

Statement of
General Duncan J. McNabb, USAF
Commander, United States Transportation Command



Before the House Armed Services Committee

On the State of the Command

April 5, 2011

INTRODUCING THE UNITED STATES TRANSPORTATION COMMAND

Mission/Organization

The United States Transportation Command (USTRANSCOM) is a Total Force team of Active Duty, Guard, Reserve, civilian, commercial partners and contractors who lead a world class Joint Deployment and Distribution Enterprise (JDDE). Through our component commands, the Army's Military Surface Deployment and Distribution Command (SDDC), the Navy's Military Sealift Command (MSC), the Air Force's Air Mobility Command (AMC) and our commercial partners, we execute military and commercial transportation, distribution process integration, terminal management, aerial refueling and global patient movement across the full range of military and humanitarian operations. We operate effectively and efficiently to deploy and sustain the warfighter...and 2010 was a banner year. Together with our Service, Combatant Command, Interagency and Coalition partners, the USTRANSCOM team responded superbly to the President's direction to increase forces by 30,000 in Afghanistan, to drawdown forces to 50,000 in Iraq and to an unprecedented series of world events and natural disasters. Whether delivering combat power to Afghanistan through logistics or humanitarian relief to the people of Pakistan, Haiti and Japan, our team kept our promises and delivered on time, on target and at best value to the taxpayer.

Our People

When faced with immediate and long-term world events, the men and women of our superb TRANSCOM team overcome colossal obstacles to support our Nation's objectives with world-class logistics. In the history of the command, we've never had a better group of experienced, dutiful and enthusiastic individuals to fulfill the promises we make to the Combatant Commanders and warfighters. As challenges arise, this team ignites their talent, insight, flexibility, and ingenuity to swiftly design a way to deliver, whenever, wherever. Simply

put, the spirit and work of the people who make up the Total Force TRANSCOM team has put the command on the world stage as the best of the best for delivering global logistics superiority.

SUPPORTING GLOBAL OPERATIONS

Over the past year, USTRANSCOM components moved near-record quantities of cargo and supplies and tens of thousands of service personnel to all parts of the globe. AMC and our Civil Reserve Air Fleet (CRAF) commercial partners airlifted more than 2 million passengers and 848,000 tons of cargo, while AMC's aging air refueling fleet delivered 202 million gallons of fuel to U.S. and coalition aircraft. Equally impressive, MSC, SDDC and our commercial sealift partners moved over 3.8 million tons of cargo worldwide. Finally, MSC's tankers delivered 1.5 billion gallons of fuel to support operations around the world.

Support to USCENTCOM

USTRANSCOM continued its focus on supporting operations in the United States Central Command (USCENTCOM) Area of Responsibility (AOR). In 2010, we deployed and redeployed 48 Brigade Combat Teams, 75,000 Air Expeditionary Forces, 12 Security Force packages, and moved Marine Expeditionary, Stryker and Combat Aviation Brigades. The centerpiece of our efforts this year was the team's successful and on-time deployment of the 30,000 surge force into Afghanistan and drawdown from 130,000 to 50,000 service members in Iraq – both completed on our target date of 31 August 2010.

In Iraq, and in close coordination with USCENTCOM, we began the drawdown in earnest in May 2010 and redeployed 9,000 service members per week. We were able to achieve this remarkable volume of passenger movement by leveraging an additional strategic redeployment hub in Al Asad, Iraq. The addition of Al Asad to our existing hub in Kuwait, and the great flexibility and responsiveness of our CRAF partners, allowed us to nearly double our capacity to move military passengers and meet the President's 31 August 2010 deadline.

In Afghanistan, the lack of developed and robust infrastructure required close collaboration with other Combatant Commanders, the Joint Staff and our inter-agency partners to further expand capacity of our existing ground lines of supply in both Pakistan and the Northern Distribution Network, to increase through-put at airfields and to add further seaport and airfield capacity. The team was successful in our capacity-building efforts. In eight months, USTRANSCOM's components and our commercial partners delivered 30,000 troops and 60,000 tons of equipment and supplies to Afghanistan by 31 August 2010, again meeting the President's direction to increase the force by the end of August.

