

Statement of
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On the State of the Command

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INTRODUCING THE UNITED STATES TRANSPORTATION COMMAND 2014

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. Our Service component commands, the Army Military Surface Deployment and Distribution Command (SDDC), the Navy Military Sealift Command (MSC), the Air Force Air Mobility Command (AMC); our functional component command the Joint Transportation Reserve Unit (JTRU); and our subordinate command the Joint Enabling Capabilities Command (JECC), in conjunction with our commercial industry partners, provide unparalleled logistics support and enabling capabilities to our warfighters, their families, and combatant commands (CCMDs) around the world.

USTRANSCOM, in partnership with commercial industry, provides global mobility and strategic enablers that rapidly project national power and influence – anywhere, anytime. As the Distribution Process Owner (DPO), we focus on end-to-end performance and on providing the most value by targeting process improvements and enterprise performance measurements. Our mission as the Global Distribution Synchronizer (GDS) complements our role as DPO by integrating transportation planning within and across combatant commands and the Services, while partnering with the interagency, industry and our allies.

In order to execute GDS responsibilities, the USTRANSCOM staff, in coordination with the distribution community of interest, has developed the Global Campaign Plan for Distribution. The plan is now in initial execution and will further refine the global distribution network into a more agile, scalable, and resilient network to meet U.S. national security objectives.

Strategic Plan Implementation Update

Last year, USTRANSCOM embarked on a five-year comprehensive and collaborative command strategic plan to position ourselves to respond effectively and efficiently to the rapidly changing operating environment and dynamic fiscal landscape. Today, our diverse team is committed to preserving readiness capability, achieving information technology (IT) management excellence, aligning resources and processes for mission success, and developing customer-focused professionals.

The Enterprise Readiness Center (ERC), formed from existing staff, ensures future readiness requirements are integrated into the business processes of the defense transportation enterprise. The ERC evaluates transportation opportunities, develops customer-focused transportation and distribution solutions, and engages in collaborative processes to preserve organic readiness and the viability of commercial partnerships. The ERC has increased both frequency and level of engagement with commercial partners to garner best practices and receive input from carriers on how we can operate more efficiently and effectively; partnered with the Defense Security Cooperation Agency to provide more comprehensive transportation planning solutions for Foreign Military Sales movements; and facilitated improved multimodal contract solutions, mainly in support of Afghanistan operations.

We transformed our corporate governance process by aligning our transportation working capital fund and USTRANSCOM-managed portfolio of capabilities with the Department's guidance for management of IT capabilities. Under this alignment, our Chief Operation Officer assigned a "Mission Area Management (MAM) Manager" to synchronize the IT investment process with the Planning, Programming, Budgeting, and Execution timelines to ensure effective, secure and efficient information delivery. Future MAM focus will be on moving away from stove piped systems to managing capabilities supporting the command. As the MAM process continues to mature, USTRANSCOM will be positioned better to support DOD strategies, joint capability needs, and other planning, programming,

budgeting and defense acquisition goals. Equally important, the command will provide improved customer service while controlling overhead costs to achieve IT management excellence.

USTRANSCOM's ability to be the transportation and enabling capabilities provider of choice requires that we invest in our most valuable asset, our people. We have generated initiatives to develop our personnel into a premier customer-focused organization, shifting our training paradigm to map individual roles to programs and developing leadership skill sets to include diversity, negotiation, team building, customer focus, and communication.

Our command strategy allows us to build on past successes and position USTRANSCOM to reliably deploy, sustain, and redeploy our nation's forces more effectively and efficiently—all while keeping a keen eye on improving collaboration and creating a climate of trust, innovation, and empowerment throughout our workforce.

Supporting Global Operations

USTRANSCOM manages the global mobility enterprise; our component commands execute the mission. In 2013, AMC and its Air Force Reserve and Air National Guard partners maintained a high operations tempo supporting Operation ENDURING FREEDOM (OEF) in Afghanistan as well as other contingencies and operations around the world. AMC deployed a rotational force of more than 32 C-130 Hercules tactical airlift aircraft and 60 KC-135 Stratotanker and KC-10 Extender aerial refueling aircraft and employed an additional 17 C-17 Globemaster IIIs for dedicated support to United States Central Command (USCENTCOM). By surface, MSC and SDDC moved over 6 million tons of cargo worldwide. In addition, MSC's tankers delivered 1.3 billion gallons of fuel to support global operations.

The JECC deployed 319 personnel for 14 contingency operations and two humanitarian assistance/disaster relief operations. These small, high-performing, mission-tailored packages continue to be the DOD's principal source of rapidly deployable joint planning, public affairs, and

communications professionals trained and experienced to enhance a Joint Force Commander's capacity to command and control joint operations in complex global environments.

The JTRU continued to provide necessary personnel augmentation to a wide array of functions across the command. Augmented operations are particularly critical during surge and contingency operations.

