircraft. The C-17 has proven itself a critical asset, offering the flexibility to fill key tactical requirements in addition to fulfilling its primary strategic airlift role.

Additionally, the C-5's outsized and oversized cargo capability is essential to meeting our global mobility requirements. Unfortunately, low departure reliability and mission capable rates continue to plague the C-5 fleet. Modernizing all the C-5s with avionics upgrades is essential to allow access to international airspace and foreign airfields. New engines and other reliability enhancements for our C-5Bs and two C-5Cs are necessary to increase aircraft availability, reduce fuel consumption and significantly improve performance throughout their projected service life. We will modernize the C-5 fleet while closely managing the costs.

The C-130 continues to be the workhorse supporting the warfighter in theater and will remain viable through acquisition of the C-130J and modernization of legacy C-130s via the

center wingbox replacement program and avionics upgrades. However, the Air Force also needs the flexibility to retire and replace aircraft at the end of their service life.

The C-27 (JCA) is an emerging intra-theater asset that will provide COCOMs and the Services an airlift capability to meet time sensitive/mission critical movement requirements. DOD will leverage the JCA for multi-use, alternating between direct support and general support to maximize utility for the warfighter.

Our mobility aircraft routinely operate in threat areas across the spectrum of conflict from humanitarian relief to combat resupply. To operate safely in these environments, AMC continues to equip aircraft with the Large Aircraft Infrared Countermeasures system and will soon begin developing other defensive systems to avoid radar-guided threats.

Operational Support Airlift (OSA) and Distinguished Visitor (DV) transportation are other key components of the global mobility force. Our senior leaders require time-critical, reliable airlift to carry out their global missions, and require communications capability equal to what they enjoy at their homestations. Therefore, in partnership with the Joint Staff and the Services, we are implementing an airlift information management system called the Joint Air Logistics Information System – Next Generation (JALIS-NG). JALIS-NG will improve visibility of high-priority OSA missions and DV passengers, thereby more efficiently employing the OSA fleet. Additionally, we are modernizing the executive aircraft fleet with the Senior Leader Command, Control, and Communications System – Airborne (SLC3S-A) package to significantly improve senior leader airborne communications.

The Civil Reserve Air Fleet (CRAF) is a critical partner in our ability to rapidly project and sustain forces. We appreciate the authorities granted in the FY09 National Defense Authorization Act allowing the Department to guarantee minimum levels of business to CRAF carriers. These authorities will help strengthen the CRAF program as business in the Defense

Transportation System (DTS) eventually returns to pre-9/11 levels. We will fulfill our Congressionally-mandated responsibilities to improve predictability of DOD charter requirements, strengthen CRAF participation and entice carriers to use newer, more fuel efficient aircraft as prerequisites to exercising these authorities.

Maintaining Sealift Readiness

Like airlift, flexible, cost effective commercial ocean transportation is vital to our national interests and is a critical component of the DTS. DOD's "Commercial First" policy helps ensure the U.S.-flagged maritime industry and pool of U.S.-citizen mariners are available in time of national emergency.

DOD is among the largest single shippers of ocean cargo worldwide, and in the past year alone spent nearly $1 billion on commercial transportation. We acquire worldwide intermodal transportation services in support of DOD and government agency requirements through the Universal Service Contract (USC). USC leverages commercial service on established trade routes and capitalizes upon existing commercial investment in global infrastructure.

USTRANSCOM also partners with the U.S. Commercial Sealift Industry through programs like the Maritime Security Program (MSP), Voluntary Intermodal Sealift Agreement (VISA) and Voluntary Tanker Agreement (VTA) to gain critical access to U.S. commercial capabilities to support DOD's force projection requirements in times of war or crisis. We are working closely with the Maritime Administration to help revitalize the VTA, and we support the Navy's program to replace four T-5 tankers with two newly built commercial charters in 2010.

MSC and the Maritime Administration are also improving the efficiency of surge sealift asset management for our organic fleet. This year we made significant improvements to our strategic sealift readiness posture by relocating three Large Medium Speed Roll-on/Roll-off

vessels and two Fast Sealift Ships to the West Coast. Our analysis indicated this move would improve our strategic sealift response capabilities in the USPACOM AOR, mitigate shortfalls in the Army's afloat prepositioning program and optimize sealift flexibility. MSC and the Maritime Administration are also identifying and capturing best practices for the activation, maintenance and operations of surge sealift ships to more efficiently manage the fleet and ensure the readiness of surge assets.

Finally, I urge the Congress to continue support for the National Defense Sealift Fund (NDSF) and MSP – both are critical to improving our sealift capacity for our warfighters. This past year, both the Maritime Administration and MSC utilized NDSF resources to improve the capability of roll-on/roll-off vessels in the Ready Reserve Force and the VISA program. Newly upgraded ramps installed on two of these ships increase ramp capacity, enabling loading of heavier vehicles and providing flexibility to load or discharge cargo without regard to pier configuration.

