Statement of

General Norton A. Schwartz, USAF

Commander, United States Transportation Command

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On the State of the Command

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INTRODUCING THE UNITED STATES TRANSPORTATION COMMAND (USTRANSCOM)

Mission/Organization

As a unified combatant command (COCOM), USTRANSCOM provides the synchronized command and control, transportation, distribution, and sustainment which make possible projecting and maintaining national military power where needed, with the greatest speed and agility, the highest efficiency, and the most reliable level of trust and precision. USTRANSCOM's imperative is to provide outstanding support to the warfighter through effective operation of the Defense Transportation System (DTS) and by providing global patient movement. Further, as the Department of Defense's (DOD) Distribution Process Owner (DPO), USTRANSCOM leads a collaborative effort amongst the logistics community to develop system-wide distribution process improvements. To accomplish USTRANSCOM's global joint mission we rely upon our component commands: the Air Force's Air Mobility Command (AMC), the Navy's Military Sealift Command (MSC), and the Army's (Military) Surface Deployment and Distribution Command (SDDC). Our components provide mobility forces and assets in a force structure capable of seamless transition from peace to war. But, there is one reality that will not change: we'll never be able to own all the aircraft and ships we need—USTRANSCOM will always depend on a mix of government-owned and commercial assets. We simply cannot do business without our commercial partners. Together we "Make it Happen and Get it Done."

Our wartime objectives are to get the warfighter to the fight, sustain the warfighter during the fight, rapidly maneuver the tactical warfighter, get the wounded warfighter to needed care, and return the warfighter home to family. Whether it is the lives of our sons and daughters, sums of wealth,

or commercial partner contributions, the portion of our nation's treasure entrusted to us is precious and we must be good stewards of that trust.

The operating tempo (OPTEMPO) of the nation's mobility forces remains high as they support the ever growing number of requirements and challenges faced by the regional combatant commanders. It is important to note that USTRANSCOM is only postured—from a force structure perspective—as a one major war force. Regardless, USTRANSCOM supports not one, but all combatant commanders simultaneously, placing a premium on our lift assets. Additionally, USTRANSCOM's ability to support multiple competing demands is constrained by access and force flow dynamics. Our limited transportation assets rely on an optimized force flow to meet demands.

Enduring Themes

In a dynamic political-military environment, requirements can quickly exceed capabilities. USTRANSCOM's challenge is to meet the warfighters' requirements while continuing our leading role in the transformation of the Department of Defense (DOD) supply chain. Three themes guide our course:

- *Theme One:* Investing in the care and quality of USTRANSCOM's most valuable resource--our people.
- *Theme Two:* Continued transformation of key processes, leveraging information technology to provide seamless, end-to-end distribution management for defense.
- *Theme Three:* Maintaining force readiness and continuous modernization to perform our global mobility mission.

USTRANSCOM in 2005

Meeting Our Commitments to the Nation

The year 2005 found the nation at war and USTRANSCOM met the expectations of a nation on a wartime footing. Our greatest commitment remained supporting the Global War on Terrorism (GWOT) and its three primary

operations, Operations IRAQI FREEDOM (OIF), ENDURING FREEDOM (OEF), and NOBLE EAGLE (ONE). As in every year since 2001, OIF and OEF mobility requirements were sizeable: total deployment, redeployment, sustainment, and rest and recreation airlift by AMC moved 1,188,084 passengers and 457,670 short tons. MSC and SDDC's contributions were equally striking with 169 vessels delivering 1.89 million short tons (36.9M square feet). MSC's point-to-point tankers also delivered over 1.77 billion gallons of fuel supporting worldwide DOD requirements. Our airborne tankers, a critical power projection capability, offloaded 1,016.68 million pounds of fuel in support of OIF and OEF. Their role in ONE was also significant as tankers offloaded 20.18 million pounds, replenishing combat air patrol fighters guarding major U.S. cities and critical infrastructure.

Our most urgent responsibility in 2005 has been assisting US Central Command (USCENTCOM) in defeating the terrorists and neutralizing the insurgency in Iraq. The magnitude of that effort was enormous. For example, MSC, only one of the three USTRANSCOM components, provided 11,302,666 square feet (565,133 short tons) of cargo to USCENTCOM. AMC and SDDC contributions were of similar scale.

Of utmost importance for USCENTCOM was the movement of armored vehicles and add-on armor kits. In calendar year 2005, SDDC, via MSC organic and chartered ships and SDDC liner service vessels, shipped 6,294 Level I Up-Armored Humvees (HMMWVs) or 115 percent of the 5,473 required by USCENTCOM Army forces (ARCENT). This total would fill 3.15 large, medium speed roll-on/roll-off (LMSR) Bob Hope class vessels. The timely delivery of Level II armor, factory-built add-on-armor kits, has also been a pressing priority. During 2005, AMC airlifted 14,909 short tons of Level II kits for ARCENT, totaling 25,827 kits. AMC also lifted 78 special purpose anti-Improvised Explosive Device-resistant vehicles weighing 1,098 short tons. Between June and August 2005, SDDC shipped 763 5-ton truck Level II kits weighing 2,270

short tons to ARCENT. USTRANSCOM also met Marine Corps armor needs by shipping 966 Level I Up-Armored HMMWVs amounting to 2,270 short tons and the airlift of 3,102 short tons of Level II armor, for a total of 3,276 kits. The total Level II airlift tonnage for the Army and Marine Corps was equivalent to 798 fully loaded C-5 aircraft. Movement of Level III armor, a locally fabricated steel kit, was completed on 14 February 2005.

Force rotations of units to and from Iraq and Afghanistan have remained a cornerstone of our OIF/OEF mission. Between January and March 2005, AMC airlifted 250,000 passengers and over 11,000 short tons while MSC and SDDC moved more than 711,000 short tons via sealift. This year, USCENTCOM and USTRANSCOM adjusted rotations to meet increased security needs during Iraqi elections and minimized movements during the holiday season at home. When the current rotation completes in spring 2006, AMC will have moved 227,992 passengers and 17,313 short tons by air along with 530,000 short tons moved by MSC and SDDC by surface.

Other support requirements often have been inescapable during our OIF/OEF force rotations, such as unplanned natural disasters which required an immediate domestic response. After Hurricane Katrina devastated New Orleans and the Gulf Coast, DOD deployed 20 people to supplement Federal Emergency Management Agency (FEMA) operations planning at Fort Gillem, GA. Fourteen of the 20 people came from USTRANSCOM and its component commands along with five from the Defense Logistics Agency (DLA) and one from the Maritime Administration (MARAD). The one-two punch of Hurricanes Katrina and Rita prompted a major response from our mobility forces. During Katrina, AMC used organic assets in the form of a contingency response group (CRG) to reestablish airfield operations followed closely by airlifting relief supplies totaling 339 sorties, 13,717 patients/evacuees and 5,170 short tons of relief supplies. Air National Guard (ANG) support operations totaled 3,087 sorties, 30,898 passengers, and 10,834 short tons. SDDC support

included the redeployment of 82nd Airborne and 24th Marine Expeditionary Unit equipment, consisting of 1,342 pieces of equipment totaling 183,000 sq ft (9,150 short tons) of cargo, and the procurement of approximately 250 buses for movement of personnel. At the request of FEMA, MSC contracted 4 cruise ships berthing over 7,000 evacuees and relief workers, while the MSC vessels USNS Pollux, Altair, and Bellatrix provided over 130 tons of water and 1.4 million gallons of fuel.

