

**Statement of**  
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**Commander, United States Transportation Command**



**Before the House Armed Services Committee**

**On the State of the Command**

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## **INTRODUCING THE UNITED STATES TRANSPORTATION COMMAND**

### **Mission/Organization**

It is an honor to represent the men and women of the United States Transportation Command (USTRANSCOM). Our Total Force team of Active Duty, Guard, Reserve, civilian, commercial partners, and contractors leads a world-class Joint Deployment and Distribution Enterprise (JDDE) providing reliable and seamless logistical support to our warfighters and their families around the globe. Our service 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); our functional component command the Joint Transportation Reserve Unit (JTRU); and our subordinate command the Joint Enabling Capabilities Command (JECC) provide tremendous capabilities that we merge into transportation solutions to deliver effective support to the combatant commanders at the best value to the Nation. Together, we deliver global transportation services and enabling capabilities to our warfighters that no other nation can match.

Preserving our readiness remains critical to maintaining the Nation's capability to project power and influence anywhere, anytime. As the Distribution Process Owner (DPO), USTRANSCOM focuses on end-to-end performance and on providing the most value by targeting process improvements and enterprise performance measurements. Our mission as Global Distribution Synchronizer (GDS) complements the DPO role by integrating transportation solutions into theater posture plans in the earliest planning phase possible. We are working with all combatant commands (COCOMs), interagency, Non-Governmental Organizations, supporting nations, and industry partners to develop regional distribution campaign plans, with an eye toward process, global touch-points, and measureable delivery. Additionally, we are hard at work on a series of measures to reduce the cost of operations and

maintain effectiveness to those who depend on us—while encouraging continued and expanded use of the Defense Transportation System (DTS).

### **Planning for the Future**

Our goal is to be the U.S. Government’s transportation and enabling capabilities provider of choice. To meet the numerous challenges and take advantage of the enormous opportunities for continuing to rapidly project national power and influence well into the future, USTRANSCOM has proactively embarked on a comprehensive and collaborative 5-year strategic plan. This strategic plan is positioning us to effectively and efficiently respond to our rapidly changing operating environment while accounting for the dynamic fiscal landscape we now face.

First, we will preserve enterprise readiness by ensuring unfettered access to organic and commercial transportation resources. Our Readiness Roadmap will better leverage our organic assets, as well as the unique strengths and contributions of our commercial partners, and identifies the steps we must take to wisely transition from a decade of conflict to become a leaner, more efficient and more collaborative manager of the defense transportation enterprise.

Second, we will achieve excellence in information technology (IT) management, by promoting increased knowledge-sharing and transparency across the enterprise. In our unique roles as Distribution Process Owner and Global Distribution Synchronizer, we recognize we must develop and sustain a secure information environment that ensures effective knowledge-sharing and decision-making even while operating in a contested cyber domain. We have already begun building a functionally-managed IT framework to identify and align resources to our most critical needs.

Third, we are re-baselining our internal roles, functions and responsibilities in order to match human and capital resources for projected future mission activities. This realignment enhances

collaboration, matches skills to processes and creates a more disciplined, transparent resourcing process in order to achieve sound resource stewardship while remaining responsive to those who depend on us to effectively execute in an increasingly dynamic operational environment.

Finally, but most importantly, we are better equipping our people with the knowledge, skills, and training to maintain our world-class, customer-focused professionals. The enhancements we are achieving in our diverse workforce of Active, Guard and Reserve military components, civilian employees, and contractors will further enhance support for global mobility across the transportation enterprise.

### **Supporting Global Operations**

Current fiscal realities have resulted in funding reductions for all Services. USTRANSCOM requirements are driven by our customer workload and readiness requirements. If COCOM demands are reduced, our workload will also be reduced. While these impacts will not occur immediately, the long-term results may directly impact our ability to execute critical missions of our supported COCOMs.