At the height of the drawdown in Iraq and surge in Afghanistan, an almost monthly occurrence of world events and natural disasters took place. Each of these events carried significant transportation and logistics implications, which challenged the USTRANSCOM team and our partners to both meet emerging requirements and stay on time in Iraq and Afghanistan. This demonstrated USTRANSCOM's flexibility to use its Total Force and U.S Flagged carriers to surge capacity to meet worldwide requirements.

In January of 2010, a 7.0 magnitude earthquake struck Haiti and required an immediate response by all three TRANSCOM components and our commercial sealift partners in support of USSOUTHCOM and USAID. The team reacted magnificently providing aid and relief supplies within hours and days of the devastation. In February, a coup in Kyrgyzstan disrupted operations at our primary Operation ENDURING FREEDOM personnel transit hub at Manas Transit Center in the Kyrgyz capital of Bishkek. This required us to quickly reroute thousands of military passengers to Kuwait. Once again the system responded immediately, and deployment operations to Afghanistan continued without delay. Almost immediately after the return to normal operations in Kyrgyzstan, we were challenged in March by the month-long volcanic eruptions in Iceland which dramatically affected most, and sometimes all, of European airspace.

Again, TRANSCOM and our partners responded immediately and rerouted cargo, passenger and aeromedical evacuation missions around the affected airspace and vital cargo and passenger missions arrived with little or no delay. Finally, and as the drawdown in Iraq and the surge in Afghanistan were coming to a close, Pakistan experienced unprecedented devastation due to heavy rains which flooded over one fifth of the country and displaced 20 million people.

USTRANSCOM, in coordination with USCENTCOM, responded by delivering 400,000 meals within 72 hours to those in greatest need. We also mobilized contingency response elements and delivered helicopters and boats to distribute over 8,500 tons of aid to remote provinces.

Improving throughput and expanding capacity in our surface networks which supply Afghanistan has again been a centerpiece of our efforts in 2010. The Northern Distribution Network (NDN) remains a priority for USTRANSCOM, and we have delivered over 30,000 containers via this network. In 2010, we added two additional routes through the Baltics and Central Asia and continue to improve the processes, facilitating a faster, less costly cargo flow.

In addition to the NDN improvements, we added capacity in intermodal Persian Gulf locations. Realizing we needed more capacity to support the surge of forces into Afghanistan and the movement of thousands of Mine Resistant Ambush Protected Vehicles (MRAP), the team worked closely with CENTCOM and the Department of State to secure access to additional airfields and seaports in the Persian Gulf. Using a concept called multi-modal operations, we moved large volumes of cargo and thousands of vehicles by sea to locations in closer proximity to the CENTCOM area of operations, by truck from the seaports to the nearby airfields and then by air to Afghanistan. This concept was used with great success throughout 2010 as we moved almost 7,000 MRAP and MRAP all-terrain vehicles to Afghanistan. Utilizing the combination of air, land and sea modes of transportation resulted in increased velocity, better utilization of aircraft and ultimately reduced costs by almost \$400M in 2010.

The mountainous terrain and poor infrastructure in Afghanistan also required an increased reliance on aerial delivery, and 2010 was a record year with over 60 million pounds of cargo delivered by airdrop -- almost double the amount in 2009. The mobility air force continues to add new capabilities such as Low-cost, Low-altitude (LCLA) Delivery and Low-cost Aerial Delivery System (LCADS). USTRANSCOM is also exploring a high-speed container delivery system capability for the C-130J and C-17. This capability will improve both the survivability of the aircraft and accuracy of aerial delivery.

Finally, threats to our operations in USCENTCOM are not isolated to Afghanistan. Somali-based pirates continue to hazard our commercial sealift partners. USTRANSCOM and Military Sealift Command continue to actively engage with the Maritime Administration, the Coast Guard, the Navy and our industry partners to further reduce the vulnerability of the U.S. Flag commercial fleet. One tactic which has been extremely successful is the mindful use of contracted armed security teams aboard U.S. flag commercial vessels.