Maintaining Surface Readiness

Preserving and expanding infrastructure is the cornerstone of our ability to project national power. USTRANSCOM uses the Global En Route Infrastructure Steering Committee (GERISC) in combination with regional steering committees to identify worldwide priority construction projects. This year the committees recommended taxiway and ramp improvements in Colombia, a new passenger terminal at Bagram Air Base in Afghanistan and a fuel facility in Oman to improve global mobility capacity and throughput as priority infrastructure projects.

The security of our forces and transportation infrastructure is essential to accomplishing our global mission. Our Critical Infrastructure Program (CIP) fosters information sharing with the DOD and with the Department of Transportation, U.S. Coast Guard, and the Transportation

Security Administration. The CIP helps identify worldwide physical and cyber infrastructures critical to USTRANSCOM's global mobility mission and mitigates inherent vulnerabilities.

In addition to preserving and expanding global access, we continue to look for ways to optimize our CONUS infrastructure. SDDC recently completed and is implementing findings from Port Look 2008. This study recommended retaining all nineteen currently designated strategic seaports; designating Charleston Naval Weapons Station and the commercial Port of Charleston as two separate, distinct strategic seaports; planning for future increased capacity requirements on the Gulf Coast and in Alaska; and institutionalizing future Port Look studies on a recurring basis, synchronized with release of the Quadrennial Defense Review.

Finally, we continue active participation in the capabilities-based assessment of Sea Based operations for the 2015 – 2025 timeframe. The success of Sea Basing depends on advances in at-sea cargo handling, ship-to-ship cargo transfers with mitigation of motion effects through sea state four and interface with high-speed connectors. The Joint High Speed Vessel offers a promising capability to bridge the gap between high-speed airlift and low-speed sealift, for transport of forces, equipment and sustainment cargo as part of Sea Based operations.

LEADING THE JDDE TRANSFORMATION

Improvements in DOD Supply Chain Management

USTRANSCOM and our JDDE partners are working together to drive tangible improvements in the DOD supply chain. By improving the precision, velocity, reliability and visibility of distribution operations, we gain the ability to synchronize and prioritize the flow of forces and sustainment to support the warfighter across the full range of military operations.

The supply chain needs to move people, equipment and supplies to the right place, at the right time using the most efficient and effective combination of modes. Our DPO Strategic Opportunities initiative is designed to improve precision by examining and aligning key strategic

leverage points. Specifically, we are working to strike the optimum balance between inventory stocks and transportation; align supply, transportation and distribution processes; and optimize strategic surface and airlift networks.

For example, given the volatility of fuel and transportation costs, we are analyzing ways to minimize overall supply chain costs by positioning high-demand, low-dollar inventories forward to reduce transportation requirements. We are also examining the impact of consolidating cargo traditionally carried in 20-foot containers into 40-foot containers to gain efficiencies in surface transportation while maintaining "delivery location pure" pallets and containers where the demand supports high volume routes. Finally, we are studying ways to optimize air transportation by increasing pallet utilization, obtaining "best-value capacity" for the shipping volume, and achieving maximum use of organic and commercially contracted airframes. Collectively, these and other opportunities have the potential to improve distribution performance by 25 to 45 percent while reducing overall enterprise-level distribution costs.

USTRANSCOM will focus on velocity to rapidly move America's military might. We are improving velocity by eliminating bottlenecks and chokepoints identified across 200 Integrated Distribution Lanes (IDLs) where we move people and cargo. Each IDL represents a route along which assets travel and is broken down into supply, transportation and theater segments. Each segment has associated performance standards which represent the Combatant Commander's desired expectations. We improve velocity by optimizing mode and routing selection, and monitoring performance against the standards for each IDL. As an example, we have reduced transit times by as much as 35 days for sustainment cargo shipped from the U.S. to Afghanistan.

USTRANSCOM is also focused on improving reliability – delivering what is needed, when and where it is needed, the first time and every time. Perhaps the best example of a system

reliability improvement has been the Defense Transportation Coordination Initiative (DTCI). Over the past year, DTCI has changed CONUS freight movement from disparate, locally-managed processes to a more integrated, enterprise level program, bringing proven best commercial practices to DOD transportation. In partnership with the Defense Logistics Agency (DLA) and the Services, we have contracted with a commercial transportation services coordinator to manage the movement of eligible DOD CONUS freight. Under DTCI, DOD shippers specify destination and deadline - the contractor optimizes the shipments through load consolidation; maximizes the use of cost effective, intermodal solutions; and leverages lower commercial market rates. To date, the program's performance goals for on-time pickup and delivery, minimal damage, claims processing, small business participation, and cost savings/avoidance are all on track. Gross cost savings is approaching $10 million (greater than 20 percent savings), and DTCI has increased visibility of CONUS freight.

Replicating DTCI's visibility successes is particularly important. USTRANSCOM designated 2008 as its "Year of Visibility" to strive for exquisite visibility - knowing what is in the pipeline, where it is and how fast it is moving.