The capacity to project national power, presence, and influence worldwide is unique to the United States. To support this vital national capability, we lead a team of dedicated professionals in providing global mobility and strategic enablers. USTRANSCOM provides the ideal blend of operational expertise and distribution know-how to move and sustain the force worldwide. Together, we deliver unparalleled service to multiple COCOMs in support of their theater campaign plans and contingency operations. Our team has an unrelenting passion to meet a vision of coordinated, synchronized, and responsive end-to-end logistics which ensures that our soldiers, sailors, airmen, Marines, Coast Guardsmen, and U.S. Department of Defense (DOD) civilians always have the support they require.

USTRANSCOM oversees the global mobility enterprise; our component commands execute the mission. In 2012, AMC and its Air Force Reserve and Air National Guard partners maintained a high operations tempo supporting requirements around the world. AMC deployed, to multiple locations, a rotational force of over 30 C-130 Hercules tactical airlift aircraft and 60 KC-135 Stratotanker and KC-10 Extender aerial refueling aircraft. The strategic airlift fleet flew over 1,400 C-5 missions and 13,000 C-17 missions supporting the full range of national interests. In total, AMC moved 584,000 tons of cargo, offloaded 194 million gallons of fuel, and moved 1.7 million passengers while flying 127,000 sorties. On the surface, MSC and SDDC transported over 7.4 million tons of cargo worldwide. In addition, MSC's point-to-point tankers delivered 1.4 billion gallons of fuel in support of global DOD requirements.

During 2012, more than 900 JECC personnel performed 27 operational deployments and participated in 39 joint exercises in support of COCOM requirements. JECC's highly skilled Active and Reserve Component personnel rapidly deployed as mission-tailored planning teams to assist combatant commanders in establishing, organizing, and operating joint force headquarters during numerous operations, and provided unmatched deployable joint communications and public affairs expertise, whenever and wherever needed.

Our functional command, the Joint Transportation Reserve Unit, provided necessary augmenting capability to a wide array of functions across the Command. This augmentation has been particularly important during numerous surge and contingency operations when our most critical operational and planning functions required the highest level of activity.

## **Support to Geographic Combatant Commands (GCCs)**

The President directed the reduction of Afghanistan's Force Management Level to 68,000 troops by 30 September 2012. Achieving this force reduction on schedule was possible through close coordination between headquarters, USTRANSCOM, our component commands, and our commercial partners. Innovative ways to maximize throughput included expanding options for transiting forces into and out of the USCENTCOM Theater. Mihail Kogalniceanu Airfield, Romania, provided an additional transit location for deploying and redeploying forces in support of OPERATION ENDURING FREEDOM, resulting in the movement of approximately 10,000 troops during the height of the surge recovery of forces from Afghanistan.

Working with our regional and commercial partners, we executed multiple proofs of principle to validate processes and capabilities. As we develop more efficient transportation routes around the globe, we continue witnessing the great effects of maturing routes. We continue to seek new air, ground, and multi-modal routes, adding flexibility and responsiveness to the DTS.

In addition to validating two-way passenger flow through Romania, we are reaping the benefits of last year's initiative to flow air-direct traffic over an Arctic route. This Arctic routing, allowing both commercial and military aircraft to support Afghanistan from the West Coast, resulted in 2 million gallons of jet fuel saved last year. This is a savings of \$26million.

Our ground lines of communication continue to mature as well. The success of the distribution network's flexibility was demonstrated by the lack of operational impact resulting from the closure of the Pakistan Ground Lines of Communication (PAKGLOC). The Northern Distribution Network (NDN) absorbed a 46 percent increase in containers, moving over 30,000 containers in total. That capability, coupled with our multi-modal capacity, allowed us to continue uninterrupted support to our warfighters. Additionally, we have successfully reversed our Kazakhstan – Kyrgyzstan – Tajikistan and

Uzbekistan routes, allowing the movement of retrograde cargo over the NDN. We are also executing a reverse Trans-Siberia route, which establishes another option for the movement of retrograde cargo. Despite the enterprise's ability to weather the unexpected, the PAKGLOC, when fully operational, remains the quickest and most cost-effective route for supporting operations in theater.

Multi-modal operations continue to provide a middle-ground option between the speed of air direct and the lower cost of surface movement. USTRANSCOM, working with industry and partner nations, continues to expand the capabilities of existing locations and add new sites where necessary. For example, following the recent success of air direct shipments through Baku, Azerbaijan, we developed processes and procedures for multi-modal operations. This effort is expected to increase volume while reducing transit time and costs. Hybrid multi-modal operations, leverage a blend of military and commercial airlift, and provide another opportunity to reduce cost without sacrificing effectiveness.