Katrina and Rita thankfully were not as massively destructive as the tsunami which roared ashore in several Asian nations on December 26, 2004. USTRANSCOM simultaneously contributed to Operation UNIFIED ASSISTANCE without interrupting or slowing the OIF/OEF "surge" rotation. Total airlift for the relief effort amounted to 2,943 passengers and 3,786 short tons. One chartered ocean liner delivered 320 short tons of high energy biscuits and another vessel redeployed just under 2,000 short tons of equipment.

Another tragedy was the 7.6 magnitude earthquake which killed thousands in Pakistan on October 6, 2005. This terrible situation threatened to become even worse since the seismic activity left thousands injured and homeless in remote locations with the approaching cold temperatures of winter. An AMC C-17 loaded with relief supplies left Bagram, Afghanistan for Pakistan on October 9, less than 48 hours after the earthquake, and additional supplies, including 21 urgently needed helicopters, were subsequently airlifted from bases in the United States to Pakistan. By late January 2006, AMC's airlift to Pakistan totaled 1,674 passengers and just over 5,549 short tons of critical relief supplies.

Amid all these urgent requirements, USTRANSCOM turned over the management and reporting of the airlift and sealift for National Science Foundation's (NSF) annual research in Antarctica to US Pacific Command (USPACOM). Known as Operation DEEP FREEZE, mobility totals from the 2004-05 season show how large the operation can be, with 573 airlift missions

transporting a total of 7,032 passengers, 5,340 short tons and 696,214 gallons of fuel. Two MSC supply ships replenished the NSF station with 10,964 short tons and 6.1 million gallons of fuel. Despite the shift in oversight, USTRANSCOM still fulfills needs in Antarctica, providing a C-17 for the airlift mission from New Zealand to Antarctica and nine specially trained crews from the New York ANG to fly LC-130 missions.

Our nation's sons and daughters fight like they train and USTRANSCOM understands the importance of meeting our customers' training needs without sacrificing the effectiveness of wartime mobility operations. For example, by collaboratively managing transportation requirements with USCENTCOM, USTRANSCOM assisted USCENTCOM conduct of Exercise BRIGHT STAR, its longstanding field training exercise, for the first time since 2001. In contrast to the large-scale BRIGHT STARs of the era before the GWOT, BRIGHT STAR 05 held the number of airlifted forces to 14,038 passengers and 2,207 short tons. Three vessels moved 37,269 short tons for BRIGHT STAR, far fewer than in years past. Similarly, the combined USPACOM exercise in the Republic of Korea, RECEPTION, STAGING ONWARD MOVEMENT AND INTEGRATION (RSO&I)/FOAL EAGLE and UNIFIED VIEW 2005, a shared effort by US Joint Forces Command (USJFCOM) and USTRANSCOM to integrate deployment and distribution processes were also adjusted in scope. Collaborative requirements management to meet both critical training and wartime needs is essential and makes good sense.

Conducting "normal" operations effectively in demanding times extended to the highly visible mission of providing Presidential airlift. AMC aircraft supported six foreign trips by President Bush during 2005. This support amounted to 5,263 passengers and 5,368 short tons, enabling the President to consult with the leaders of three allied nations in Western Europe, to pay his respects at the funeral of the late Pope John Paul II in Italy, to observe the 60th anniversary of the end of World War II in Europe,

to take part in a Latin American summit meeting in Argentina, and to attend the Asia Pacific Economic Conference in South Korea.

In 2005, USTRANSCOM continued meeting new DOD requirements supporting Defense Support to Civilian Authorities (DSCA) missions. In coordination with United States Northern Command's (USNORTHCOM) Joint Task Force Civil Support (JTF-CS), USTRANSCOM is refining ground and air transportation options to provide rapid access and deliver consequence management forces to Chemical, Biological, Radiological, Nuclear, and high yield Explosive (CBRNE) affected sites. Additionally, USTRANSCOM, in coordination with USNORTHCOM's Joint Task Force National Capital Region (JTF-NCR), is tailoring rapid high-priority airlift for survivability and emergency medical evacuation of senior government officials to ensure continuity of our nation's governing bodies.

In addition, USTRANSCOM provided immediate response airlift for three Quick Reaction Force (QRF) deployments, requiring 12 missions covering each US QRF sector. AMC logged approximately 1,000 man-days supporting heightened QRF response postures for high-visibility world events, including the G8 Summit and Hurricane Katrina. These deployments honed joint processes with USNORTHCOM and exercised our immediate response capabilities.

USTRANSCOM and AMC also provided wildland firefighting support. Air National Guard and Air Force Reserve C-130 units, equipped with the Modular Airborne Fire Fighting System (MAFFS), were used to knockdown emerging fires. MAFFS aircraft and crews flew 332 sorties and performed 343 retardant airdrops, preventing millions of dollars in damage and saving countless acres of forest and wilderness areas. USTRANSCOM and AMC are working with the National Guard Bureau and National Interagency Fire Center to field a more reliable and capable MAFFS II system on the C-130/C-130J in July 2006.

Patient movement, one of our more poignant missions, transports America's wounded and sick warriors, including battlefield casualties, to higher levels of care. During CY05 USTRANSCOM supported 24,942 Patient

Movement Requests (PMR) worldwide. USTRANSCOM's Joint Patient Movement Requirements Center (JPMRC) performed as a patient movement management cell coordinating the movement of personnel from the war zones in Iraq and Afghanistan back to Europe and the United States. Their unparalleled level of care combined with the safe and efficient movement to higher levels of care enhanced patient survivability, reaching nearly 90% today. The DOD Patient Movement system, and in particular aeromedical evacuation, has transformed into a one-of-a-kind asymmetrical asset. No other nation on earth has the capability to care for and move her most vital possession, her people, as safely or effectively in war and in peace. USTRANSCOM moved 3,813 patients via the National Disaster Medical System during Hurricanes Katrina and Rita. We are proud of our unwavering commitment to bring every warfighter home from the fight. This promise given to our warfighters will continue to be a promise kept.

PEOPLE: USTRANSCOM'S GREATEST ASSET

Shortages/Areas of Concern

Operational outcomes such as those recounted previously require exceptionally dedicated professionals. USTRANSCOM's mobility team, comprised of active duty, Reserve, National Guard, civilian, and contractor personnel, is literally the engine that powers force projection. Meeting the needs of our people in terms of manning and quality-of-life issues leads to increased readiness, higher retention, and is absolutely the right thing to do.

The GWOT is requiring us to employ our mobility assets in new and demanding ways. The stress is evident in several key fields. In order to meet the high demand for C-130s, the command hosted a global sourcing conference that affected other COCOMs and services. Currently, we are using four US European Command (USEUCOM), four USPACOM, and four Navy-assigned C-130s to offset high TDY rates for USTRANSCOM-assigned C-130 units. In a post-mobilization setting (majority of AFRC C-130 mobilization ends summer

2006, some residual ANG/AFRC mobilization capability remains) active duty intratheater aircrew TDY rates will likely increase approximately 20 percent, if requirements remain constant. In addition, as C-17 Theater Direct Delivery (TDD) capability is used to further offset C-130 deployments, C-17 utilization and TDY rates will also increase. We face a similar scenario with tanker assets.

More than any other COCOM, USTRANSCOM relies on the Reserve Component (RC) for peacetime responsiveness and wartime capability. The RC provides approximately 56 percent of USTRANSCOM's personnel, 57 percent of continental US (CONUS) surface lift capability, and 59 percent of airlift capability. In fact, the Air Reserve Component (ARC) operates 30 percent of outsize/oversize airlift fleet (C-5s and C-17s), owns more than 62 percent of the KC-135 force, and over 61 percent of our fleet of C-130s.