Support to Geographic Combatant Commands

The President directed the reduction of Afghanistan's Force Management Level to 34,000 troops by February 2014. We achieved this reduction through coordination between the geographic combatant commander and our commercial partners. We continue to support the reduction of materiel in Afghanistan through our partnerships with the geographic combatant commander, DOD agencies, the Services, and various host nations. We are postured to leverage these partnerships to meet the reduction of troops and materiel in Afghanistan by December 2014.

Our DOD customs team coordinates closely with USCENTCOM customs program managers and transportation planners to ensure U.S. Customs and Border Protection (CBP) and U.S. Department of Agriculture (USDA) "pre-clearance" entry programs are viable, available, and relevant to emerging transportation capabilities. Retrograde velocity has improved through joint interagency collaboration. The introduction and expansion of CBP-approved "Non-Intrusive Inspection" passenger and cargo scanning technology is a specific example of these efforts. Additionally, USDA's agreement to allow DOD to import USCENTCOM redeployment and retrograde cargo, cleaned to U.S. standards by USTRANSCOM approved transportation service providers, has significantly enhanced cargo processing.

USTRANSCOM continues to support strategic passenger movement support for the warfighter in the USCENTCOM AOR. Opened December 21, 2001, the Transit Center at Manas, Kyrgyzstan, has

been a key U.S. military transportation and logistics hub for operations in Afghanistan. As Transit Center Manas closes this summer, we will continue to provide those same functions from other strategic nodes in our network. The warfighter in Afghanistan will see no degradation in our operations in 2014.

Lines of communication for operations in Afghanistan are fully mature. We have established numerous multimodal locations around the globe that use a combination of airlift and sealift for operations in Afghanistan. These multimodal locations leverage strategic transportation capabilities of both regional and commercial partnerships and provide operational flexibility. This is the same flexibility that alleviated any impact on operations when the Government of Pakistan closed the Ground Lines of Communication (GLOC) in November 2012 for approximately seven months as a result of a cross-border incident. Since the Pakistan GLOC reopened in July 2013, we have moved 47,557 STONs of materiel through Karachi, Pakistan, from Afghanistan. We have also used multimodal locations in Rota, Spain, and Constanta, Romania, for major brigade-size movements of troops and materiel. Additionally, since March 2013, USTRANSCOM has deployed and redeployed 231,000 personnel and moved over 284,000 STONs of materiel out of Afghanistan from locations such as Baku, Azerbaijan, Dubai, United Arab Emirates, and Aqaba, Jordan.

In support of the warfighter and the training of Afghan National Security Forces (ANSF), we have moved nearly 20,000 containers of supplies and delivered over 10,000 light tactical vehicles and 200 up-armored medium tactical vehicles. While we still face challenges, we cleared the backlog of ANSF cargo, stuck during the 2013 Torkham closure, of approximately 7,000 pieces of rolling stock stopped at Pakistani ports and approximately 1600 pieces of rolling stock held at the Port of Jacksonville, Florida. Over 2,000 vehicles were also moved from Thailand to Afghanistan through the Trans-Siberian Rail Route.

The JECC's Joint Communications Support Element (JCSE) continued rotational deployments providing communications services to joint and special operations units executing multiple missions in support of OEF in various locations throughout Afghanistan and elsewhere. The Joint Planning Support Element (JPSE) and Joint Public Affairs Support Element (JPASE) provided joint planning and public affairs expertise to various USCENTCOM missions, including deploying joint planners to USCENTCOM's headquarters staff and to the International Security Assistance Force Interagency Operational Planning Team in Kabul, Afghanistan.

In the U.S. Pacific Command's (USPACOM) AOR, USTRANSCOM supported numerous operations that enhanced the security and preparedness of U.S. and allied forces. We supported multiple deployments and redeployments in support of OEF in the Pacific region; provided strategic airlift and sealift to military security forces and special warfare units to the Republic of Korea, Japan, and Guam in support of USPACOM's Theater Security Cooperation program engagement strategies and objectives; and supported U.S. Special Operations Forces Joint Command Exercise Training throughout the Asia-Pacific region with strategic airlift and sealift. USPACOM's Joint Chief of Staff Exercises COBRA GOLD in the Kingdom of Thailand, COMMANDO SLING in the Republic of Singapore, BALIKATAN in the Republic of the Philippines, and KEY RESOLVE and ULCHI FREEDOM GUARDIAN in the Republic of Korea required movement of more than 14,000 passengers and 4,775 STONs of cargo by strategic airlift and over 600,000 square feet of cargo by sealift.

The JECC's JCSE deployed for Pacific Partnership 2013, U.S. Pacific Fleet's annual disaster response preparation mission, in the Indo-Asia-Pacific region and provided critical ship-to-shore communications services and executive communications support for the mission commander for more than four months aboard the USS PEARL HARBOR. The JPSE deployed to USPACOM headquarters

to assist the staff with contingency planning, course of action development, battle rhythm development and other essential knowledge management processes.