In the U.S. Pacific Command (USPACOM) area of operations (AOR), USTRANSCOM continued its support of the National Science Foundation's (NSF's) mission. As part of OPERATION DEEP FREEZE, we coordinated for the delivery of over 4,000 passengers and 2,150 short tons (STONs) of cargo via C-17 and more than 6 million gallons of fuel and 3,400 STONs of cargo via sealift to McMurdo Station, Antarctica. In February 2012, the NSF discovered the ice pier used in previous years to offload cargo was not capable of supporting ship off-loading operations. USTRANSCOM rapidly coordinated the delivery and setup of an Army modular causeway system, which permitted the off-load of nearly 7 million pounds of cargo in 322 containers and the backload of more than 8.7 million pounds of retrograde cargo in 391 containers. This off-load operation, the first of its kind in this environment, spanned eight days, during sub-freezing temperatures and sustained Antarctic winds.

In addition to ODF, USTRANSCOM supported numerous operations that enhanced the security and preparedness of U.S. and allied forces in the PACOM AOR. USTRANSCOM supported multiple

deployments and redeployments in support of Operation ENDURING FREEDOM-PHILLIPINES (OEF-P). We also 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. USTRANSCOM supported U.S. Special Operations Forces Joint Command Exercise Training (JCET) throughout the Asia-Pacific region at the invitation of regional governments, with strategic airlift and sealift of PACOM assets. Support for USPACOM's JCS Exercises TERMINAL FURY in Hawaii, 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 entailed the movement of 10,452 passengers, 1,298 STONS moved by strategic airlift, and 406,270 square feet (or 22,114 STONS) via sealift.

Additionally, USTRANSCOM moved 1,574 STONS of food, water, construction materials, and vehicles to support the USPACOM Joint POW/MIA Accounting Command (JPAC) team from Pusan, Republic of Korea, to Nampo, Democratic People's Republic of Korea.

In the U.S. Southern Command's (USSOUTHCOM) AOR, USTRANSCOM continued to support the secure transport of personnel for detainee movement operations. In coordination with the Office of the Secretary of Defense, the Office of the Secretary of State, Joint Staff, and supported COCOMs, we successfully completed 100 percent of these sensitive missions without incident.

In the U.S. European Command's (USEUCOM) AOR, USTRANSCOM deployed and redeployed more than 2,233 troops and 1,169 STONS of cargo in support of the Kosovo Balkan force. During December 2012, we conducted the movement planning for 326 personnel and 1,022 STONS of cargo in support of the Patriot Missile Battery deployment into Turkey in support of NATO defense. Support to USEUCOM also included numerous strategic lift missions in support of exercises in several countries to



include: Estonia, Georgia, Israel, Latvia, Norway, and Poland. These exercises entailed moving more than 2,732 personnel and over 8,000 STONs of cargo for training events aimed at exercising the ability to deploy, employ, and sustain forces in response to a crisis affecting the USEUCOM AOR.

In the U.S. Africa Command's (USAFRICOM) AOR, USTRANSCOM deployed and redeployed 3,187 troops and 1,297 STONs of cargo in support of Combined Joint Task Force Horn of Africa. We also coordinated and tracked 40 airlift missions moving nearly 300 personnel and over 490 STONs of cargo while supporting contingency operations in northern Africa.

Finally, in the U.S. Northern Command (USNORTHCOM) AOR, the Modular Airborne Fire Fighting System equipped C-130 aircraft, provided by our Component, AMC, flew 922 sorties and released more than 22.2 million pounds of fire-retardant, combating wildfires in direct support of U.S. Forestry Service operations. The WC-130 Hurricane Hunter aircraft flew over 120 sorties into 32 storms collecting valuable hurricane data for the National Oceanic and Atmospheric Administration. In support of relief efforts in the wake of Super Storm Sandy, USTRANSCOM coordinated for nearly 100 C-17 and C-5 missions moving 749 passengers and 3,762 STONs of cargo. Critical supplies delivered included electric utility restoration vehicles, medical personnel, search and rescue teams, blankets, dewatering pumps, and support equipment. Support to USNORTHCOM also included lift for training exercises providing realistic homeland defense and defense support to civil authorities training for joint and interagency partners. This entailed moving more than 3,700 personnel and over 1,363 STONs of cargo in support of EXERCISE VIBRANT RESPONSE 13, a training event exercising the ability to deploy, employ, and sustain specialized military response forces upon the request of civilian authorities following a catastrophic incident.