Support to Other Combatant Commands

The United States Southern Command (USSOUTHCOM) was a very active AOR. As previously mentioned, Operation UNIFIED RESPONSE provided relief to Haiti after a massive earthquake on January 12, 2010, and USTRANSCOM was a key partner in that effort. Within two days of the earthquake, USTRANSCOM deployed its Joint Task Force – Port Opening (JTF-PO) units to re-establish airfield and seaport operations after the earthquake had largely destroyed Haiti's existing infrastructure. This rapid response allowed USTRANSCOM and our commercial partners to deliver over 400,000 tons of lifesaving cargo, more than 2.5 million meals, and over 5 million liters of water to Haitians in need. Further, USTRANSCOM aeromedical evacuation teams safely moved 361 critically injured earthquake victims.

Support for the NATO security presence in Kosovo continued in the United States European Command (USEUCOM) AOR. USTRANSCOM moved over 2,500 service members into the Balkans in support of that mission, and provided strategic airlift support to five major USEUCOM and NATO exercises.

Our support to United States Africa Command (USAFRICOM) continued to increase this year. We moved 1,476 service members and more than 16,000 tons of cargo for Exercise AFRICAN LION, USAFRICOM's largest combined exercise.

This past year, we began a close partnership with the newly constituted United States Cyber Command to improve information operations security and to counter cyber threats to our networks. Winning the cyber fight is critical to safeguarding the systems and information which enable our global logistics network to operate. USTRANSCOM not only moves cargo and people, we move information as well. Our vigilance will only increase as we work with our partners to defend our networks and information in this new battlespace.

In the United States Northern Command (USNORTHCOM) AOR, USTRANSCOM deployed three Modular Aerial Spray System-equipped C-130 aircraft and over 60 personnel to begin immediate oil dispersant operations over the Deepwater Horizon oil spill in the Gulf of Mexico. Throughout the 33-day deployment, the team flew 92 sorties and released more than 156,000 gallons of oil dispersant over the spill. Additionally, USTRANSCOM airlifted over 259 tons of booms, skimmer boats and other oil spill containment equipment to support the clean-up.

USTRANSCOM also supported a series of USNORTHCOM exercises which provided realistic homeland defense and Defense Support to Civil Authorities training for joint and interagency partners throughout the federal government.

The United States Pacific Command (USPACOM) AOR is the largest and most diverse in the world, and USTRANSCOM supported operations from Alaska to Antarctica and around

the Pacific Rim and the Indian Ocean. In support of the National Science Foundation's Operation DEEP FREEZE (ODF), USTRANSCOM delivered more than 3,250 passengers, 10,000 tons of cargo, and 5.1 million gallons of fuel into McMurdo Station, Antarctica. In the Pacific Rim, USTRANSCOM provided humanitarian assistance and disaster response in the wake of Typhoon Fanapi in the Philippines and the Mount Merapi volcanic eruptions in Indonesia. Additionally, USTRANSCOM transported more than 687 passengers and 13,300 tons of cargo for Operation ENDURING FREEDOM—Philippines.

Support to the Warfighter

Global patient movement remains one of USTRANSCOM's most demanding missions as it requires 100 percent accuracy. Thanks, in large part, to rapid global patient movement, the wounded warrior survival rate has increased from 75 percent a decade ago to over 92 percent today. The survival rate increases to 98 percent if a wounded warrior makes it to a hospital alive. In 2010, USTRANSCOM completed more than 26,600 patient movements, all without incident. Additionally, USTRANSCOM rapidly deployed patient movement expertise all over the globe. Within 48 hours of the earthquake in Haiti, USTRANSCOM patient movement personnel were on-scene coordinating the movement of critically injured patients. When the Icelandic volcano erupted, USTRANSCOM rapidly altered aeromedical evacuation flight routing through the Mediterranean to ensure uninterrupted return of our wounded warriors from Southwest Asia.

USTRANSCOM support to the warfighter is not reserved solely for the battlefield. We recognize the need to care for families, including the effective and efficient movement of household goods. To that end, USTRANSCOM continued to field the Defense Personal Property System (DPS). DPS is a next generation, web-based system for management of personal property shipments and is helping to provide the best-value move for DOD families.

DPS executed more than 338,000 shipments in FY10 and will soon be used for nearly all shipments of household goods for DOD military and civilian personnel and their families.

