

Statement of
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On the State of the Command

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INTRODUCING THE UNITED STATES TRANSPORTATION COMMAND

Mission /Organization

It is my privilege as the Commander of the United States Transportation Command (USTRANSCOM) to present you my posture statement for 2012. Our Total Force team of Active duty, Guard, Reserve, civilian, commercial partners, and contractors leads a world-class Joint Deployment and Distribution Enterprise (JDDE) that provides unfailing support to our warfighters and their families around the globe. Through efficient and effective execution of our transportation and supply chain distribution mission, the USTRANSCOM team is revolutionizing military logistics to meet the challenges of the 21st century, while adapting to the President's Defense Strategy. Our team of dedicated and trained professionals working in unison with our joint, commercial, and international partners is ready to meet those challenges today and in the future.

Supporting Global Operations

Our Nation's greatest asymmetric advantage is our ability to project and sustain our forces across the globe supported by the political, military, and business relationships that enable this expansive network. To maintain this advantage, the President assigned USTRANSCOM the Global Distribution Synchronizer responsibility to synchronize planning for global distribution operations. This new responsibility enables the Department of Defense (DOD) to shape the distribution environment to meet growing access challenges and ensure sufficient distribution lanes across multiple theaters to underwrite our Nation's ability to successfully project and sustain forces globally. Collaboratively, we will "knit the distribution seams" among multiple Combatant Commands (COCOMs) to ensure support for their theater campaign and contingency plans. To this effort, our vision is to achieve a global network that

anticipates demands, maximizes strategic flexibility, mitigates potential risks, and provides resilient end-to-end distribution.

While USTRANSCOM leads the enterprise, our component commands execute the mission. In 2011, Air Mobility Command (AMC) and its Air Force Reserve and Air National Guard partners maintained a high operations tempo supporting Operations UNIFIED PROTECTOR (OUP), NEW DAWN (OND), ENDURING FREEDOM (OEF), and other crises around the world. At the peak of global air mobility operations in 2011, AMC deployed a rotational force of over 60 C-130 tactical airlift aircraft, plus 120 KC-135 and KC-10 aerial refueling aircraft. AMC also employed an additional 21 C-17s in dedicated support of U.S. Central Command (USCENTCOM). Additionally, across all COCOMs on a daily basis, at least one third of AMC's air mobility fleet was utilized in support of global operations.

On the surface, the Military Sealift Command (MSC) and the Military Surface Deployment and Distribution Command (SDDC) moved over 19.9 million tons of cargo worldwide. MSC's tankers delivered 1.6 billion gallons of fuel to support global operations. SDDC expanded into multimodal operations by moving over 3,500 pieces of mission essential cargo by commercial liner sealift with follow-on airlift into Afghanistan.

Our newest subordinate command, Joint Enabling Capabilities Command (JECC), deployed more than 750 personnel to support four Humanitarian Assistance/Disaster Relief (HA/DR) operations and seven contingency operations worldwide. The Geographic Combatant Commands (GCCs) and U.S. Special Operations Command employed the JECC's expertise for a variety of real-world missions including ODYSSEY DAWN, TOMODACHI, PACIFIC PASSAGE, CONTINUING PROMISE, ODYSSEY GUARD, OUP, OEF and OND. Though the missions were of varying size, scope, and

complexity, in each instance the JECC provided immediate, short-duration support to increase the effectiveness of joint command and control at the operational level.

Support to USCENTCOM

In 2011, the President directed the final drawdown in Iraq by 31 December 2011 and the start of the Afghanistan surge recovery. Through partnership with USCENTCOM and aggressive scheduling, USTRANSCOM and its component AMC accelerated the redeployment of over 60,000 troops (over 50,000 from Iraq and 10,000 from Afghanistan) returning 99 percent home by 24 December and 100 percent by the New Year.

Equipment retrograde was highlighted by the aggressive push to redeploy over one million pieces of equipment from Iraq in calendar year 2011. In addition, USTRANSCOM and our interagency partners have received permissions from some governments of European, Central Asian, and Baltic countries to start retrograding materials from Afghanistan through the Northern Distribution Network (NDN).

The Pakistan Ground Lines of Communication (PAK GLOC) provide logistical support through the movement of cargo to Afghanistan. In 2011 more than 35,000 containers were delivered on the PAK GLOC by surface transportation. When open, the PAK GLOC remains the quickest and most cost-effective route.

The NDN provides an additional route for cargo to Afghanistan. Over the past year, we moved an average of 40 percent of all cargo in support of OEF through the NDN's multiple truck, water, rail, and air routes in an expanding distribution network. In 2011 a total of 27,000 containers were delivered by surface transportation on the NDN, an increase of 15 percent from 2010. USTRANSCOM will continue to work with the interagency and governments of the NDN countries to expand NDN routes

and permissions. This expansion will increase velocity and the number of new routes into and out of Afghanistan.

Support to Other Geographic Combatant Commands

USTRANSCOM supported all GCCs, responding to their unique requirements, often testing the ingenuity of the team to develop new and complex transportation solutions. In March 2011, USTRANSCOM provided a top priority movement to all six GCCs – a USTRANSCOM first.