High rates of RC volunteerism for intertheater airlift and tanker missions have filled a shortfall in capabilities the active duty has been unable to provide. To put this in perspective, in fiscal year 2001 (FY01), RC support to USTRANSCOM staff accounted for 28.2 man years. However, with the increased OPTEMPO generated by the GWOT, support increased to 114.1 man years in FY02, 96.2 man years in FY03, 95.4 man years in FY04, 94.8 man years in FY05 and 89.4 man years projected in FY06. USTRANSCOM will depend on volunteerism to meet requirements for the foreseeable future.

The President's executive order authorizing partial mobilization (up to one million reservists for up to 2 years) has proven crucial during OIF, OEF and ONE. Although thousands of RC forces volunteered, USTRANSCOM and its components were required to mobilize thousands more. With the pending completion of involuntary mobilized tours of duty at the end of FY06, the number of temporary duty days for the remaining intratheater airlift forces could increase as much as 33 percent. It is essential to maintain RC

mobilization agility and flexibility as we respond to warfighter needs in the future.

Quality of Life Issues

With the nation maintaining an extended war footing, quality-of-life programs can alleviate some stress experienced by our people. The movement of service members' personal property is one such quality-of-life issue. SDDC is developing the Families First Program, a comprehensive plan to significantly revamp DOD household goods movements, which began with its Phase I implementation in 2004. Phases II and III are currently under development. Selecting transportation service providers based primarily upon performance and customer surveys, and the inclusion of full replacement value for lost or damaged personal property transported at government expense, are paradigm shifts and significant quality-of-life enhancements.

It's imperative that as we demand so much, we watch out for our military family by providing proper manning and relieving unnecessary stress when and where possible. Projecting America's national military power depends on the heroic work of USTRANSCOM's people.

TRANSFORMATION: DISTRIBUTION TRANSFORMATION AND PROCESS IMPROVEMENT

Distribution Process Owner (DPO)

In its role as the DPO, USTRANSCOM's effort to improve deployment and distribution processes has yielded real results due in part to dedicated oversight. Within the DPO management structure, the DPO Executive Board is the senior decision-making forum charged with implementing DPO initiatives. With representation from the Director, DLA, Joint Staff (JS) J4 and the Deputy Undersecretary of Defense for Logistics and Material Readiness, this forum ensures collaboration within the DOD and a single view of supply chain management challenges. To ensure the DPO Executive Board remains focused on COCOM and Service requirements, the Distribution Transformation Task Force (DTTF), with representation from each COCOM, Service, Office of the Secretary

of Defense (OSD), DLA and the Joint Staff, advises and works to solve near-term warfighter issues and refine COCOM support.

USTRANSCOM and USCENTCOM are eliminating seams between strategic and theater distribution using the USCENTCOM Deployment and Distribution Operations Center (CDDOC). The CDDOC enables USCENTCOM to improve operations and avoid costs through a collaborative national partnership with USTRANSCOM, US Joint Forces Command (USJFCOM), DLA, and the Services, providing increased visibility over deployment and distribution flow. The CDDOC improved readiness by intensively managing critical items, such as add-on-armor kits to fulfill critical needs, and by carefully managing unit moves with the Single Ticket Program by moving deploying troops to the fight and redeploying them home more quickly. Single Ticket accelerated force movements, increased troop airlift efficiency and pushed passenger seat utilization above 94 percent.

Working with AMC and DLA, CDDOC has also championed the Pure Pallet Initiative. Individual 463L airlift pallets are built and shipped with cargo for a single customer, simplifying and accelerating the shipment process by removing the requirement to break down, sort, re-palletize and distribute items to individual customers. In a similar but unrelated initiative, CDDOC has teamed with AMC to improve 463L pallet inventory tracking, reducing cycle time and making an additional 18,000 pallets available for use (a savings of $27.9M). Also enacted with the Public Warehousing Corporation, is an inspection and repair procedure. Of 11,000 pallets inspected over 4,200 were returned to service, avoiding almost $1 million in depot repairs.

Similarly, in cooperation with SDDC, USTRANSCOM’s Global Container Manager, USTRANSCOM has made significant progress in container management. By teaming with USCENTCOM and industry, USTRANSCOM has reduced container storage needs with improved material management processes. The cost of storing cargo in containers has been reduced from a high of $16 million per month to less

than $11 million. Long-term process and contract changes to enhance container use are underway and are migrating to other COCOMs, including improvements such as tagging containers for better visibility and leveraging commercial systems to enhance material management.

We have implemented a cost-management process that allowed us to capture savings and cost avoidances resulting from DPO-related improvements. From October 2004 through November 2005, USTRANSCOM avoided $345.12 million in extra costs by shifting transportation mode from airlift to sealift or from truck to rail, canceling redundant storage contracts after DLA built the new Defense Distribution Center in Kuwait, changing the management and repair of 463L pallets, returning transportation equipment to the supply system and upgrading a lower cost communications system/mode. Overall validated cost avoidances facilitated by the DPO were $638.42M as of November 2005. The CDDOC was responsible for $50.58M of these costs.

USTRANSCOM is taking CDDOC lessons learned and with the cooperation of the other COCOMs, applying them to other theaters, spearheading the standardization of a Joint Deployment and Distribution Operation Center (JDDOC). Each COCOM has established a permanent JDDOC, scaled for their region and assigned missions, and created by reorganizing existing theater structures to provide the authority and capability to synchronize deployment and distribution processes.

The USPACOM JDDOC (PDDOC) was quickly tested in synchronizing the massive influx of humanitarian aid into the tsunami-devastated parts of South Asia in December 2004. PDDOC has also established forward elements in Korea and Japan, PDDOC-K and PDDOC-J, respectively. These organizations have been observed and assessed during Exercises RSO&I/FOAL EAGLE, ULCHI FOCUS LENS and TERMINAL FURY, demonstrating their worth and codifying their relationships.

USNORTHCOM’s JDDOC (NDDOC) was also tested when Hurricane Katrina devastated the Gulf Coast. The NDDOC served as manager of deployment and

distribution for USNORTHCOM and JTF-Katrina. NDDOC Sustainment Division's DLA representatives supported FEMA during relief operations with contracting support and the provision of supplies. Progress was made in establishing an effective process for sustainment flow between FEMA and federal agencies, and promoting visibility of sustainment and retrograde material despite the lack of common In-Transit Visibility (ITV) tools and Electronic Data Interchange (EDI) solutions.

USEUCOM's JDDOC (EDDOC) reached initial operational capability in May 2005, and has leveraged DPO advisory team visits in conjunction with Exercises SHARP FOCUS and FLEXIBLE RESPONSE. US Southern Command's USSOUTHCOM) JDDOC (SDDOC) has reached full operational capability, refining their operations through the multi-nation Exercise NEW HORIZONS.