Leading the Joint Deployment and Distribution Enterprise

The ability of the U.S. to project and sustain our forces over global distances is one of our nation's greatest asymmetric advantages. Our success depends on our ability to synchronize deployment distribution planning and execution across DOD, the regional Combatant Commands, the Services and our coalition and interagency partners. To that end, upon the President's approval, USTRANSCOM is poised to assume an additional Unified Command Plan (UCP) mission as the "Global Distribution Synchronizer." In collaboration with our partners, this new mission will enable us to shape the distribution environment and gain greater access to distribution lanes that cross multiple theaters to project and sustain forces globally. Collectively, we will "knit the seams" between multiple Combatant Command theater distribution campaign plans and create a more robust and adaptive distribution network that reduces operational risk.

Enhancing DOD Supply Chain Management

USTRANSCOM is leading the transformation of the DOD supply chain through a series of Distribution Process Owner Strategic Opportunities (DSO) initiatives. These include five major opportunities to enhance readiness, improve velocity and reduce DOD supply chain cost.

Strategic Surface and Air Optimization lower the cost of shipments by consolidating surface cargo into single containers, as well as modifying pallet build rules and using "less-than-planeload" commercial freight services for air cargo. Through Strategic Network Optimization and Supply Alignment, USTRANSCOM optimizes the number, location and function of supply chain nodes to increase distribution effectiveness by positioning selected materiel in forward locations to reduce reliance on high-cost air transportation. Finally, through process

improvement, USTRANSCOM increases velocity across the enterprise by identifying and removing “dead time” throughout the supply chain process.

These initiatives are generating benefits to the warfighter by delivering higher levels of service at lower costs. To date, the DSO initiatives have generated savings of \$80 million and an improvement in delivery time of up to 34 percent.

Global distribution efficiency begins with the best value movement of DOD freight in the Continental United States (CONUS). This is the purpose of the Defense Transportation Coordination Initiative (DTCI). Using commercial best practices, DTCI improves the reliability, predictability, and efficiency of DOD materiel moving in the CONUS. Thus far, DTCI has saved \$182 million and meets or exceeds goals for on-time pickup, reduced damage claims and small business participation.

Business process reengineering and Corporate Services Vision are at the heart of USTRANSCOM’s transformation efforts. Agile Transportation for the 21st Century (AT21) is one such effort which uses industry best practices and government and commercial off-the-shelf optimization and scheduling tools to deliver best value, end-to-end distribution and deployment solutions. Business process reengineering improves transportation planning, forecast accuracy and on-time delivery of forces and sustainment to Combatant Commanders at a lower cost to the Services. Equally important, our Corporate Services Vision aligns information technology systems with these reengineered business processes with a one-stop information technology shop. We expect our AT21 to deliver a significant return on investment. We are also investigating industry-leading collaborative technologies, computer gaming, and social networking innovations to provide additional capability.

In cooperation with the Defense Logistics Agency (DLA), USTRANSCOM is improving visibility across the supply chain through the Integrated Data Environment/Global Transportation

Network Convergence (IGC) initiative. The purpose of IGC is to collect supply, transportation and deployment data from disparate systems and allow access to that data from anywhere in the world. This capability provides warfighters access to real time, actionable logistics information and allows them to make informed decisions.

As DOD's lead proponent for radio frequency identification (RFID) and related automatic identification technology (AIT), our focus is on implementing the proper technologies to enhance supply chain business processes. While active RFID remains the primary AIT enabling in-transit visibility, this year we used satellite technology in high-threat areas where it is necessary to have near real-time location of critical assets while in transit. Additionally, we are exploring the use of sensor technology to enhance security of high-value cargo. Container intrusion sensors also provide a force protection layer, alerting the warfighter to take extra safety precautions due to a container breach. Finally, passive RFID will enable supply chain process improvements such as increased inventory accuracy and decreased time to receive, store and issue material.

Realigning the Organization and Personnel

Another notable achievement in 2010 was the completion of the Base Realignment and Closure (BRAC) relocation of SDDC to Scott Air Force Base. The cornerstone of the project was the \$130 million BRAC-funded MILCON facility, which was operational well ahead of schedule. Coincident to the co-location of SDDC with AMC and USTRANSCOM, we reengineered business processes and consolidated functions to achieve operational and fiscal efficiencies. Operational benefits include fused operations and intelligence centers, a joint billing center and consolidated acquisition and analysis centers of excellence. The results have been impressive -- 470 fewer billets, a 20 percent reduction in contracts, elimination of two leased buildings, and a projected cost saving of \$1.2 billion over 20 years.