## **Support for the Warfighter**

Global patient movement remains one of our most demanding missions requiring 100-percent accuracy. Last year, in partnership with the medics of AMC, Air Force Reserve Command, and the Air National Guard, we efficiently and effectively provided en route medical care to more than 14,000 patients. Patients requiring critical care support were moved by Critical Care Air Transport Teams, including six patients who were moved by the new Acute Lung Rescue Teams, one from USPACOM and five from USCENTCOM.

Our partnership with the Military Health System is vital to the success of patient movement. In particular, Landstuhl Regional Medical Center is vital to the support of four COCOMs: USEUCOM, USCENTCOM, USAFRICOM, and U.S. Special Operations Command. The planned Military Construction (MILCON) replacement of this outstanding hospital will further aid the en route medical care needs of ill and injured Service members and their families.

We are working to improve the quality of life for Service members and their families by providing convenient and user-friendly online services for scheduling the shipment of household goods. Last year, the Defense Personal Property Program (DP3) through the Defense Personal Property System (DPS) managed approximately 600,000 DOD household goods shipments. DP3 provides the procedures necessary to build the many online resources provided by DPS. These services include Web-enabled counseling, the ability for a DOD customer to score their Transportation Service Provider (TSP) via the customer satisfaction survey, as well as the ability to file an online claim while in direct communication with the TSP.

Finally, the ability to support the warfighter in Afghanistan's mountainous terrain requires reliance on vertical resupply via airdrop operations. Although airdrop cargo amounts decreased from 2011 to 2012, AMC airdropped over 40 million pounds of fuel and combat supplies, significantly reducing

exposure to troops on surface roads. With the High Speed Container Delivery System, we are able to support forward deployed warfighters, increasing delivery tonnage to point of need and providing enhanced threat avoidance and tactical maneuverability to airlift aircraft and crews. Civilian causality concerns led to the development of new capabilities such as an extracted container delivery system to improve aerial delivery accuracy. Additionally, enhancements in existing capabilities, such as the low-cost, low-altitude airdrop system and Joint Precision Airdrop System, enhance our delivery capability to warfighters operating at ever increasing, smaller and more austere locations or in proximity to civilian populations.

### **Interagency and Other Support**

Cyber threats posed to USTRANSCOM, our components, commercial partners, national critical infrastructure, and key resources are a direct challenge to DOD global operations. Among USTRANSCOM's top priorities is ensuring freedom of action and protection of mission data throughout the cyberspace domain to plan and execute our global mission. To that end, we continue to strengthen our partnerships with U.S. Cyber Command (USCYBERCOM) as well as the Defense Information Systems Agency (DISA) and other interagency and industry partners. It is critical that we protect our essential command and control systems and information from cyber attack or exploitation.

USTRANSCOM continues efforts to improve readiness and strengthen ties with both our commercial and U.S. Government partners through improved information sharing.

Our role as GDS facilitates enhanced opportunities to support the COCOMs and the Department of State by means of engagement events focused on distribution, transportation, and logistics. Fostering critical relationship-building opportunities based on universal logistics interests is our unique and innovative approach to traditional security cooperation activities. Our GDS responsibilities provide the

basis and means for successful strategic engagements as we continue to expand our reach and become more agile. The NDN is a prime example of coordinated and synchronized activities that have maximized strategic distribution flexibility and reduced operational risk. The NDN has minimized reliance on any one nation by offering fair and open competition that facilitates economic development and diplomatic engagement. The strategic impact has improved international relations and expanded commodity resourcing through the development of an integrated and synchronized distribution enterprise.