A great example of this need occurred in Pakistan. The Pakistan Ground Lines of Communication (PAKGLOC) were plagued by pilferage of unit movement cargo. In response, we leveraged commercial technologies to mount cellular and satellite tracking mechanisms on trucks and inserted lift and intrusion detection sensor technology on containers transiting the PAKGLOC. The resultant real time knowledge of cargo location, speed and container breaches enhanced security and significantly reduced pilferage.

To ensure continued visibility improvements, as DOD's lead proponent for Radio Frequency Identification (RFID) and related Automated Identification Technology (AIT), we have developed an AIT implementation plan with the Services, DLA and other agencies to fully

incorporate AIT into our business processes. Although active RFID continues to be the backbone of our efforts, we are also using satellite technology in austere environments and are continuing to expand use of emerging passive RFID technologies as a result of lessons learned in the Alaska RFID Implementation project.

Improved visibility across the DOD supply chain is dependent on transforming the enterprise information technology portfolio. Historically, logistics IT systems have been managed and acquired as Service-specific stand-alone systems. We have begun the process to replace large, expensive point-to-point monolithic systems and interfaces with streamlined, web-enabled enterprise level services. Our goal is to deliver core DPO enterprise services to standardize common distribution processes and information exchanges while allowing the Services the flexibility to be unique where they need to be.

One example of this transformation is the Integrated Data Environment (IDE)/Global Transportation Network (GTN) Convergence program, an innovative IT program combining DLA's IDE information broker and USTRANSCOM's Enterprise Data Warehouse capabilities. This convergence will allow one-stop access to enterprise level supply, transportation and logistics systems and data, eliminating redundancies. Although in its infancy, the program will serve as an IT backbone to provide data visibility and support the needs of the future force.

One of the most important initiatives over the coming decade is Agile Transportation for the 21st Century (AT21). AT21 is an effort to incorporate distribution industry best practices and processes using commercial-off-the shelf tools and then transition workflow management, optimization and scheduling solutions. This transition will improve transportation planning, improve forecast accuracy and increase on-time delivery of forces and supplies to Combatant Commanders at a lower cost to the Services. When fully operational, AT21 will provide the

warfighter full distribution pipeline visibility and enable throughput management at critical ports and waypoints around the world.

Looking Ahead

We are continuously exploring new ways to support the future force. Through our Deployment and Distribution Enterprise Technology research and development program, we leverage emerging technologies to fix distribution and sustainment issues. For example, using the Joint Precision Airdrop System Mission Planner we have delivered over 3,300 stons of sustainment cargo to Operations IRAQI FREEDOM and ENDURING FREEDOM over the past year, significantly reducing ground recovery operations and dangerous convoy operations. Additionally, the Node Management and Deployable Depot (NoMaDD), an Advanced Concept Technology Demonstration, which provided material distribution and inventory support during Hurricane Ike, processed nearly 4,000 trucks of meals, water, ice, and plastic sheeting.

Last year, eight USTRANSCOM-funded projects transitioned to DOD organizations. Building on this success, we will transition an Enroute Care Module that will enhance patient care from the battlefield to definitive care; work to improve shipboard handling systems to more safely move cargo, vehicles and containers in high sea states; pursue joint integrated solutions for mesh-network, tags and tracking technologies to ensure end-to-end asset visibility; and develop a collaborative Single Load Planning Capability. These representative samples will greatly improve the precision, velocity, reliability, and visibility of the DOD supply chain.

Fiscal Stewardship

USTRANSCOM is ever mindful of costs and constantly seeking cost efficiencies. Since 2003, we and our enterprise partners have avoided over $2 billion in costs through the aforementioned DPO improvements, forward stocking initiatives, incorporating challenge

protocols to validate high-cost transportation requests and negotiating least-cost transportation solutions.

Additionally, as the DOD's largest consumer of hydrocarbons, we continue to pursue alternative fuels. AMC performed operational tests and demonstrated the potential suitability of synthetic fuel blends in the C-17, C-5 and KC-135 aircraft – next we will test synthetic fuels in the C-130. These are early steps in a long term effort to significantly reduce reliance on petroleum products.

FINAL THOUGHTS

USTRANSCOM is entrusted with an awesome responsibility to support, mature, and transform the Joint Deployment and Distribution Enterprise (JDDE). We provide what our warfighters and operators need to execute their mission – when they need it, where they need it, at the best value for the nation. From Tblisi, Georgia, to Galveston, Texas, our end-to-end distribution and logistics capability allows us to deliver the message of our nation's strength. Going forward, USTRANSCOM and its components will continue providing extraordinary capabilities for projecting national will across a wide range of military and humanitarian operations. We are strategically aligned to unify JDDE efforts for delivering value and saving money. I am extremely proud of this championship team. The men and women of the United States Transportation Command together with our enterprise partners will continue to enhance logistics capabilities, focus resources, and deliver superior support to warfighters and our nation.