USTRANSCOM continues to emphasize professional development of our human capital. Our focus is to develop joint logisticians who can perform core functions inherent in the command's Distribution Process Owner (DPO) responsibilities. Innovative logistics solutions, like the NDN, require new ways of thinking about supply chains, developing sustainable infrastructure, running distribution networks in remote geographies, and building enduring international relationships. To develop that intellectual capital and critical thinking ability in our people, we added industry-leading courses from the University of Wisconsin, Pennsylvania State University, Carnegie Mellon University, Stanford University, University of Tennessee and Massachusetts Institute of Technology to our professional development curriculum.

Maintaining Air Mobility Readiness

Rapid global mobility is a key enabler to the effectiveness of the joint force. The ability to mobilize forces and materiel within hours, rather than days or weeks, depends on versatile, ready and effective air mobility forces.

In order to maintain our decisive global mobility advantage, we must have a viable tanker fleet. Therefore, the re-capitalization of the tanker fleet remains my top acquisition priority. The KC-46A will fulfill its primary refueling role and also have the flexibility to contribute to an array of mobility missions. It will dramatically improve our ability to do the air refueling mission and allow us to make the whole air mobility system much more efficient.

Likewise, our national defense strategy requires a viable fleet of about 300 strategic airlift aircraft. The C-17 Globemaster III will continue to be our premier airlifter, and our modernized C-5s are achieving their expected levels of mission readiness. However, in order to achieve the correct mix of C-17 and C-5 aircraft, and take full advantage of our critical aircrews and maintainers, the Air Force should be given the authority to retire the oldest, least capable C-5s.

C-17s will continue to meet USTRANSCOM's future requirements through currently funded purchases, upgrade programs, and fleet rotation. New C-17s arrive with improvements which increase the reliability of the weapon system. Older aircraft enter into the Global Reach Improvement Program to increase sustainability and reliability. Aircraft located in corrosive and training environments are monitored and analyzed for stress and rotated to maintain structural integrity of the fleet. Furthermore, two additional reserve component units will take on the C-17 mission as they retire their C-5s.

The C-5 is critical to our oversized and outsized air cargo capability. C-5 fleet management has two main focus areas: C-5 reliability and C-5A retirements. The Reliability Enhancement and Re-Engining Program (RERP) will increase the mission capable rate (MCR) of the C-5 fleet. All C-5B and C models and one C-5A model aircraft will undergo RERP resulting in a total of 52 C-5Ms in the inventory. Additionally, the new maintenance processes changed our focus from "fly to fail" on major components to preventative replacement. This has reduced the number of C-5s stranded off-station awaiting parts and will result in a seven percent increase in MCR. Finally, C-5A retirements will improve aircraft availability by removing maintenance intensive jets from the fleet and will allow us to focus our maintenance personnel and resources on the right sized fleet.

The intra-theater workhorse supporting the warfighter is the C-130. The Mobility Capabilities and Requirements Study-2016 (MCRS-16) determined that 335 C-130s are required to perform general support intra-theater airlift missions. Follow-on analysis of the direct support mission determined that 20 additional C-130s and the 38 C-27Js already in the program can perform the direct support mission. Air Mobility Command's assessment is that a total of 355 C-130s and 38 C-27Js, in both general and direct support roles, will support the warfighter.

Finally, I support the Air Force's plan to acquire up to 134 C-130Js, modernizing 221 legacy C-130s with the Avionics Modernization Program (AMP), and fielding 38 C-27Js.

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, I strongly support continued defensive systems upgrades. These upgrades include equipping aircraft with the Large Aircraft Infrared Countermeasures system and beginning development of the Advanced Situational Awareness and Countermeasures capability for operations in low-medium threat environments.