In U.S. Southern Command's (USSOUTHCOM) area of responsibility (AOR), USTRANSCOM continues to support the transport and security of detainees during detainee movement operations (DMO). Since 2002, USTRANSCOM in coordination with the Office of the Secretary of Defense, the Office of the Secretary of State, Joint Staff, and supported COCOMs has successfully completed 88 DMO missions, transporting 1,206 detainees without incident.

In U.S. European Command's (USEUCOM) AOR, USTRANSCOM deployed and redeployed more than 3,500 troops and 1,400 tons of cargo in support of the Kosovo Balkan force, providing a safe and secure environment in the region.

In U.S. Africa Command's (USAFRICOM) AOR, USTRANSCOM deployed and redeployed 2,491 troops and 1,340 short tons of cargo in support of Commander Joint Task Force Horn of Africa.

Supporting both USAFRICOM and USEUCOM and in response to the United Nations Security Council resolution to end Libya's military advance on its civilian population, USTRANSCOM provided tankers and other lift assets to support Operations ODYSSEY DAWN and UNIFIED PROTECTOR. U.S. tankers flew 435 sorties delivering 23 million pounds of fuel to coalition strike aircraft. USTRANSCOM also directed 63 time-critical airlift missions delivering 886 passengers and 2,220 short tons of cargo.

In U.S. Pacific Command (USPACOM) AOR, USTRANSCOM responded within hours to the immediate needs of the Japanese people, who were devastated from the earthquake and tsunami and follow-on nuclear crisis, with Operation TOMODACHI. USTRANSCOM delivered relief supplies, nuclear response equipment, a 50-person JECC team, search and rescue teams, and disaster response experts totaling over 3,400 short tons and over 6,700 passengers as part of that operation.

USTRANSCOM simultaneously supported Operation PACIFIC PASSAGE, the voluntary authorized departure of DOD dependents from Japan, by evacuating more than 7,800 passengers on over 25 missions.

Each year, USTRANSCOM provides airlift and sealift assets to transport personnel, equipment, and supplies in support of the National Science Foundation's (NSF's) research in Antarctica as part of Operation DEEP FREEZE. Using unique capabilities such as the Air National Guard's ski-equipped LC-130s, USTRANSCOM delivered more than 3,250 passengers, 10,000 short tons of cargo, and five million gallons of fuel to McMurdo Station, Antarctica. In 2011, USTRANSCOM assets airlifted the King of Malaysia and the Prime Minister of Norway to Antarctica in recognition of the 100 year anniversary of man's first expedition to the South Pole.

In U.S. Northern Command's (USNORTHCOM) AOR, USTRANSCOM supported training exercises that provided realistic homeland defense and defense support to civil authorities training for joint and interagency partners. USTRANSCOM also deployed the Modular Airborne Fire Fighting System (MAFFS) equipped C-130 aircraft to fight fires in Texas, New Mexico, Arizona, and Mexico in support of the National Interagency Fire Center. The MAFFS aircraft flew 396 sorties and released more than 9.7 million pounds of fire-retardant during their 74 days of deployment.

USTRANSCOM's WC-130 Hurricane Hunter aircraft flew 129 sorties into 30 storms to collect valuable hurricane data for the National Oceanic and Atmospheric Administration during the 2011

hurricane season. In addition to collecting storm data, USTRANSCOM airlifted the Federal Emergency Management Agency (FEMA) Region II Defense Coordination Officer emergency response vehicle to Puerto Rico to assist with monitoring Tropical Storm EMILY.

Improving Business Practices

To reduce transportation costs, USTRANSCOM continues to pursue both military and commercial multimodal transportation solutions. Multimodal transportation solutions use both surface and air assets, e.g., moving Mine Resistant Ambush Protected (MRAP) vehicles by ship to a major port and using cargo airplanes for the final delivery to the warfighter. By embracing multimodal transportation solutions, USTRANSCOM manages the supply chain, controls cost, and creates efficiencies.

In 2011, commercial multimodal operations began in the USCENTCOM AOR. Multimodal operations into theater included contracted sealift carriers and airlift services through the commercial seaports and airports in Dubai, United Arab Emirates, and Aqaba, Jordan. Commercial multimodal transportation routes maximize the use of commercial carrier capabilities from origin to destination while “freeing up” vital military capabilities. Multimodal hubs proved invaluable when the PAK GLOC routes were no longer available for use in late November. Several hundred containers from 39 different ships bound for forces in Afghanistan were diverted to Dubai and Aqaba where they were stored and then airlifted as needed into Afghanistan to ensure sustained support to combat operations.

Afghanistan’s mountainous terrain and poor infrastructure require an increased reliance on aerial delivery. In 2011, over 80 million pounds of cargo were airdropped, up 20 million from 2010, making 2011 a record year. We continue to add new capabilities like Low-Cost, Low-Altitude Delivery and to

explore an extracted container delivery system capability to improve aircraft survivability and aerial delivery accuracy.