In order to provide the best possible support to combatant commanders, services, and agencies, USTRANSCOM is spearheading the development of deployment and distribution command and control (D2C2) concepts, procedures, and associated doctrine to enable the combatant commanders to manage theater logistics operations with more visibility, control, precision and efficiency. USTRANSCOM's D2C2 assets will be trained to a common standard, possess common C2 information technology systems to ensure connectivity across the joint deployment and distribution enterprise, and will be able to reach back to the national partners to ensure the rapid deployment and distribution of forces and materiel. In addition to the JDDOC, functional elements like Joint Task Force-Port Opening (JTF-PO) and the Director Mobility Forces-Surface (DM4-S) have been created to support deployment and distribution activities. A JTF-PO, established from USTRANSCOM aligned forces and deployed to regional combatant commanders, is capable of quickly opening and operating ports in specific theater locations. These forces will chop to the supported COCOM and will operate until being replaced. The Director Mobility Forces - Surface (DM4-S) will synchronize and direct the movement of surface

transportation resources to ensure uninterrupted throughput at ports of debarkation (air and sea) to the theater as prescribed by the Combined/Joint Force Land Component Commander.

USTRANSCOM is also active in defining future war-fighting concepts and needs and has partnered with the Army to develop a Joint Integrating Concept (JIC) for distribution. Ultimately, this JIC will drive the creation of a Joint Deployment Distribution Enterprise with the wherewithal to ensure effective force movement and sustainment support to the warfighter.

Forces to be deployed must be quickly and effectively sourced. In 2005, USTRANSCOM was assigned the role as the single DOD Mobility Joint Force Provider in order to maintain visibility of global transportation capabilities and synchronize the availability of scarce mobility forces. In this role, USTRANSCOM is responsible for the efficient, rapid, worldwide availability of mobility forces in support of national security priorities.

Similarly, and to solidify USTRANSCOM's role as the DPO, it was essential to amend the wording in the Unified Command Plan (UCP), language we expect to be approved by the Secretary of Defense and the President. We have recommended the UCP embody the mandate to employ our core competencies, to coordinate and supervise the DOD distribution system to provide interoperability, synchronization, and alignment of DOD wide, end-to-end distribution.

USTRANSCOM is using a recently established research and development (R&D) funding line to partner with the services, defense agencies, other non-DOD government organizations, industry, and academic communities to improve our force projection and distribution capabilities. This R&D line enables us to leverage future technologies to address intermodal inefficiencies and transform our processes. USTRANSCOM is seeking limited Research Development Test and Evaluation (RDT&E) budget and acquisition authority to pursue intermodal distribution needs which are not addressed by existing R&D

activities. Our proposal leaves traditional organize, train and equip responsibilities with the Services, but aligns responsibility with authority by providing an assigned RDT&E mission, receipt of a modest RDT&E budget line and codifying RDT&E acquisition authority.

In order to ensure our initiatives are producing results for the warfighter, USTRANSCOM evaluates the distribution enterprise's institutional health through simple but comprehensive metric analysis. Distribution analysis measures the effectiveness of moving personnel and material to meet the warfighters' needs based on their requirements; the quantities ordered and delivered on the date specified. Examples of the analysis products include intermodal distribution, requisition wait time and add-on armor reports. Intermodal distribution reports pertain to each COCOM's intermodal distribution lane (point of supply to point of use), and measure the lane's performance to determine lane effectiveness. Requisition wait time reports pertain to the Defense Distribution Depot Kuwait, Southwest Asia (DDKS) and the Theater Distribution Center (TDC). These reports flagged the need to reduce the average wait time from the DDKS and TDC from 22 days in March 2005 to a current 12.2 days and we are nearing the goal of 9 days. And finally, the add-on armor reports provide a daily snapshot of the armor kits leaving the contractor facility and arriving at Charleston AFB, Incirlik AB and Balad aerial ports. These reports support better modal transportation decisions, while improving user confidence in USTRANSCOM distribution processes.

In addition to improving the distribution process within the DPO framework, USTRANSCOM continues to engage in the Defense Business Systems Management Committee that oversees the development of world-class business operations in support of the warfighter. In particular, we're moving out as the Distribution Portfolio Manager to streamline distribution systems to ensure effective use of information technology (IT) resources and to

reduce duplicative system overlap and fill gaps in the Joint Deployment and Distribution Architecture (JDDA).

One example of a cross-department improvement of business architecture is the Defense Enterprise Accounting and Management System (DEAMS), a joint initiative between USTRANSCOM, the Air Force and the Defense Finance and Accounting Service. The overall objective of DEAMS is to implement a single integrated finance system to provide reliable, accurate and timely information, which will service our Army, Air Force, and Navy components' working capital fund financial needs. It will also combine Transportation Working Capital Fund multiple legacy billing systems into a single billing module. Upon completion of the system integrator selection, the integration process is expected to begin by the second quarter of calendar year 2006.

USTRANSCOM also looks to the commercial sector for transformational efficiencies. The Defense Transportation Coordination Initiative (DTCI) is a distribution initiative that contributes to logistics transformation and the Under Secretary of Defense for Acquisition, Technology, and Logitics' goal to integrate logistics. The DTCI concept will use a commercial transportation coordinator to integrate and synchronize the movement of DOD freight in the CONUS, improving effectiveness and efficiency of materiel movement. USTRANSCOM, in partnership with DLA, is leading the effort, and will award the contract in September 2006. Transition will commence beginning in October 2006 with actual phase in of the first DOD site in January 2007.

Defense Courier Service (DCS) Returns to USTRANSCOM

Another cross-department initiative is the return of the Defense Courier Service (DCS) to USTRANSCOM. This move began when Program Budget Decision (PBD) 410, dated 5 December 03, directed the realignment. On 15 November 2005, the Defense Courier Division under USTRANSCOM J3 assumed operational control of worldwide defense courier stations and continues to synchronize defense courier related activities for our global customers.

USTRANSCOM Sustainment, Force Flow Conferences

Collaboration is a must for USTRANSCOM success. In 2005, we continued implementation of Adaptive Planning and Collaborative Force Analysis, Sustainment, and Transportation Force Flow Modeling, by supporting nine Combatant Commander Operational/Concept Plan Force Flow Conferences for USEUCOM, USNORTHCOM, USPACOM and US Strategic Command (USSTRATCOM) as well as functional planning for USSOUTHCOM. Additionally, USTRANSCOM hosts biannual USCENTCOM-chaired force flow conferences to forecast force deployments, redeployments, and rotations in support of OEF/OIF operations. This collaborative effort allows the COCOM to shape the flow of forces to reflect operational requirements. This process has been further enhanced with the addition of a sustainment conference. Held in parallel for the first time in the fall of 2005, this Force Flow/Sustainment conference provides visibility of sustainment requirements providing a clearer picture of COCOM needs and enabling the two commands to prioritize movements during surge periods.

USTRANSCOM'S READINESS AND MODERNIZATION

Antiterrorism and Force Protection

USTRANSCOM ability to accomplish its global mission rests on our ability to protect our personnel and assets. We are improving force protection through intelligence information sharing, physical countermeasures, and employee screening, partnering with COCOMs, our components, the Department of Homeland Security (DHS) and commercial industry. To better share information, SDDC is sponsoring surface secure classified communication efforts to integrate the Association of American Railroads (AAR) by late CY06. In addition, SDDC has explored similar capability discussions with the American Trucking Associations (ATA) to facilitate ATA gaining secure connectivity with SDDC. As an interim solution, SDDC provides classified intelligence exchanges via Transportation Security Operations Center secure systems accessible by ATA and AAR

representatives, and hosts weekly intelligence sharing sessions and secure telephone connectivity with maritime commercial partners. Protecting our military and commercial seaports will continue to be a serious challenge. USTRANSCOM and SDDC have continued to secure funding to further improve infrastructure security at the Military Ocean Terminal Sunny Point (MOTSU), North Carolina and the Military Ocean Terminal Concord (MOTCO), California. In 2005, waterside protective barriers at MOTSU were completed and $789,000 was invested for two new physical security improvements. As we upgrade and better fortify these installations from terrorism or natural disaster, the difficulty ahead lies in providing an adequate level of security force manning with sustained funding to support base operations and protect our vital national AA&E transshipment ports.