Operational Support Airlift (OSA) is another key component of our mobility force. Our senior leaders require immediate airlift to carry out military and other missions in a fluid strategic environment. It is important that we not only right-size and modernize the OSA fleet, but we need to develop a management system with a common multi-Service database and operational picture. The goal is to achieve real-time visibility of worldwide senior leader and OSA movements to enable USTRANSCOM and Geographic Combatant Commanders to exercise command and control of the OSA fleet within their area of responsibility.

Just as command and control of OSA assets is critical, the leaders aboard the aircraft must be able to communicate while they travel. This requires secure, reliable communications for U.S. national leaders anywhere on the globe. USTRANSCOM continues to work with other DOD and U.S. Government stakeholders through the National Leadership Command Capability Executive Management Board to provide the proper level of Senior Leadership Command, Control and Communications – Airborne (SLC3S-A). The Senior Leader In-transit Conference Capsule (SLICC) is a transportable "office in the sky" that provides a secure, interconnected meeting place for Senior Leaders traveling aboard C-17, KC-10 and C-130 aircraft. Designed with flexibility and affordability in mind, the SLICC promises to reduce operating costs by

enabling Combatant Commanders to support DV missions using available theater assets and regularly scheduled airlift routes.

The Civil Reserve Air Fleet (CRAF) is a critical component in our ability to rapidly deploy forces and equipment. In this past year, through discussions with our commercial industry partners, we made the most sweeping changes to the CRAF program in 15 years. These changes will result in a stronger, more viable program and address Congressional mandates to improve predictability of DOD commercial requirements and incentivize carriers to use modern aircraft. Perhaps the most profound change is the implementation of a “flyer bonus” which, for the first time in the history of the CRAF, rewards peacetime mission participation in addition to the traditional reward for wartime commitment. Our plan for FY12 is to amend the flyer bonus to provide increased reward to those carriers who fly peacetime CRAF missions with modernized aircraft.

To ensure the CRAF partnership remains strong, USTRANSCOM created the Executive Working Group (EWG), modeled after a similar venue with our sealift partners. The CRAF EWG brings together USTRANSCOM and AMC leaders with Chief Executive Officers, Presidents, and other representatives of the commercial airline industry to discuss issues with the CRAF program. Since its first meeting in March 2010, this group has met six times and proved instrumental in crafting the changes to the FY11 contract. The CRAF EWG will continue to meet on a regular basis to discuss additional changes to this vital program.

Maintaining Sealift Readiness

Sealift is the primary means for delivering ground forces and sustainment during major combat operations, and has been responsible for delivering over 90 percent of all cargo to Afghanistan and Iraq. Because of the superb volunteer participation of commercial U.S.-Flagged vessels in the Maritime Security Program (MSP), we did not have to activate a single ship in the

Surge Fleet or the Ready Reserve Force (RRF) to meet the President's aggressive timeline for the surge and drawdown of forces in Afghanistan and Iraq—a remarkable achievement.

The large, medium speed, roll-on, roll-off ships (LMSRs) in the Surge Fleet, the vessels of the RRF and the commercial U.S. Flag Fleet in the MSP and Voluntary Intermodal Support Agreement (VISA) are all required to meet the Nation's strategic sealift requirements. While cargo preference laws and national defense sealift policies ensure the viability of the U.S. flag commercial fleet, we must also continue to keep the Surge Fleet and Ready Reserve Force vessels at an equal state of readiness as well as our citizen mariners who man these vessels during operations in USCENTCOM and around the world. In fact, the Maritime Administration is conducting a thorough study of cargo preference laws to ensure that they most effectively support the delicate balance of commercial viability and readiness which is so critical to our sealift capability.

USTRANSCOM's partnership with the U.S. commercial sealift industry and the Department of Transportation has been vitally important in developing new routes for conveying cargo around the globe – particularly to regions with undeveloped infrastructure. Through programs like the Maritime Security Program (MSP), the Voluntary Intermodal Sealift Agreement and the Voluntary Tanker Agreement, the Department of Defense gains access to U.S. commercial capabilities and transportation networks while ensuring the continued viability of both the U.S. flag fleet and the pool of citizen mariners who man those vessels. Last year, Congress ensured the continuation of the MSP by extending it an additional 10 years to 2025. We look forward to working with Congress and this committee to refine this program between now and the MSP implementation date in 2015.