We provided support to the National Science Foundation, through Operation DEEP FREEZE, by coordinating two mid-winter medical evacuations, delivering over 2,800 passengers and nearly 1,500 STONs of cargo via C-17 aircraft and delivering nearly 6 million gallons of fuel and over 3,500 STONs of cargo via sealift to McMurdo Station, Antarctica. We also coordinated the backhaul of over 1,200 STONs of cargo from Antarctica.

During Operation DAMAYAN, Typhoon Haiyan relief in the Philippines, USTRANSCOM deployed four Knowledge Management (KM) Subject Matter Experts, six members of the JPASE, and two Initial Entry Package (IEP) communications support team members from the JECC to support USPACOM and Marine Forces Pacific headquarters. The KM team assisted USPACOM with development of a battle rhythm and synchronization of CCMDs and forward deployed forces. The JPASE provided USPACOM with public affairs capabilities and the IEP communications support team facilitated public affairs activities in an austere environment.

In the U.S. European Command's (USEUCOM) AOR, USTRANSCOM transported 311 passengers and 2,213 STONs of unit equipment in support of USEUCOM's Ballistic Missile Defense mission in Turkey to counter threats from Syria. USTRANSCOM also moved 279 STONs of rations and medical supplies for delivery to the Supreme Military Council for distribution to those in need. In coordination with USEUCOM and USCENTCOM, we performed trans-load operations for more than 6,500 passengers at Mihail Kogalniceanu International Airport, Constanta, Romania. During these missions, deploying Soldiers and Marines were transloaded from commercial aircraft to military aircraft for onward movement to Afghanistan and redeploying Soldiers and Marines were transloaded from military aircraft to commercial aircraft for movement back to the U.S. We supported Presidential travel

to Northern Ireland, Germany, Sweden and Russia, deploying 86 passengers and moving 203 STONs of cargo. The JECC's JPSE deployed joint planners to USEUCOM headquarters to assist with operational planning efforts for various contingency operations. Finally, in support of the Organization for the Prohibition of Chemical Weapons, USTRANSCOM activated the CAPE RAY, a roll-on/roll-off class vessel. USTRANSCOM's Navy component, MSC, assisted the Department of Transportation's Maritime Administration with the CAPE RAY's modifications and installation of the Field Deployable Hydrolysis System.

In the U.S. Africa Command's (USAFRICOM) AOR, USTRANSCOM deployed 586 French Soldiers and 1,462 STONs of French military cargo in support of France's counter-terrorism operations in Mali. The JECC supported a Global Response Force (GRF) mission, filling operational planning, public affairs, and communications gaps during initial planning efforts for French combat operations in Mali. We deployed and redeployed 783 passengers and 7,702 STONs of cargo in support of Combined Joint Task Force-Horn of Africa to Djibouti, Kenya, and Tanzania. We deployed 61 passengers and 54 STONs of cargo for USAFRICOM's Counter-Lord's Resistance Army mission in Uganda. We deployed 850 Burundian Soldiers and 273 STONs of equipment into the Central Africa Republic from Burundi, supporting USAFRICOM and coalition partners. We deployed and redeployed 153 passengers and 690 STONs of cargo and provided joint task force planners and logisticians to support Presidential travel to Senegal, South Africa, and Tanzania. Finally, we supported the President's movement to and from the Republic of South Africa for former President Mandela's funeral.

In the U.S. Southern Command's (USSOUTHCOM) AOR, USTRANSCOM provided strategic airlift and associated enablers facilitating the release or transfer of designated detainees to foreign governments. Detainee movement coordination involves multiple agencies including the Office of the Secretary of Defense (OSD), Joint Staff, USSOUTHCOM, and others. We have successfully completed

100 percent of these sensitive missions without incident. Additionally, the JECC's JCSE continued maintenance and operation of one of USSOUTHCOM's Deployable Joint Command and Control Core systems.

In the U.S. Northern Command's (USNORTHCOM) AOR, the Modular Airborne Fire Fighting System equipped C-130 aircraft provided by AMC flew 576 sorties totaling more than 540 flying hours and released more than 12.6 million pounds of fire-retardant, combating wildfires in direct support of U.S. Forestry Service operations.

Interagency and Other Support

The planning framework that is the foundation of distribution synchronization has proven useful for our strategic partners from across the interagency community to assess their respective planning efforts from a logistics and distribution perspective. Planning conducted from this perspective, illuminates interesting challenges that might otherwise be overlooked. For example, we should carefully consider how to maintain the hard-earned trust we have developed with allied, friendly and cooperating nations during our deployment efforts, as we now redeploy and re-balance to other regions. These relationships, some of which have been established and nurtured as a result of our expeditionary requirements, are reaping diplomatic, economic, and geopolitical benefits that contribute directly to regional security and stability. For example, last year we invited military officers from several key Pacific partner nations, to include the Philippines, Thailand and Vietnam, to visit USTRANSCOM as part of our Outreach Program. These familiarization visits set the stage for my subsequent trips to the region, reinforcing professional contact and facilitating a dialogue on mission support. Furthermore, these engagements opened the door for access for our engineers to assess en route infrastructure capabilities and capacity at valuable sea and aerial ports throughout the Pacific.