### **Mobility Capabilities Assessment-18 (MCA-18)**

MCA-18 is an assessment being conducted by USTRANSCOM in conjunction with the Office of the Secretary of Defense and Joint Staff. We are assessing DOD's capability to project and sustain forces in support of the defense strategy, through 2018, by examining a range of strategic and operational mobility challenges that include current operations plans, defense scenarios, seminars presented in Chairman Joint Chief of Staff senior leader seminars, and historical operations. MCA-18 will identify and evaluate our capabilities, the constraints associated with projecting and sustaining forces in support of the strategy, and options to mitigate system constraints. We will leverage this assessment as we move forward to complete the congressionally mandated Mobility Requirements Capabilities Study 2018.

### **Air Mobility Readiness**

With the delivery of the last U.S. Air Force C-17, we will have the planned air mobility force structure to meet the strategic airlift requirements for a single large-scale operation, while maintaining the flexibility and adaptability to support the Joint Force in another region.

Our other strategic airlifter, the C-5, is critical to our oversized and outsized air cargo capability. Management of this fleet focuses on retirement of the C-5A, the oldest and least reliable aircraft while improving reliability for the remaining C-5s. The Reliability Enhancement and Re-Engining Program (RERP) increases the C-5 fleet mission capable rate from 55 to 75 percent while vastly increasing aircraft performance, range, and fuel efficiency.

Together our C-17 and C-5 fleets continue to improve availability through the replacement of aging components, obsolete components and the Air Force's new programmed phase inspection maintenance process. This change from a "failure of major components" process to a preventive replacement process, along with the retirement of maintenance intensive jets and RERP modifications, will significantly improve strategic airlift aircraft availability, velocity, and capacity to the warfighters.

The KC-46A is critical to the entire Joint and coalition team's ability to project combat power around the world, and provides America and our allies with unparalleled rapid response to combat and humanitarian relief operations alike. The KC-46A offers more refueling capacity and increased capacity for cargo and aero-medical evacuation. The KC-46A will provide outstanding aircraft availability, highly adaptable technology, flexible employment options, and superb overall capability.

The legacy air-refueling fleet includes the KC-10 and KC-135 aircraft providing the backbone for Air Mobility support to our warfighters. The KC-10 Communication, Navigation, Surveillance (CNS)/Air Traffic Management (ATM) Program addresses airspace access and near-term critical obsolescence issues for the 59 KC-10 aircraft fleet. CNS/ATM capabilities are necessary to ensure worldwide flight operations in civil and military air space and meet current Federal Aviation Administration and International Civil Aviation Organization standards.

C-130s continue to be the intra-theater workhorse for airlift operations around the globe, providing critical lift and airdrop capability wherever needed. This versatile aircraft will continue to play an integral role for airlift long into the future.

The Civil Reserve Air Fleet (CRAF) is a voluntary commercial segment of our mobility force, providing additional capability to rapidly deploy forces and equipment globally. Over the past few years, USTRANSCOM has encouraged program improvements by way of contracting day-to-day business with preference to those commercial carriers who have modernized their fleet. This approach has provided increased reliability and greater fuel efficiency, through economy of scale and continues to be of value as we adjust to changes in global economic situation and anticipated changes in our future force deployments. We continue to examine the CRAF program for viability and cost effectiveness for future mission needs.

### **Sealift Readiness**

During large-scale operations, roll-on/roll-off (RO/RO) vessels are the prime movers of unit equipment for Army and Marine Corps forces. We rely primarily on commercial industry for sealift and complement it with our U.S. Government-owned vessels from the MSC's surge fleet and Maritime Administration's (MARAD) Ready Reserve Force (RRF) when necessary. Our partnership with commercial industry is formalized through agreements such as the Voluntary Intermodal Sealift Agreement (VISA). This agreement and others ensure the availability of a viable U.S. flag maritime industry and the required U.S. citizen mariner pool needed in times of national emergency. We also leverage significant capacity through the Maritime Security Program (MSP). MSP has been an extremely successful program since its inception in the mid 1990's; over 70 percent of the VISA capacity needed for a national emergency would come from our partners in MSP. Additionally, the

National Defense Authorization Act for Fiscal Year 2013 has ensured the continued presence of the U.S. flag fleet in international commerce while providing DOD critical continued access to militarily useful RO/RO and other cargo vessels. Preserving these programs preserves the U.S. merchant mariner base, a vital national asset that provides the manpower needed for surge operations.