We also work closely with the DLA Energy office to meet DOD's fuel requirements. On October 7, 2010, MSC took operational control of the first of two U.S.-built, U.S.-flagged State-

Class tanker vessels. These new double-hulled 331,000-barrel ships will provide vital sealift capabilities. The MV EMPIRE STATE and her sister ship, MV EVERGREEN STATE, will carry refined petroleum products between commercial refineries and DOD storage and distribution facilities worldwide. While these two new tankers increase the total number of U.S.-flagged tankers with international trade rights to five, our nation would benefit greatly from even further increases in U.S.-flagged tanker capacity. Additionally, the Maritime Administration is currently examining the feasibility and potential benefit of developing a strategic access program outside of MSP solely for tankers.

Finally, we look forward to working with the Navy and Combatant Commanders to fully realize the logistics capabilities of the Joint High Speed Vessel across all its missions from Theater Security Cooperation to its use as an operational and tactical logistics platform.

Maintaining Surface Readiness

USTRANSCOM depends on our en route structure to rapidly support theater COCOMS. On August 9, 2010 USTRANSCOM submitted its inaugural En Route Infrastructure Master Plan (ERIMP) 2010 to the Chairman of the Joint Chiefs of Staff. The purpose of the ERIMP is to guide the en route infrastructure investment decisions necessary to ensure we support the regional Combatant Commander Theater Campaign and Theater Posture Plans. The ERIMP frames the en route strategy by identifying our most important enterprise-wide infrastructure requirements. It includes recommendations from the Combatant Commands and takes an enterprise approach to global deployment and distribution.

Because en route infrastructure is key to global logistics, Rota, Spain; Camp Lemonier, Djibouti; Souda Bay on the island of Crete; and Guam remain USTRANSCOM near-term priorities as strategic locations. Similar to our multi-modal MRAP movement through the Persian Gulf, movement of Combat Aviation Brigade helicopters by ship to the intermodal port

at Rota, Spain, then flying them into Afghanistan significantly increases velocity. Camp Lemonier is the only en route node on the African continent with enduring presence; an unrefueled C-17 can reach two-thirds of the continent from Djibouti. Funding the expansion of the aircraft parking area and the taxiway will help ensure Camp Lemonier's continued viability as a critical strategic intermodal location. Located on the island of Crete in the central Mediterranean Sea, Souda Bay is key to the JDDE en route mission due to its proximity to the Black Sea, the Middle East, and Africa. Funding for a multi-access road, aircraft parking expansion, an air operations complex, and the Marathi logistics facility will help tremendously as we support three separate Geographic Combatant Commanders from Souda Bay. Guam is our intermodal crown jewel in the Pacific. The USTRANSCOM-led 2009 Global En Route Infrastructure Steering Committee identified two necessary military construction (MILCON) projects at Anderson Air Force Base, Guam: an Air Freight Terminal Complex and Air Passenger Terminal/Joint Personnel Deployment Center. Each of these projects will greatly enhance the effectiveness, efficiency and safety of the passenger and the cargo handling process.

At home, our Highways, Railroads, and Ports for National Defense Programs work in partnership with the Department of Transportation (DOT) to identify DOD's requirements for the civil sector infrastructure between our installations and ports and integrate these requirements into the civil sector planning cycle. These programs play a key role in ensuring our infrastructure in CONUS is ready to support DOD's deployment and distribution needs.

Developing New Capabilities

Global logistics is an incredibly fluid business. As the geopolitical, diplomatic and operational landscape changes, USTRANSCOM understands the need for innovative mobility and distribution strategies, processes and technology.

Our Research, Development, Test, and Evaluation Program (RDT&E) searches for these emerging enablers to support the future force. Through this program, we leverage new technologies, cutting edge business processes and innovative logistics strategies to address mobility challenges before they arise.

Given the poor infrastructure in Afghanistan, much of our work focuses on new methods of aerial delivery. We are working with the Natick Soldier Center to develop the Helicopter Sling Load of the Joint Precision Airdrop System. The project integrates elements from various airdrop programs into a new capability that will allow for the delivery of payloads from a helicopter cargo hook. The system also ensures rapid distribution for both delivery over land and ship-to-shore applications.