USTRANSCOM operations project and sustain forces globally, and we rely upon the integrity and availability of foreign, commercial and civil transportation infrastructure and service providers, as well as information systems in the unclassified government and commercial domains. These include U.S. and foreign-operated maritime and aerial ports, business systems of commercial carriers, and USTRANSCOM's information systems that must operate on the Non-classified Internet Protocol Router Network, and outside the Department's information system boundary. In order to assure the availability of networks and information for en route infrastructure and services, USTRANSCOM's contracts require cybersecurity standards that foster the exchange of incident information between us and our commercial partners.

Quadrennial Defense Review (QDR)

USTRANSCOM is an active participant with the Services, OSD, Joint Staff and other CCMDs during development of the congressionally mandated 2014 QDR. We contributed assessments for various force-sizing and funding scenarios involving military requirements supporting global contingency and humanitarian operations. Our major concern for the future is assuring access to the shared areas of land, sea, air, space and cyberspace – for our distribution forces to support ongoing and future operations. The DOD's multimodal distribution forces and our commercial transportation partners require assured access to the global commons and reliable world-wide infrastructure of airfields and seaports to enable steady-state and crisis operations.

Strategic Rebalancing to the Asia-Pacific Region

A major part of DOD strategy is to protect freedom of access throughout the global commons that are crucial to the world's economy and our nation's ability to project and sustain global power and influence, and support our friends and allies. After more than a decade of engagements in the Middle

East, the nation's strategic rebalancing toward the Pacific emphasizes our longstanding and enduring relationships with Asian allies and key partners. However, the vast distances in the Pacific challenge strategic reach and highlight the need for assured access and delivery capability. USTRANSCOM, as the GDS, depends on a worldwide, multimodal network of both military and commercial airfields and seaports in the Pacific to ensure the rapid delivery of forces and sustainment for both humanitarian and contingency operations. We will meet USPACOM's needs with sophisticated and flexible transportation solutions that bring together the command's plans, operations, communications and intelligence capabilities. While USTRANSCOM continues to deliver vital transportation and distribution-related support for U.S. commitments in other areas of the world, preserving and improving strategic en route infrastructure for airlift and sealift in the USPACOM AOR remains a critical requirement.

Air Mobility Readiness

The air mobility force structure, comprised of organic and commercial aircraft, is planned to meet strategic airlift and air refueling requirements of the 2013 National Defense Strategy by carefully balancing risk to force structure and modernization while maintaining readiness and personnel programs across all mission areas.

The KC-46A will be equipped with navigation and communication equipment enabling worldwide operations. Also, the KC-46A will have greater refueling capacity and increased capabilities for cargo and aero-medical evacuation. It will have the capability to receive fuel in flight through an air refueling receptacle and will be able to operate closer to threat areas than legacy tankers through use of self-defense and protection capabilities plus the necessary battle space awareness to mitigate threats. It will provide increased aircraft availability, more adaptable technology, more flexible employment options, and greater overall capability.

C-130's continue to provide intra-theater airlift operations around the globe. Since aircraft viability and assured airspace access is vitally important to meet combatant commander (CCDR) requirements with the intra-theater fleet, we support efforts to upgrade the C-130 avionics capabilities necessary to operate in future airspace environments.

The Air Force is pursuing initiatives to sustain strategic readiness for both the C-17 and C-5 fleets. Converting to a common fleet configuration for the C-17 will enhance sustainment efficiencies and improve operational flexibility to support our dynamic rapid global mobility mission. The Reliability and Re-engining Program for the C-5 fleet provides better operational performance and reliability for this heavy airlift platform. Both conversions are keeping our strategic airlifters viable and ready to support our nation's requirements.

The Civil Reserve Air Fleet (CRAF) is a voluntary commercial segment of our mobility force, giving us access to commercial fleets and infrastructure and providing capability to rapidly deploy forces and equipment globally. In the midst of declining business for our CRAF carriers, USTRANSCOM has made significant efforts to bolster relations with the CRAF industry through military and industry joint venues. The CRAF Executive Working Group, National Defense Transportation Association, and the Military Aviation Advisory Committee are examples of venues which work to develop solutions and exchange ideas to effectively ensure the future viability of the CRAF program. These forums have already been productive. We have listened to industry concerns and have pursued multiple avenues to maximize business opportunities, not only by streamlining operations through CRAF preferences in policy, but adjusting operating procedures and guidance to maximize workload to our U.S. flag carriers.