In 2005, SDDC mobilized a small compliment of the remaining Army Reserve military police (MP) elements to augment SDDC civilian ports security. However, their departure and lack of backfill requires USTRANSCOM to seek alternatives such as contracting security personnel drawn from local sheriff/police departments during surge periods. However, availability of these security forces will be at risk during a local crisis, which makes this solution less than optimal. During a localized state crisis involving a strategic DOD seaport of embarkation, DOD may need to depend on augmentation under state control until military augmentation would be available.

Controlling access to restricted transshipment areas is also essential to providing comprehensive force protection. USTRANSCOM and SDDC are working with OSD, the Transportation Security Administration (TSA), ATA and several Arms, Ammunition and Explosive (AA&E) Carriers to develop an appropriate DOD identification card, mandated by the Maritime Security Act.

USTRANSCOM also continues to upgrade the access control and vetting of the transportation work force that loads, unloads and mans its strategic sealift fleet. MSC has standardized its ship visitor badge system,

distributed new badges to its entire fleet and hired a new screener at the El Paso Intelligence Center.

Operation VIGILANT MARINER (OVM) continues to protect our sealift assets following the SecDef's designation of the Navy as executive agent for force protection of military sealift assets. Leading the way is the Maritime Force Protection Command (MARFPCOM), activated on 1 October 2004. Working in close coordination with MSC, MARFPCOM continues to provide point defense for sealift assets supporting contingency operations, using active duty personnel and 54 reserve component teams ready to deploy.

To protect its aircraft and aircrews from rapidly advancing and highly-proliferated infrared (IR) man-portable air defense systems (MANPADS), AMC continues to field the Large Aircraft Infrared Countermeasures (LAIRCM) system, an extremely capable system that has successfully flown in combat on C-17s and C-130s. Likewise, AMC has established a requirement for a new capability called Advanced Situational Awareness and Countermeasures (ASACM), which will provide detection, identification, and location of radio frequency (RF) threats, increasing aircrews' survivability in an RF threat environment.

Currently, AMC has no technical capability other than accepting cargo from "known and trusted" sources and performing random physical searches with canines to meet the need to non-intrusively inspect cargo prior to air transport, a method which leaves aircraft and passengers at risk. USTRANSCOM supported the "explosive screening" initiative by providing the majority of funding thus far and AMC plans to fund 172 commercial off-the-shelf (COTS) Fido™ hand held systems in their FY08-FY13 POM. Fido™ is a vapor and particle explosive detection device currently optimized to detect TNT and DNT explosive materials, and black and smokeless powders and can screen cargo prior to pallet build-up, rolling stock and other types of cargo entering into the DTS.

USTRANSCOM's Critical Infrastructure Program (CIP) made excellent progress this past year, initiating information sharing with numerous DOD and interagency organizations such as the Department of Transportation and DHS. Those CIP actions support and are supported by our participation in the National Port Readiness Network, chaired by the MARAD, chartered to ensure seaport readiness to support military deployment, sustainment, and redeployment while minimizing commercial traffic disruption.

With DOD's increasing role in combating the global proliferation of weapons of mass destruction and for providing relief in potentially hostile environments, USTRANSCOM's ability to detect, decontaminate, and operate in a CBRNE and/or Toxic Industrial Material environment will continue to require attention and funding for the foreseeable future. We are making great strides in the areas of individual protective equipment, throughput capability, and technological improvements, but there is more work ahead in the areas of detection, decontamination, and policy development, with emphasis on a comprehensive DOD cleanliness policy.

USTRANSCOM has embarked on meaningful intelligence reforms under the aegis of the DOD's Remodeling Defense Intelligence (RDI) initiative, a Secretary of Defense effort to operationalize intelligence, improving the capacity to anticipate threats and warn of impending actions, and strengthening the COCOM's ability to conduct intelligence activities, through Joint Intelligence Operations Centers (JIOC).

The Joint Intelligence Operations Center – Transportation (JIOCTRANS) will position USTRANSCOM to engage other JIOCs early in the planning process, to identify and prioritize requirements and codify our responsibilities to synchronize transportation intelligence across the far-flung, collaborative defense intelligence enterprise. Additionally, the Defense Intelligence Agency's (DIA) Regional Support Center concept, in which DIA assumes the role of intelligence community IT service provider, will result in a consolidation

of sensitive compartmented information (SCI) IT services and a reduction in intelligence IT billets.

Another major pillar of RDI is the Defense Intelligence Analysis Program (DIAP). DIAP represents a major departure from past intelligence constructs as it emphasizes analysis over production, and in so doing will allow JIOCTRANS to move beyond transportation infrastructure analysis to analysis of transportation as a system of systems in support of COCOM planning and execution missions.

Additionally, USTRANSCOM has created initiatives to enhance information-sharing between USTRANSCOM, its components, selected coalition and commercial partners. The Intelligence Directorate has established the DTS Info-Share program as an unclassified Internet-based system for sharing threat warning, incident, and trend reporting. USTRANSCOM conducts quarterly modal threat meetings between the DHS and transportation agencies for review of threats to and mitigation efforts for transportation nodes. The effort's end-state requires continued USTRANSCOM pursuit of new partnerships with DOD and non-DOD organizations, particularly DHS and TSA.

Accelerated Deployment Planning & Improved Total Asset/In-Transit Visibility

USTRANSCOM remains committed to accelerating the planning of deployments and upgrading in-transit visibility (ITV) at all points of the deployment and distribution pipeline. An important initiative, Focus Warfighter was born out of our advanced concept technology demonstration, Agile Transportation for the 21st Century (AT21). The USTRANSCOM DDOC reorganized, reorienting its processes to collaboratively plan with the COCOMs. The goal is to create a comprehensive plan that aligns and provides longer windows of visibility on various requirements such as exercises, troop rotations, deployment, sustainment and redeployment and eventually gives regional commanders validation authority on missions like Special Assignment Airlift Missions (SAAMS) that currently are not in the COCOMs' purview.

With awareness of all requirements we expect to be able to plan “normal operations” more efficiently and adjust more rapidly to crisis situations.

AT21 also showed us COTS products can enhance and support our overall transportation planning and movement processes with the potential for significant savings. One such tool is Transportation Visualizer (TransViz), a visualization and collaboration tool used for strategic transportation planning. TransViz will revolutionize the way we analyze transportation movement information, share thoughts, evaluate courses of action, and make informed, effective and timely decisions. We expect TransViz to be operational at USTRANSCOM by March 2006.

The Global Transportation Network (GTN) integrates transportation information from over 23 DOD and 125 commercial source systems supporting USTRANSCOM's global mission. With the discontinuation of GTN for the 21st Century (GTN 21), we are partnering with DLA and JS J4 to best meet our customers’ ITV needs. Currently, we are bringing two similar systems, GTN and DLA’s Integrated Data Environment, together under the same acquisition management framework.