The National Defense Sealift Fund provides funding for 9 Large Medium-Speed Roll-On/Roll-Off vessels, 5 Roll-On/Roll-Off-Container vessels, and the 46 RRF vessels of our U.S. Government-owned surge fleets. All vessels are critical for the DOD's ability to surge to meet future global requirements. USTRANSCOM is working with our commercial and U.S. Government sealift partners to find the most cost effective means to fund these fleets and the critical capacity they provide. Finally, with the average age of the RRF exceeding 36 years, and nearly 1.6 million square feet of RO/RO capacity retiring over the next 10 years, it is important to begin the process of recapitalizing our organic fleets.

### **Surface Readiness**

Successful execution of our mission and the daily support we provide to the warfighter rely on a complex global enterprise of interdependent critical infrastructure. Our Critical Infrastructure Program aligns resources in managing both a COCOM program and a Defense Infrastructure Transportation Sector program, the latter focusing on building relationships and trust among non-DOD critical infrastructure stakeholders, sharing information and collaborating where appropriate. Our critical infrastructure stakeholders range from other Federal agencies to State and local entities, foreign countries, and the private sector.

We continuously monitor the infrastructure network based on threats, hazards, and vulnerabilities. We augment teams who assess risks to infrastructure, advocate initiatives to economically reduce risk, and help develop solutions to preserve our readiness. These efforts are aimed at ensuring that

infrastructure is available when required. Through coordination and cooperation with the commercial sector, the National Port Readiness Network delivers an important link between commercial port operations and military readiness at 17 strategic ports. These ports provide the critical services and intermodal links needed to ensure rapid, secure, and effective military mobilization. Improving the resiliency and modernizing our seaports, air nodes, and critical rail and road networks is a USTRANSCOM focus area that ensures our ability to support all geographic combatant commanders and respond to emergencies within the homeland, now and far into the future.

Infrastructure improvement projects at the U.S. Army Military Ocean Terminal Concord (MOTCO), in Concord, CA, 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 to alleviate throughput issues to the Pacific Theater. DOD's current efforts are centered on preserving existing throughput capability at MOTCO's only operational pier configured for movement of containerized ammunition through comprehensive structural engineering assessments. Although the requisite resourcing processes have not yet run their full course, we are working with the U.S. Army to address the deteriorating infrastructure at MOTCO to allow for sufficient and uninterrupted delivery of supplies to the Pacific Theater.

Recently completed and ongoing infrastructure improvement projects at the U.S. Army Military Ocean Terminal Sunny Point (MOTSU), in Sunny Point, NC, are essential to USTRANSCOM's support of USCENTCOM's operational plans and DOD's military capability in multiple theaters. Specifically, MOTSU's Center Wharf was recently upgraded to support the installation of two new container gantry cranes, which became operational in 2012. These improvements enhance MOTSU's ability to conduct



missions and allow the terminal to meet documented throughput requirements, contributing to a resilient capability.

In addition to improving critical infrastructure, DOD must maintain railcar capacity to meet military transportation requirements. USTRANSCOM through our Army component, SDDC, is executing an Army program established to preserve and assure access to commercial railcars needed to augment U.S. Government-owned capabilities and meet contingency deployment requirements.

### **Joint Enabling Capabilities**

USTRANSCOM ensures the readiness and timely deployment of mission-tailored joint capability packages to assist all COCOMs across seven unique functional areas—joint planning, operations, logistics, knowledge management, intelligence support, communications, and public affairs—within hours of notification. JECC forces provide these enabling capabilities and are designated as part of the Secretary of Defense’s Global Response Force. As a result of a changing, complex operational environment, the geographic combatant commanders have relied on and will increasingly depend upon USTRANSCOM’s low density-high demand JECC forces to accelerate the formation and the effectiveness of joint force headquarters and assist joint force commanders in the planning and execution of joint operations. We recognize that JECC’s ability to effectively assist COCOMs on short notice depends on the development and maintenance of strong, close relationships with our mission partners and stakeholders.