A CRAF which is ready to respond to any contingency will remain a vital segment of our airlift enterprise into the foreseeable future despite declining business and drawdown of our forces from

Afghanistan. Ensuring the readiness of the CRAF while maintaining an organic fleet capable of meeting all DOD requirements will require the right balance of workload between the military and commercial segments. Achieving that balance for the future requires a careful analysis of commercial and military readiness requirements, capabilities required for all levels of response, and an understanding of economic factors affecting the industry's ability to meet DOD requirements. We are currently in the process of addressing these concerns directly with our commercial airlift partners, and are soliciting their input on how to structure the CRAF for the future.

Sealift Readiness

Strategic sealift is essential to USTRANSCOM's mission of deploying and sustaining forces globally across the range of military support operations and relies on a balanced portfolio between commercial and organic capabilities. All organic vessels are critical for DOD's ability to surge to meet future global requirements. While USTRANSCOM relies on government-owned organic fleets to meet our global mission, preserving a strong U.S.-flag commercial fleet is also an important component of our strategic sealift capability. Relying on the privately-owned, U.S.-flag commercial merchant marine fleet as a source for national defense sealift benefits the U.S. military in many ways; it provides global reach, access to valuable commercial inter-modal capacity, immediate guaranteed access, reduced U.S. military footprint and logistics tail, strategic capacity reserve, and access to U.S. merchant mariners.

USTRANSCOM's partnership with commercial industry is formalized through agreements such as the Voluntary Intermodal Sealift Agreement (VISA), the Maritime Security Program (MSP) and the Voluntary Tanker Agreement. These agreements are essential to ensuring available capacity, mariner base and access during time of national need.

With the responsibility to manage the global mobility enterprise, USTRANSCOM benefits from a strong U.S. mariner labor base, critical to crewing not only the U.S. flag commercial fleet, including

the MSP in peacetime but our DOD surge capacity in wartime. VISA, MSP and preference cargoes provided by DOD and civilian agencies, provide vital support to maintain the U.S. flag capacity to fully activate, deploy, and sustain forces. USTRANSCOM fully supports the Maritime Administration (MARAD) in their task to develop a national maritime strategy. We will partner with industry, labor and MARAD to help develop a comprehensive strategy aimed at expanding the commercial fleet and preserving the industrial base.

In fiscally sparse budget environments, recapitalization discussions are difficult. However, unlike the commercial sector that concerns itself with recapitalization of its fleets to stay globally competitive, the DOD must concern itself with recapitalization of an organic fleet with an average age exceeding 36 years. Without action, nearly 1.6 million square feet of roll on/roll off capacity will be lost from the organic fleet over the next 10 years. We look forward to working with you, the Navy, and MARAD to find the most economically viable means to recapitalize the organic fleet to ensure its future readiness for global requirements.

Surface Readiness

USTRANSCOM has an enduring interest in the civil sector infrastructure supporting the surface movement of military forces. Our Programs for National Defense work collaboratively with our civil sector counterparts to ensure the physical infrastructure of the U.S. is capable of addressing military surface mobility needs. Most recently, USTRANSCOM completed several congressionally mandated studies, the first being: "Update to Port Look 2008: Strategic Seaports." This report assessed the road and rail infrastructure including the strategic highway network routes and the Strategic Rail Corridor Network (STRACNET) in the vicinity of strategic seaports. This analysis determined the highway and railroad infrastructure was capable of supporting military deployments to the ports. Our update of the STRACNET also ensured that it provides sufficient service to our most important DOD installations.

A follow-on study: “NDAA 2012 Update to Port Look 2008: Strategic Seaport Assessment and Report” assessed the structural integrity of the infrastructure outlined in the Port Planning Orders, infrastructure projects to the DOD and potential funding avenues for repairs.

In addition to addressing the physical infrastructure in and around the strategic seaports, DOD is addressing a potential shortfall in the commercial railcar capacity used to carry military equipment. The commercial railcar fleet, that DOD has greatly relied upon for so long, is nearing the end of its useful life. Working closely with the Army and Geographic Combatant Command (GCC) war planners to determine the requirement going forward, we will develop appropriate solutions to mitigate the potential risk that this loss of capability would represent in overall military deployments.

Much like the railcar fleet, DOD’s infrastructure assets require upgrades and maintenance to remain relevant in the current military environment. Infrastructure improvement projects at U.S. Army Military Ocean Terminal Concord (MOTCO), in Concord, California, are essential to USTRANSCOM’s support of USPACOM’s operational plans and DOD’s military capability in the Pacific Theater. Due to the nature and size of this military mission, no suitable alternatives to MOTCO exist on the West Coast. We continue to work within DOD to find resources to reduce or eliminate any capability gaps and risk at MOTCO. DOD’s current efforts are centered on detailed structural engineering assessments to preserve existing throughput capability at MOTCO. We are compiling a comprehensive list of other infrastructure needs to restore MOTCO to a modern ammunition port, fully capable of safe and efficient operations and ultimately allowing for uninterrupted delivery of ammunition to the Pacific Theater.