We have also implemented active Radio-Frequency Identification (RFID) technology at our major strategic air and sea ports to provide COCOMs detailed cargo movement tracking information. In addition, USTRANSCOM is partnering with DLA, Air Force, Army, and USPACOM to implement the Alaska Active-Passive Inter-modal Deployment (RAPID) project. RAPID will support an inter-modal, RFID-enabled supply chain that will integrate passive and active RFID data and improve asset visibility. The RAPID project will support shipments originating from the San Joaquin depot and through distribution nodes on the west coast and in Alaska with Fort Richardson and Elmendorf Air Force Base as the end-users.

USTRANSCOM recognizes the nature of our mission creates a need for more robust bandwidth resources and end-to-end connectivity with transportation

elements and supported forces deployed throughout the world. As such, we fully support ongoing DOD programmatic efforts to expand terrestrial Global Information Grid enterprise bandwidth, and launch robust communications and blue-force asset tracking satellite constellations.

USTRANSCOM is striving to achieve a common operating picture across the entire distribution operations continuum, from commodity source to point-of-effect. This emergent view via fused C2 information technology systems will be called the Warfighter's Distribution Dashboard. This "dashboard" will provide a three-dimensional environment that integrates deployment and distribution visualization and analysis tools with a wide array of available USTRANSCOM data feeds as layers within a geospatial environment, capturing the entire distribution battlespace in a single web-based location to facilitate rapid analysis and visualization of links, nodes, and lanes by all stakeholders. Ideally, the dashboard will exist within an operations center platform thus improving DDOC effectiveness and efficiency.

Ongoing Studies

In view of 9/11 changes to our national military strategy and current operational experiences, defense strategy objectives have significantly changed. Accordingly, the JS J4 and OSD Program, Analysis, and Evaluation (PA&E) Directorate conducted the MCS which provides a starting point for analysis of pre-positioning, aerial refueling, airlift, sealift, surface deployment and distribution capability required to support global COCOMs in 2012. USTRANSCOM supports JS and OSD efforts and agrees with the MCS assessment that the overall lift capability is about right, however, additional analysis must focus on the correct mix of C-17s, C-5s, and C-130 assets and aerial refueling and sealift recapitalization. As such, we initiated an internal Focused Mobility Analysis to study strategic mobility from a USTRANSCOM perspective, concentrating on the strategic airlift mix of C-17s and C-5s, and sealift recapitalization alternatives. MCS will be our

baseline, but we will explore how changes in key assumptions may impact the analytical outcome. We will also support the Intra Theater Lift Capability Study (ITLCS) Phases 1 and 2 to identify the right mix and number of intra-theater aircraft assets.

Air Mobility Readiness and Modernization

Aerial refueling capability is an absolute necessity, as it makes possible rapid deployment of forces around the globe, and measured recapitalization of the tanker fleet is my highest acquisition priority. We envision the Replacement Tanker Aircraft (RTA) with a multi-mission capability. Configured with cargo floors/doors, and defensive systems, the RTA fleet will provide significant capability, complementing our inter/intra theater airlift fleets, as well as CRAF transload operations, and aeromedical evacuation in a threat environment, something our current legacy fleets cannot do today.

At the anticipated procurement rate of 10-15 aircraft per year, recapitalization of the current 530 aircraft will take decades. With aggressive maintenance and corrosion control, the KC-135 can remain structurally viable until about 2040, but at an ever-increasing cost and with the realization that they will be 80 years old as the last replacement enters service.

Though the KC-10 also appears viable until the 2040 timeframe, it must be modified to ensure the 59 KC-10s can operate in the future global airspace environment. AMC initiated a KC-10 aircraft modernization program to comply with international airspace requirements, address obsolescence concerns, and provide a growth path for future upgrades.

USTRANSCOM needs the outsized and oversized capability provided by the fleet of 292 strategic airlift aircraft and relies on its viability to meet the airlift demands of our national defense strategy. As such, we must continue the moderate risk program of modernizing C-5s to improve

reliability, availability, and access to international airspace and foreign airfields.

We are also rapidly approaching a major milestone on C-17 production, as long-lead items near completion for the 180th aircraft. We continue to rely heavily on our delivered C-17s, currently flying these aircraft well above their planned annual flying hour profile. Results of C-5 modernization coupled with aging C-130s, will have a direct impact on C-17 roles as both an inter- and intra-theater airlifter, and the amount of capacity it will shoulder compared to other aircraft in the airlift mix.

The aging C-130 fleet faces obsolete parts, costly repairs, noncompliance with Air Traffic Management requirements, but most pressing in the active component are the number of center wing box cracks and associated un-programmed repair costs. Eighty-two C-130 aircraft Air Force-wide are currently grounded or restricted, and this combined with ARC demobilization of ARC C-130E/H personnel in 2006, places a distinct burden upon the active duty fleet. The planned acquisition of 168 C-130Js to replace the C-130E's, was limited by PBD-753 to 53 aircraft. Although rescinded in May 2005, funding to reach 79 C-130Js has only recently been restored. The retirement of C-130Es, if permitted by law, reduced C-130J procurement, and restricted and grounded aircraft would push the C-130 fleet below the MCS lower bound requirement of 395 combat delivery platforms required to meet the defense strategy as early as FY07.

Overall aeromedical evacuation (AE) requirements have stabilized over the past year and are not expected to decrease for the foreseeable future. Active duty AE forces are filling a significant portion of deployed requirements; however, ARC assets are still required in both a volunteer and partial mobilization status. While the Air Force Surgeon General and Air Force Director of Operations are reviewing the force mix for AE, the majority of assets are expected to continue to reside in the reserve component.

Sufficient material handling equipment (MHE), both in capability and quantity is key to providing an effective cargo handling infrastructure required to conduct rapid mobility operations. The Air Force is modernizing its MHE fleet, procuring 318 Tunners and funding production of 385 of 512 required Halvorsen loaders through FY07. USTRANSCOM encourages the Air Force to continue acquisition and fielding of the remaining 153 Halvorsen loaders.

Sealift Readiness and Modernization

MSC and the MARAD surge fleets, maintained in the highest state of readiness provide critically essential lift capability for operations that our commercial partners cannot handle alone. These fleets, comprised of 8 Fast Sealift Ships (FSSs), 11 Large Medium-Speed Roll-On/Roll-Off (LMSR) ships, and 58 Ready Reserve Force (RRF) ships, average 33 years of age for an FSS and 35 years of age for an RRF ship, compared to the typical 15 to 20 year average economic life of a commercial vessel. It is imperative for USTRANSCOM, MSC and our sealift partners to complete our analysis of recapitalization alternatives, as key elements of the fleets are nearing the end of their useful lives and will require recapitalization to meet future requirements.

The age of MSC’s tanker fleet is also a concern, as international regulations and commercial refinery standards limit the age of tankers loading and discharging at most worldwide oil terminals to a maximum of 25 years. MSC's controlled fleet of four fuel tankers will pass their useful age in 2010. In preparation, we are pursuing the long term charter of newer commercial tankers to transport DOD fuel. As a vast majority of US flagged tankers are active in Jones Act trade, the desire for additional international trade tankers for DOD cargo may result in opportunities for new tanker construction in US shipyards.

As the DPO, USTRANSCOM maintains the requirement to provide heavy lift and Float-on/Float-off (FLO/FLO) capabilities. The lack of US-flagged

FLO/FLO assets negatively impacts the ability to provide transport of vessels such as USCG patrol boats and USN minesweepers that may not otherwise be capable of open ocean transit-due either to size or capability.