### **Enhancements to USTRANSCOM Readiness and DOD Supply Chain Management**

As the GDS and DPO, USTRANSCOM is committed to working with the military Services, COCOMs, governmental agencies, allied, and commercial partners to synchronize distribution planning

and synergize distribution initiatives. This collaborative effort will ensure we deliver a scalable and resilient Global Distribution Network from point of origin to point of employment, meeting needs dictated by the operating environment.

A robust global infrastructure network is essential to our Nation's ability to project and sustain its power and influence; therefore, a commitment to obtain the access and agreements necessary to maintain this capability and adequately resource it is imperative. Using strategic-level analysis and subsequent modeling, we have identified requirements in the En Route Infrastructure Master Plan (ERIMP) as both current and anticipated capability gaps and requirements. We will continue to utilize the ERIMP process to identify access requirements and construction projects that will improve our ability to support COCOM global routes.

At USTRANSCOM we are 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, General Services Administration, COCOMs, and the Services, we achieved over \$500 million in cumulative cost avoidance due to better surface container utilization and better pallet and planeload utilization. This simply better optimized 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; to date, we have reached \$721 million in cumulative cost avoidance. Our collective efforts earned the prestigious Defense Logistics 2012 Cost Savings and Performance Improvement Award.

To enhance readiness we are identifying new ways to leverage the existing DTS infrastructure and industry resources in support of our global demands, as well as formulating better solutions to improve DTS capabilities. This will not only benefit military aircrew proficiency but will contribute to our organic and commercial viability. In order to accomplish these objectives, the command stood up the

Enterprise Readiness Center (ERC) to help capitalize on opportunities to increase DTS volume. The ERC will also seek to improve transportation services to existing customers and drive responsiveness to improved levels by applying enterprise-proven methods. We understand multiple transportation providers exist in today's global distribution network. To that point and with the ERC in place, USTRANSCOM will endeavor to become the transportation provider of choice.

We continue to partner with USCYBERCOM, DISA, industry, and academia to improve and harden our information technology resources, strengthen cyber defense, and improve our capability to operate effectively in cyberspace. Because of our strong reliance on commercial partners, over 90 percent of DOD deployment and distribution information transactions are handled on unclassified systems, leaving us vulnerable to possible cyber attacks. We are defining standards for processing and handling data that will improve the security of our information through our continued collaboration forums, including our cyber summit, industry day, and an exercise involving the Department of Homeland Security that improved our information sharing processes and relationships.

In order to fully support the needs of the warfighter, we are working with our joint enterprise partners to measure distribution performance. Our focus is to measure the right events at a sufficient level of detail to pursue supply chain optimization opportunities. For example, we are leveraging technology such as electronic data transmitted from commercial partners and system of record database incorporation to capture appropriate time-stamps. This data facilitates performance measurements and root-cause analysis as requisitions flow from suppliers to the warfighter. Through continual collaboration across the DOD, we are developing common and meaningful performance metrics that incorporate best-practices from the commercial and U.S. Government sectors.

## **Business Transformation--Efficiencies**

We continue seeking methods to achieve cost avoidance and improve processes for container management. We have implemented several initiatives to include container detention fee reductions through increased use of U.S. Government owned containers where cost effective, improving contract provisions with carriers through the recently awarded Universal Services Contract (USC)-7 and accomplishing container buyouts earlier when carrier owned containers are required to meet mission objectives. USC-7 is also enabling us to transform other business areas. This multiple award program, with 22 contracted ocean carriers, supports our worldwide surface shipments. Some changes of significance from USC-6 to USC-7 include measuring carrier performance regionally by COCOM versus global basis; this allows for more relevant “best-value” booking decisions and provides leadership visibility on carriers’ performance in each COCOM. We added four electronic data interchange codes, assisting in more accurate measurement of carriers' performance, ensures carriers are appropriately compensated for validated and compensable delays by providing more detailed visibility into the status of shipments.