U.S. Army Military Ocean Terminal Sunny Point (MOTSU), in Sunny Point, North Carolina, is essential to USTRANSCOM’s support of operational plans in Europe, Africa, and the Middle East. Most of the required, significant infrastructure improvements at MOTSU have been completed in recent

years. These improvements enhanced MOTSU's ability to conduct missions and allow the terminal to meet documented throughput requirements.

In an effort to maintain transparency to the maximum extent possible with our domestic commercial stakeholders, USTRANSCOM coordinated with industry and the Department of Transportation to establish a Surface Executive Working Group (EWG). The Surface EWG is a strategic level discussion forum focused on preserving readiness capability to ensure the nation has access to necessary domestic commercial trucking and rail capability in order to achieve national requirements, goals and objectives. On 23 July 2013, the Surface EWG conducted their inaugural semi-annual meeting. This meeting resulted in a collaborative Lean Six Sigma effort between the SDDC, the Joint Munitions Command, and industry to assess the Transportation Protective Services (TPS) shipment planning to identify opportunities for efficiencies of the current booking system. We expect the outcome to improve advance shipment notifications to industry which will enhance service capabilities and reduce or stabilize costs for DOD.

Successful execution of USTRANSCOM's mission and the daily global support relies on a complex interdependent enterprise of both DOD and commercially-owned domestic and foreign critical infrastructure. USTRANSCOM is committed to building an infrastructure stakeholder community to synchronize more efficient and actionable information sharing among DOD, federal, state and local entities, law enforcement organizations, and the private sector.

Enabling Capability Readiness

The JECC's engagements across the joint planning and execution community ensured USTRANSCOM remained abreast of CCMD and Joint Staff priorities. These relationships facilitate better alignment of priorities and development of solutions to further enhance the JECC's speed, agility and performance in support of joint force commanders when required. As a result, the geographic combatant

commanders have increasingly relied on the JECC's ability to deliver capabilities to accelerate the formation and effectiveness of joint force headquarters and in the planning and execution of joint operations.

Enhancements to USTRANSCOM Readiness and DOD Supply Chain Management

As the GDS, USTRANSCOM is responsible for synchronizing planning for global distribution operations in coordination with CCMDs, Services, and other government agencies as directed. This responsibility expanded upon our DPO role to further align authorities and focuses on anticipating demands of a complex world. An additional task associated with USTRANSCOM's GDS role included leading the planning effort to develop the Global Campaign Plan for Distribution.

This plan enables DOD to plan and shape the global distribution network (GDN) to establish steady state conditions for military success if a crisis or contingency cannot be prevented. The plan preserves and enhances an efficient and strategically flexible network that effectively supports theater campaign plans and contingency planning in a synchronized manner. As the synchronization process matures, this plan will help identify redundancies and inefficiencies in the network.

The continuing trend of reduced U.S. military presence overseas and shrinking infrastructure budgets, coupled with an increased anti-access/area denial threat, adds to the importance in preserving and enhancing the GDN. Our En Route Infrastructure Master Plan (ERIMP) continues to be a widely acclaimed tool that synchronizes our long-term infrastructure and access strategy. Through a rigorous analytical process, USTRANSCOM's global posture plan outlines the key overseas nodes that we will need over the next 5 to 15 years, and identifies gaps or shortfalls at those locations. Since the ERIMP describes what we need to support our GCC customers, we collaborate closely with their staffs to mutually inform and affect each others' plans. In addition to identifying key infrastructure shortfalls, ERIMP 2014 addresses country and local access gaps and prioritizes the list of gaps to inform GCC and

Department of State resource decisions necessary to address significant access shortfalls affecting the transportation mission. ERIMP 2014 also highlights expedient military capabilities that enable critical access in austere environments, such as airport and seaport damage recovery, Joint Logistics Over-The-Shore, and the Offshore Petroleum Distribution System. These capabilities are absolutely essential to preserving long-term readiness and ensuring we can deliver anytime, anywhere.

A primary goal and a critical promise made to our nation's warfighters is USTRANSCOM's total commitment to providing safe, responsive global patient movement (PM). In 2013, we transported 9,690 patients, 377 receiving expert en route care that rivals the best intensive care facilities found anywhere in the world. A cornerstone in the En Route Care System (ERCS) and pivotal to operations is the 10th Expeditionary Aeromedical Evacuation Flight deployed by AMC in support of OEF/Operation NEW DAWN. This unit routinely demonstrates rapid response and flexibility to events, ensuring expeditious PM to definitive care, and clearly validates the Mobility Air Forces concept. Jointly staffed premiere medical treatment facilities (MTFs) vital to the ERCS are Landstuhl Regional Medical Center, Walter Reed National Military Medical Center at Bethesda Campus, San Antonio Military Medical Center and Tripler Army Medical Center. At the MTFs wounded warriors receive the very best long-term medical treatment completing the ERCS. We continue to foster partnerships with 323 military and Department of Veterans Affairs MTFs.