The Offshore Petroleum Discharge System (OPDS) supports COCOM requirements by distributing fuel from a tanker offshore to forces operating on land. Only three government-owned OPDSs exist, two deployed as part of MSC's Afloat Prepositioning Force, and one lay berthed in CONUS. Each of these ships is a single-hulled tanker over 40 years old. USPACOM's validated requirement for delivery of 50 percent more fuel (1.7 million gallons) from 8 miles offshore under significantly more stringent environmental conditions has driven USTRANSCOM and MSC to initiate an OPDS transformation project to meet the new requirement. In January 2005, MSC awarded a contract to Edison Chouest Offshore for an OPDS-replacement, including newer, more capable vessels, fuel-delivery systems and personnel, to be delivered by June 2007.

Infrastructure Readiness and Modernization

Beginning in the late 1990s USTRANSCOM, USEUCOM, USCENTCOM, USPACOM, the JS, DLA, and the Services developed and implemented a comprehensive plan to improve strategic airlift. Over $1.2B in programmed construction projects to upgrade fuel hydrant systems, fuel storage, ramps, and runways at 13 key en route airbases in Europe and the Pacific were approved. Major construction began several years ago and will continue until achieving full operational capability by the end of FY08, if funding remains on track. Once completed, this programmed en route infrastructure system will support wartime throughput requirements as validated by Mobility Requirements Study 2005 (MRS-05) and MCS into Northeast and Southwest Asia.

We have been working closely with OSD, the JS, and the COCOMs over the past three years to expand our global reach and influence into regions of potential instability, primarily in the Southern Hemisphere and Southeast Asia. As part of the Integrated Global Presence and Basing Strategy, civil

and military airfields and seaports, known as Cooperative Security Locations (CSLs), are being nominated and assessed for their ability to permit transshipment between air, sea, and surface modes of transport.

USTRANSCOM in partnership with the COCOMs is identifying and assessing CSLs that can support a notional airlift flow of 1,500 STONs per day, as well as provide the capability to flow forces and sustainment seamlessly between neighboring COCOMs. Chosen CSLs will be integrated into the established strategic en route network in Europe and the Pacific to provide the vital link between CONUS and more remote corners of the world, enabling DOD to more effectively support the warfighter.

Commercial Industry and Labor Teammates: Achieving the Right Mix of Commercial and Organic Capability

USTRANSCOM readiness depends on maintaining a superb relationship with our commercial transportation partners and supporting labor organizations, allowing DOD to leverage significant capacity of commercial transportation in wartime with reduced peacetime cost. Under full activation, the Civil Reserve Air Fleet (CRAF) provides 93 percent of our international passenger capacity, 39 percent of our international long-range air cargo capacity, and most of our international AE capability. The CRAF program affords peacetime business to participating airlines in exchange for their providing specified capacities in wartime, and as such participants deserve safeguards like the Federal Aviation Administration’s Aviation War Risk Insurance to protect from loss or damage to capital investments incurred supporting DOD operations in accordance with the National Airlift Policy.

The CRAF program relies upon a robust civil air industry therefore, we support the Fly America statute (49 USC 40118) and what we refer to as the Fly CRAF statute (49 USC 41106) as they serve to support and sustain this critical national asset. We continually review the program and its incentives, adjusting to keep the program viable in a dynamic environment.

We have recently studied CRAF incentives and have submitted legislation intended to guarantee that a proper amount of “assured business” will be available in the future. Other forthcoming improvements include the restructuring of CRAF stages, aligning them more closely with expected wartime needs. Within the CRAF program we desire a US-flagged commercial airline capability to carry outsize cargo and a new aeromedical evacuation ship set, able to convert several types of commercial aircraft for the AE mission, to improve operational flexibility and responsiveness.

The Voluntary Intermodal Sealift Agreement (VISA) is the maritime equivalent of the CRAF program. In cooperation with USTRANSCOM, MARAD and the maritime industry developed VISA to provide DOD the commercial sealift and intermodal shipping services/systems necessary to meet national defense contingency requirements. USTRANSCOM and MARAD co-chair the Joint Planning and Advisory Group (JPAG). At JPAG meetings, ocean carriers participate in the planning process to assure that commercial sealift capacity will be available to support DOD contingency requirements. Under VISA, DOD has access to commercial dry cargo US-flagged sealift capacity and intermodal infrastructure in return for peacetime business preference. Because pre-negotiated contracts with the carriers permit early access to additional lift capacity, the time required to close forces for the counterattack phase of war operations can be significantly shortened. VISA participants move over 95 percent of USTRANSCOM’s GWOT wartime sustainment cargo.

The Maritime Security Program (MSP) provides financial assistance to offset the increased costs associated with operating a US-flagged vessel. In return, participating carriers commit vessel capacity and their intermodal transportation resources for DOD use in the event of contingencies. A critical element of our commercial sealift program, MSP provides assured access to sealift/intermodal capacity and a readily available, highly-trained and qualified work force of merchant mariners. The National Defense

Authorization Act for FY04, authorizing the expansion of the current MSP fleet from 47 to 60 vessels, including 3 fuel tankers, went into effect 1 October 2005. MARAD is responsible for administering MSP to assure program compliance. This expansion is particularly critical should the US find itself in a position where it must act with minimal allied support during time of war or national emergency. Additionally, the increase in the fleet size has had a direct positive impact on the number of billets and mariners. Of the 13 new vessel participants, 11 were previously foreign-flagged and since re-flagged to US colors. As participants in the MSP, these newly re-flagged vessels will have US crews and provide a solid job base for the American Mariner.

Advanced Lift Systems and Concepts of Tomorrow

To properly support the combatant commander requirements in the future, the need for more responsive and flexible lift cannot be overemphasized. New mobility platforms as well as enhanced infrastructure technologies and process/organizational improvements are essential to meet the challenge of transporting greater volumes more quickly to distant theaters at yet greater distances. There are several initiatives to facilitate these goals now under consideration.

The potential lack of availability of aerial ports and sea ports of debarkation overseas has generated an exploration into seabasing, based on the rapid deployment, assembly, command, projection, reconstitution, and re-employment of joint combat power from the sea. In September 2005, a Seabasing Joint Integrating Concept was validated by the Joint Requirements Oversight Council (JROC), which recognized that seabasing improves power projection without access to secure foreign bases and the littoral regions.

As the Joint Sea Base evolves, the development of sea state mitigation capability (through sea state four), high speed connectors such as forty knot plus vessels to transport personnel and equipment, High Speed Inter-theater

Sealift vessels from CONUS to the sea base, and the ability to utilize capabilities of both military and commercial cargo and fuel ships will be vital to sustain forces with little host nation support.

With our military operations being conducted more and more in austere locations around the globe, coupled with new DOD and Joint Maneuver concepts, we find it increasingly important to develop a Short Take-Off and Landing (STOL) airlift capability. Current aircraft like the C-130 and C-17 do not provide the access we will need from future land and sea based operations. USTRANSCOM envisions new capabilities that can lift over 60-thousand pounds to or from shorter, unprepared landing zones while providing improved survivability, speed, and range. These capabilities will enhance our operational flexibility and our reaction time to world crises.

In addition, as with the development of STOL technology, USTRANSCOM envisions a future with a mobility airframe that serves as a common platform or a family of platforms adaptable for multiple uses. This approach enables a more affordable acquisition, enabling specialization of a core design during assembly, as opposed to wholly separate airframes and production lines for each mission. This can be a cost-effective way to meet our future aircraft replacement requirements.