Our operations focus foremost on effective support to the warfighter; we constantly search for the best, most efficient methods to provide seamless and responsive support. Many times, these transparent efficiencies also result in increased effectiveness. Deployment and Distribution Cost Based Decision Support (D2 CBDS) practice ensures USTRANSCOM and COCOM operational decision-making incorporates cost consciousness with mission effectiveness through vetted, standardized, and codified operational cost methodologies. D2 CBDS methodologies encompass end-to-end nodes and transportation legs. To ensure second- and third-order effects are adequately considered, all required stakeholders are engaged throughout the D2 CBDS process. D2 CBDS has already produced significant cost avoidance, included under our DPO Strategic Opportunities umbrella, through a number of

emerging efforts, including the Tankering Decision Matrix, monitored by the AMC Fuel Efficiency Office, that informs the Tanker Airlift Control Center when it is cost effective to carry fuel to downrange locations due to the prohibitively high costs to deliver fuel in theater.

Going forward, the D2 CBDS Working Group composed of USTRANSCOM directorates, COCOMs, and network partners will provide rapid response and subject matter expertise for emerging complex operational costing opportunities.

### **Training, Education, and Exercises**

USTRANSCOM's participation in the Combatant Commanders Exercise Engagement and Training Transformation (CE2T2) Program 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. Maintaining freedom of action and global access is as much a requirement for the functioning of our JDDE as it is for the conduct of military operations and requires continuous engagement worldwide. CE2T2 enables this critical engagement; contributes to strategic and logistical access for the U.S. Government; increases readiness across combatant commands; and sustains partnerships with commercial industry and our global core partners in order to provide reliable and seamless logistical support at time of need. As we move forward with a refocus on the Pacific and our forces become more CONUS-based, we will see an even greater reliance on the CE2T2 program to maintain our freedom of action and the readiness to project that force to meet national security objectives. Maintaining the CE2T2 Program is critical to USTRANSCOM's readiness.

## **Platform Enhancements**

Joint Logistics Over the Shore (JLOTS) provides the capability to load and discharge vessels in austere environments into Army and Navy watercraft or lighterage, where ports are damaged, unavailable, or inadequate or access is denied. Among the improvements JLOTS provides is a telescopic crane system that has stabilization technology to permit the selective retrieval of containers to be transferred between vessels or lighterage even under heavy sea states. The second is an interface module that will enhance Army Modular Causeway and the Navy Improved Lighterage Systems, which have differing freeboards.

JLOTS operations are extremely complex and require a detailed working knowledge of requirements, capabilities, and limitations among the Services to successfully plan and execute. As part of our oversight authority for JLOTS, this year we established the JLOTS Working Group with the primary mission to facilitate and streamline the coordination between Services and COCOMs and within the JLOTS community of interest. This group will lead the review of JLOTS initiatives, doctrine, and training as well as advocate for sustained JLOTS capabilities in support of COCOM requirements. JLOTS and Service Logistics Over the Shore capabilities continue to provide a necessary capability to support combatant commanders.

Hybrid airships represent a transformational capability, bridging the longstanding gap between high-speed, lower-capacity airlift, and low-speed, higher-capacity sealift. Across the range of military operations, this capability can be leveraged from strategic to tactical distances. From swift crisis action support to enduring logistical sustainment operations, hybrid airship technology has the potential to fulfill “factory to foxhole” cargo delivery. We encourage development of commercial technologies that may lead to enhanced mobility capabilities in the future.

## **Final Thoughts**

We are entrusted with the authority to lead and transform the Joint Deployment and Distribution Enterprise and the incredible responsibility of serving the geographic combatant commanders as they execute our Nation's most demanding military missions. To ensure that we can repeat our successes of the past as we move into a dynamic, resource-constrained future, we must transform the way that we manage the enterprise and make significant cultural changes in the way that we think, train, and execute our missions. Our strategic plan is guiding us in this transformation so that we are postured to support our forces worldwide with all available resources within the U.S. Government and offered by our commercial partners. We will continue to challenge ourselves to be ready for any contingency, peacetime or during conflict, and to meet the needs of our warfighters across the globe. I am extremely proud of the USTRANSCOM team and our enterprise partners and the fantastic work they do to support our national security objectives. They know, better than anyone, that "Together, we deliver!"