USTRANSCOM is constantly focused on reducing costs within the DOD supply chain while simultaneously sustaining or improving service levels to the warfighter. Last year, in collaboration with mission partners from Defense Logistics Agency (DLA), General Services Administration, CCMDs, and the Services, we achieved over \$394 million in fiscal year cost avoidance through better surface container and organic airlift utilization along with forward stocking of parts and material. This increased the optimization of business practices. We have set another target this year to continue

finding savings opportunities and will seek to identify an additional \$500 million in cost avoidance by the end of fiscal year 2015; since November 2008, we have accumulated a cost avoidance of approximately \$1.2 billion.

As DOD's lead proponent for automatic identification technology (AIT) and in-transit visibility (ITV), we continue expanding AIT capabilities and sharing ITV data among automated information systems to include USTRANSCOM's Integrated Data Environment Global Transportation Network Convergence, to ensure warfighters get timely and accurate critical data such as equipment location, transit time, and estimated time of arrival. This critical information allows deploying and redeploying units the ability to virtually see the movement of their cargo from point of shipment to destination. Active radio frequency identification (RFID) devices and bar codes are our primary AIT media. Use of passive RFID continues to enhance inventory and accountability of prepositioned equipment, ashore and afloat, for the U.S. Marine Corps and military clothing for the Services and DLA. The DOD AIT community of interest is incorporating satellite/cellular tracking and container intrusion detection devices to enhance near real-time location and security of assets and shipments.

USTRANSCOM values the expertise and innovation that industry brings to the table and we actively seek partnerships with world class organizations. One of the command's major objectives in achieving IT management excellence is developing and sustaining an IT environment that is secure, enhances decision-making, and drives unity of effort across the joint deployment and distribution enterprise. One way we do this is through our Transportation and Technology Industry Liaison Office, which stays connected with industry's most innovative and relevant products and services. We maintain an ongoing relationship with our commercial partners in helping to define processing and handling data standards to ensure our applied technology and security protocols are up-to-date and resilient. On a regular basis USTRANSCOM's Chief Information Officer (CIO) conducts an industry forum where

corporate CIOs are invited to share ideas, challenges, and common ground as we pursue viable solutions. We have also engaged with the Massachusetts Institute of Technology Lincoln Laboratory, a federally funded research and development center, to collaborate on developing technical solutions to complex IT challenges. Lincoln Labs is currently working with us to update our data strategy and information architecture, and they are contributing to our efforts in transforming our IT framework to a more efficient, effective and secure common computing environment.

We have also partnered with the National Defense Transportation Association to solicit and place a Private Sector Representative (PSR) at USTRANSCOM's Enterprise Readiness Center (ERC). The purpose of the PSR is facilitating mutual exchanges of information, strengthening our enduring commercial partnerships, and leveraging best practices between USTRANSCOM and the private sector. The PSR is a voluntary rotational assignment of up to 130 days providing USTRANSCOM well seasoned individuals with commercial transportation industry experience.

Agile Transportation for the 21st Century (AT21) is an umbrella program that integrates and governs end-to-end distribution process optimization initiatives including: continuous business process improvement, process visualization, and dynamic transportation decision making. Technology-enabled initiatives equip operators with new capability and insights to solve distribution pipeline challenges rapidly and collaboratively – yielding enhanced end-to-end delivery of forces and sustainment to the warfighter while reducing taxpayer costs. Working closely with CCMDs, we will identify and propose solutions to close enterprise gaps and seams between strategic and theater processes by implementing integrated business processes and enabling automated sharing of critical information resources.

Business Transformation - Efficiencies

The Deployment and Distribution Cost Based Decision Support (D2 CBDS) practice ensures USTRANSCOM, Transportation Component Commands (TCCs), and CCMD operational decision-

making incorporates cost consciousness while maintaining mission effectiveness through vetted, standardized, and codified methodologies. D2 CBDS methodologies encompass all modes of transportation across the enterprise. To ensure second and third-order effects are adequately considered, all required stakeholders are engaged throughout the D2 CBDS process. Included under our DPO Strategic Opportunities umbrella, D2 CBDS has already produced significant cost avoidance through a number of emerging efforts, including the Contingency Efficiency Effort. This process decreases the flying hours required to transport redeployment cargo by moving it via rail or motor from the aerial port of debarkation to its final destination. This flying hour reduction resulted in a cost avoidance of over \$2.4 million in fiscal year 2013. Going forward, the D2 CBDS Working Group will further integrate cost and revenue consciousness across the USTRANSCOM staff and TCCs to seek greater operational efficiencies.

Multimodal transportation provides door-to-door movement of DOD and other U.S. government cargo via multiple modes of transportation to include airlift, sealift and line haul to/from multiple locations globally. USTRANSCOM, along with our component SDDC, developed a commercial solution to transport cargo utilizing multiple modes for those requirements which necessitate moving more quickly than a pure surface solution and less costly than a pure air solution. Through our CRAF and VISA partners, we are able to capitalize on existing industry infrastructure and contractors' current asset capacity to solicit daily spot-bids reducing contractor risk and driving down overall costs. Since contract award, the government has achieved per-pound rates approximately 60 percent below established rates.