In light of all these technological challenges, AMC is currently assessing their combined feasibility with the Advanced Mobility Capability Concept (AMC-X). AMC-X is a capabilities-based future “family of aircraft” concept designed to provide swift, dominant and survivable intra-theater maneuver for all Joint customers in the post 2020 timeframe. Variants of the AMC-X family have the potential to perform a variety of missions to meet the needs of multiple users and COCOMs. USTRANSCOM supports AMC in these efforts.

Army transformation has changed doctrinal concepts from arraying forces in large contiguous formations to one of smaller dispersed operations in

austere locations over greater tactical and operational distances. As such, the Army forecasted a need for a limited time-sensitive organic light airlift capability in the form of a Future Cargo Aircraft (FCA) to support dispersed operations as their current fixed and rotary wing assets lack the speed, range, and payload capability to meet emerging requirements. Air Force platforms generally lack the necessary STOL capability. USTRANSCOM recognizes the Army requirement to support mission critical, time sensitive delivery directly to a Brigade Combat Team and supports the current Army Sherpa replacement program, known as the Future Cargo Aircraft (FCA) as currently programmed. USTRANSCOM is also coordinating with AMC on executing a capability based assessment that would define requirements for a Light Cargo Aircraft (LCA) to provide an intra-theater light airlift sustainment, as well as support to Homeland Security mobility operations capability, as part of the future force. In today's fiscally constrained joint environment, USTRANSCOM fully supports the Department's direction to field this new Army and Air Force capability as a joint program. The new FCA/LCA should definitely address evolving airlift requirements, future force design and be capable of employing advanced precision airdrop systems such as the Joint Precision Airdrop System (JPADS).

USTRANSCOM recognizes military operations are being conducted in austere locations around the world and as such envisions the need for a precise direct delivery capability via airdrop. The Joint Precision Airdrop System (JPADS) is key to the resupply and sustainment of forces pursuing the adversary and engaged in combat.

USTRANSCOM is also engaged with US Army leadership to help facilitate transportability of the Future Combat System of Systems (FCS) and the Brigade Combat Team: two essential ingredients to the Army's new, transformational Dominant Maneuver strategy. We fully support the development of these new highly robust, lethal and more survivable combat vehicles and will work with

both the Army and Air Force to maximize transportability. The FCS Manned Ground Vehicle (MGV) is the largest vehicle in the FCS family. We anticipate theater airlift of the FCS MGV will be provided by Air Mobility Command C-130s (one MGV) and C-17s (up to three MGVs). USTRANSCOM remains committed to supporting and refining the transportability and employment of the Army FCS.

FINAL THOUGHTS FROM GENERAL SCHWARTZ

We are a nation at war and supporting the warfighter is USTRANSCOM's number one priority. We have been entrusted with the authority to lead, to transform and assigned the responsibility to serve the combatant commanders who will win this war. To that end, USTRANSCOM brings to bear a military deployment and distribution system that is unmatched anywhere in the world. USTRANSCOM's success begins with our people who with superb dedication, vision and hard work continue to improve our support to the combatant commanders. Our people are the heroes who "Make it Happen and Get it Done."

The enemy and battlespace environment are constantly evolving. We're changing the way we do business, not because we can, but because we must to be as adaptive and agile as we've ever been, at any time in our history. We are operating in a distributed battle space, not against a state enemy over established borders. We are challenged to be expeditionary, to anticipate the needs of our agile, highly mobile, rapidly deployable warfighters.

Our nation also demands that we rethink what we're doing, change mindsets, perspectives, the mix of assets, whatever it takes. The nation's treasure is more precious than ever and gaining the trust and confidence of the nation means being good stewards with all that is entrusted to us.

USTRANSCOM's DPO initiatives are paying substantial dividends now in effective support to the warfighter and in efficient use of our national resources. Our readiness and modernization initiatives will ensure the combatant commander's ability to swiftly engage and defeat America's enemies.

USTRANSCOM will continue to look to the future and advocate systems to move America's might at greater distances and speeds.

I could not be prouder of the USTRANSCOM team and our national partners. Today, we are supporting the Global War on Terrorism, while providing unparalleled humanitarian relief in both America and nations abroad. Together we are transforming the military deployment and distribution system, ensuring our nation's ability to project national military power—to ensure that America will face its enemies—whenever and wherever the need may arise. In all of this, a promise given by us will be a promise kept.

ACRONYMS

9/11 - 11 September 2001
AMC – Air Mobility Command
AMP - Avionics Modernization Program
ARC - air Reserve Components
AT21 - Agile Transportation for the 21st Century
CBRNE - chemical, biological, radiological, nuclear, or high-yield explosives
CbTRIF - Combating Terrorism Readiness Initiative Fund
CDDOC - USCENTCOM Deployment and Distribution Operations Center
CIP - Critical Infrastructure Program
COCOM - combatant command
CONUS - continental United States
COTS – commercial off-the-shelf
CRAF - civil reserve air fleet
CSL - cooperative security location
CY - calendar year
DEAMS - Defense Enterprise Accounting and Management System
DHS - Department of Homeland Security
DLA - Defense Logistics Agency
DOD – Department of Defense
DPO - distribution process owner
DTCI - Defense Transportation Coordination Initiative
FEMA - Federal Emergency Management Agency
FP - force protection
FSS - Fast Sealift Ship
FY - fiscal year
GTN - Global Transportation Network
GWOT - Global War on Terrorism
IPE - individual protective equipment
IR - infrared
IT - information technology
ITV – in-transit visibility
JCS - Joint Chiefs of Staff
JDDOC - Joint Deployment and Distribution Operations Center

JIC - Joint Integration Concept
JPMRC - Joint Patient Movement Requirements Center
JS - Joint Staff
JTF-CS - Joint Task Force Civil Support
LAIRCM - large aircraft infrared countermeasures
LMSR - large medium speed roll-on/roll-off
MAFFS - Modular Airborne Fire Fighting System
MANPADS - man-portable air defense system
MARAD - Maritime Administration
MCS - Mobility Capability Study
MHE - materials handling equipment
MOTCO - Military Ocean Terminal Concord
MOTSU - Military Ocean Terminal Sunny Point
MRS-05 - Mobility Requirements Study 2005
MSC – Military Sealift Command
MSP - Maritime Security Program
NSF - National Science Foundation
OEF - Operation ENDURING FREEDOM
OIF - Operation IRAQI FREEDOM
ONE - Operation NOBLE EAGLE
OPDS - Offshore Petroleum Discharge System
OPTEMPO - operating tempo
OSD - Office of the Secretary of Defense
OVM - Operation VIGILANT MARINER
PA&E - Program, Analysis, and Evaluation
PfM - Portfolio Management
PMR - patient movement request
QRF - Quick Reaction Force
RC - Reserve Component
RF - radio frequency
RRF - Ready Reserve Force
RSOI/FE - RECEPTION, STAGING, ONWARD MOVEMENT AND INTEGRATION/FOAL EAGLE
SDDC – (Military) Surface Deployment and Distribution Command
SecDef - Secretary of Defense
STOL - short takeoff and landing
STON - short ton (= 2000 pounds)
TAV - total asset visibility
TSA - Transportation Security Administration
TSOC - Transportation Security Operation Center
US – United States
USAF - United States Air Force
USCENTCOM – United States Central Command
USEUCOM - United States European Command
USJFCOM - United States Joint Forces Command
USNORTHCOM - United States Northern Command
USNS – US Naval Ship
USPACOM - United States Pacific Command
USSOUTHCOM - United States Southern Command
USSTRATCOM – United States Strategic Command
USTRANSCOM – United States Transportation Command
VISA - Voluntary Intermodal Sealift Agreement