We also continue to invest in intelligent unmanned aircraft technology to autonomously deliver critical supplies to forward points of need. Our intent is to address extended lines of communication susceptible to weather, degraded road conditions and enemy threats, such as improvised explosive devices, ambush, and sabotage.

Through the Joint Capabilities Technology Demonstration program, we are supporting High Speed Container Delivery Systems (HSCDS) to improve airdrop accuracy, increase tonnage dropped, and enhance survivability of airlift and aircrews. HSCDS is a high-speed, low altitude airdrop system that provides the warfighter more cargo, more often and with more accuracy than any comparable delivery system. It optimizes aircraft threat avoidance and tactical maneuverability while enhancing our ability to deliver vital cargo to small combat units at the point of need.

Hybrid airships can revolutionize logistics by moving the supply chain above the battle space to deliver large volumes of cargo directly to the point of effect, without the need for an airfield or roads. By delivering directly, hybrid airships bypass many supply-chain "touches,"

thereby reducing cost and risk. The continued exploration of the hybrid airship concept is essential to support future operations in austere and infrastructure-challenged locales where USTRANSCOM will likely be required to support military or humanitarian relief operations.

The Joint Recovery and Distribution System (JRADS) achieved tremendous success in its first demonstrations with the 101st Sustainment Brigade. The JRADS technology enables quick and efficient recovery of damaged MRAPs on the battlefield, which minimizes troop exposure to attack when recovering damaged vehicles.

USTRANSCOM is committed to innovative sealift solutions as well. Sea basing is one such innovation which affords alternatives to the traditional use of seaports of debarkation. It enables discharge, reception, staging and assembly at sea; and interfaces with both organic and commercial sealift assets. The Large Vessel Interface Lift-On/Lift-Off system provides the ability to load and offload containers between ships at sea with precision and in much higher sea states than is currently possible. In April 2010, the technology was successfully demonstrated in the Gulf of Mexico between Ready Reserve Fleet vessels SS FLICKERTAIL STATE and MV CAPE TEXAS. Together with the Navy, we will further develop this technology.

The Joint High Speed Vessel represents a transformational sealift capability. Bridging the traditional gap between high-speed, low-capacity airlift and low-speed, high-capacity sealift, it affords the promise of enhanced logistic response to military and civil contingencies around the globe. Forward deployment of the vessel in combination with warehoused stocks of equipment and supplies will leverage its speed and capacity to quickly deliver needed cargo.

Fiscal Stewardship

Good stewardship of the taxpayers' dollars is a USTRANSCOM hallmark. In everything we do, we are always effective, but mindful of cost. Since 2003, we and our enterprise partners have avoided costs in excess of \$5.2 billion through transformational distribution initiatives,

improving inventory and transportation alignment, optimizing strategic air and surface processes and effectively utilizing multi-modal transportation solutions; all while improving end-to-end velocity and effectiveness.

Given our global mission, the AMC Fuel Efficiency Office has been laser-focused on increasing fuel efficiency. The result is a significant cost decrease to the customer and taxpayer. For example, information technology (IT) improvements such as Mission Index Flying for the C-17 and C-5 reduce each sortie's fuel burn during mission execution. Other improvements, such as the Advanced Computer Flight Planning overlay, reduce the excess fuel carried which increases the amount of cargo the aircraft can carry -- again lowering the cost to the taxpayer.

USTRANSCOM continues to lead the certification effort for alternative fuels. Most aircraft in AMC's fleet are approved to fly on a synthetic blend of coal or natural gas-based Fischer-Tropsch fuel and JP-8 military grade jet fuel. The workhorse of AMC, the C-17, underwent flight tests and certification on a cutting-edge, renewable jet fuel blended with JP-8 this past August. In addition to allowing the DOD to target renewable sources, alternative fuels are more environmentally friendly than traditional jet fuel.

Final Thoughts

USTRANSCOM has the critical national responsibility to support the men and women who fight to preserve our liberty and security and to support those who provide lifesaving relief to those in need...and to do so in an global operating environment increasingly characterized by uncertainty, complexity, and rapid change. Looking to the future, USTRANSCOM, along with our enterprise partners, will continue to transform the Joint Deployment and Distribution Enterprise to meet this challenging new environment and continue to provide effective and best value support to our nation. We will always, always deliver.