We continue to collaborate with our component AMC on their initiatives to reduce fuel and operating costs. For example, the AMC Fuel Efficiency Division instituted numerous policy changes, one of which leveraged global positioning system technology to decrease the amount of extra fuel

reserve carried. This weight reduction will save 16.3 million gallons during the 2014 through 2018 future years defense program. Additionally, AMC's new flight planning system is estimated to achieve \$37 million in cost avoidance annually and will significantly improve flight manager productivity. It will include many of the technologies the commercial sector has been leveraging for years to reduce fuel and operating costs. These initiatives save money, avoid costs, enhance effectiveness and increase productivity making them force multipliers.

Operational Exercises and Training

The Combatant Command Exercise and Engagement Training and Transformation (CE2T2) program remains a vital enabler of USTRANSCOM readiness and directly supports U.S. national security interests by ensuring joint force readiness, increasing military capabilities, strengthening alliances and partnerships, and retaining strategic access around the globe. The CE2T2 program allows USTRANSCOM to leverage nearly 130 exercises annually, including our own 18 joint exercises and those of the other eight CCMDs, to meet training requirements which directly contribute to meeting assigned missions. During the exercises, USTRANSCOM provided command and control, deployed strategic mobility personnel and assets, and provided ITV, including patient movement tracking systems and global air transport. These exercises have strategic value including: maintaining strategic access, freedom of action, and global mobility infrastructure; fostering regional, coalition, interagency and industry partnerships; utilizing our organic and commercial partner strategic lift assets; maintaining expeditionary capabilities of the global response force; and maintaining strategic sealift fleet readiness.

Capability Enhancements

USTRANSCOM is the CCMD sponsor and operational manager for the High Speed Container Delivery System (HSCDS) development, test and evaluation program. HSCDS provides the capability

for low altitude and high speed delivery of air dropped cargo to the warfighter. Higher airspeeds and lower altitudes lead to greater drop accuracies, reduced exposure times for aircrew and increased safety to warfighters on the ground due to decreased recovery time. In 2013, USTRANSCOM conducted three test demonstration events to prove the military viability of the system and successfully demonstrated the capability with both C-130J and C-17A aircraft. CCMDs can expect initial fielding this year [2014].

Airships represent a transformational capability, with the potential to bridge the longstanding gap between high-speed, lower-capacity airlift, and low-speed, higher-capacity sealift. From humanitarian or contingency support to enduring logistical sustainment operations, airship technology has the potential to fulfill future defense transportation needs. We encourage development of this and other commercial technologies that may lead to enhanced mobility capabilities in the future.

As part of the Chairman's global response force, Joint Task Force-Port Opening (JTF-PO) is a rapid response, joint expeditionary capability designed to assess, open, and initially operate an aerial port of debarkation and/or sea port of debarkation to facilitate throughput and establish ITV in support of CCDR executed contingencies. This jointly trained and equipped capability combines Air Force, Army, and Navy forces to coordinate and synchronize port of debarkation and node operations to aid distribution and joint reception, staging, and onward movement. JTF-PO forces can be tailored and scaled to the mission requirement and are designed to serve as a bridging capability to allow the GCCs time to request and flow follow-on logistics enablers into a joint operating area. Along with our components and other JTF-PO partners, USTRANSCOM continues to refine policy, training, joint operating procedures and best practices to improve this enabling capability's effectiveness in response to GCCs' requests for support.

The development of the Transportation Intelligence Center (TIC) blends Defense Intelligence Agency, National Geospatial-Intelligence Agency, and Joint Intelligence Operations Center-

Transportation resources in a center-based enterprise model that maximizes synergy for efficient and effective application of transportation intelligence. The TIC is critical to DOD's ability to operationalize transportation in support of our national strategy. It aligns the intelligence analysis of airports, seaports, road and rail networks, and inland waterway ports with USTRANSCOM operations in order to enhance our ability to utilize transportation infrastructure to move U.S. forces. This approach delivers enterprise intelligence manpower efficiently and increases agility by centrally locating critical intelligence capabilities.

Final Thoughts

As our nation's military rebalances following the war in Afghanistan, USTRANSCOM remains prepared to support our warfighters at any time around the globe. Despite an uncertain future and a dynamic strategic environment, the USTRANSCOM team is prepared to meet these challenges by focusing on our core mission of transportation, ensuring effectiveness of our key enabling capabilities and developing a workforce ready to succeed in any contingency. I could not be more proud of the USTRANSCOM team and our partners in industry and government for their accomplishments last year and their dedication to prepare for the future. This exceptional team will continue to meet the nation's needs in peacetime or conflict because "Together, we deliver!"