Piracy continues to threaten our commercial partners, predominantly in the Horn of Africa region. USTRANSCOM and its component, Military Sealift Command, continue to be active participants in interagency and industry efforts to reduce the vulnerability of the U.S. commercial fleet. USTRANSCOM is a strong advocate for the use of private security teams aboard commercial vessels.

Preserving the Joint Deployment and Distribution Process

The DOD supply chain is a vast, interdependent enterprise reliant on infrastructure availability across the globe. To safeguard this infrastructure, we work closely with entities across the DOD and Intelligence Community to stay apprised of threats to our transportation and distribution assets and to provide global strategic force protection oversight for these assets. Our relationships and planning efforts with GCCs facilitate threat mitigation and risk reduction of vulnerabilities and hostile/criminal activities.

Preserving and improving our strategic en route infrastructure system remains a critical requirement. A relatively small number of en route airfields and seaports are available to support global mobility operations, so we must champion these "enduring bases" that enable seamless movement across the various areas of responsibility. USTRANSCOM advocates for military construction projects that maintain and improve the capabilities and capacities of the military's deployment and distribution infrastructure. Using analytical data, USTRANSCOM's En Route Infrastructure Master Plan (ERIMP) identifies construction projects that will improve the military's global routes. Adequate infrastructure and access agreements allow the U.S. to maintain the ability to project forces globally.

With the Defense Logistics Agency (DLA), USTRANSCOM continues to lead DOD supply chain transformation efforts through a series of Distribution Process Owner Strategic Opportunities (DSO) initiatives. Since 2009, five focused process improvement initiatives generated \$400 million in cost savings and cost avoidance. The initiatives enhanced readiness, improved velocity, and reduced costs, while delivering higher levels of service to the warfighter.

Building Toward the Future

As USTRANSCOM continues to improve our processes across the deployment and distribution enterprise, we stand ready to support the President's Defense Strategy that maintains a full spectrum force ready to deter conflict, project power, and win wars anywhere on the globe.

In the Pacific, Guam is critical to U.S. national defense as a strategic security and stability location providing USTRANSCOM access to global lines of communications. Guam is a key multimodal logistics node to mobility success in the region and has been analytically validated in the Global Access and Infrastructure Assessment, USTRANSCOM's ERIMP, and AMC's En Route Strategy White Paper. USTRANSCOM supports infrastructure improvements on Guam to ensure successful distribution operations in East Asia and Oceania. We have partnered with the DLA and, with congressional approval, invested \$101.3 million in the recapitalization of the fuel hydrant infrastructure and \$61 million in a JP-8 pipeline between Apra Harbor and Andersen Air Force Base.

A key element of the President's Defense Strategy is to strengthen defense cyber capabilities to operate effectively in cyberspace and to counter cyber attacks. Because of USTRANSCOM's strong reliance on commercial partners, over 90 percent of the distribution and deployment transactions are handled in cyberspace. USTRANSCOM strives to ensure both the integrity of our data and availability

for our users and essentially serves as an information broker for deployment and distribution operations across the globe.

USTRANSCOM is partnering with U.S. Cyber Command (USCYBERCOM), industry, and educational institutions to introduce innovative new technologies and methodologies to protect our essential command and control systems and information from attack. Collaborating with military and commercial partners to define standards for the process and handling of data allows us to improve the security of our information and its accuracy. Implementation of these standards will streamline our information flow, improve transparency to authorized users, and leverage new technologies. The result is trusted and timely information supporting a more responsive transportation enterprise while reducing costs.

USTRANSCOM's Agile Transportation for the 21st Century (AT21) initiative will use industry best practices plus government and commercial off-the-shelf optimization and scheduling tools to deliver best value, end-to-end deployment and distribution. Business process reengineering will improve transportation planning, forecast accuracy, and on-time delivery of forces and sustainment to COCOMs at a lower cost. Corporate Services Vision will align IT systems with reengineered business processes to create a one-stop IT shop.

USTRANSCOM is DOD's lead proponent for In-Transit Visibility (ITV) of cargo, equipment, and personnel during deployment and distribution options. ITV enables a more effective and efficient supply chain by tracking the total volume of supplies moving through the logistics pipeline. Active Radio Frequency Identification (RFID) remains the primary automatic identification technology for large consolidated shipments in the defense transportation system while incorporation of passive RFID tags provides great benefits in warehousing, prepositioning, and tracking of DOD materiel. We continue to expand capabilities with our ITV systems/portfolio.

Realigning Organization and Personnel

The disestablishment of U.S. Joint Forces Command reassigned the JECC to USTRANSCOM on July 1, 2011. The JECC's Joint Planning Support Element (JPSE), Joint Communications Support Element (JCSE), and the Joint Public Affairs Support Element (JPASE) provide mission tailored joint capability packages to COCOMs. These units facilitate rapid establishment of Joint Force Headquarters enabling Global Response Force execution and the bridging of joint operational requirements.

The JECC employs a Total Force mix to deliver scalable mission tailored packages providing immediate, short duration support establishing and organizing a joint force headquarters. The JPSE is an employment package composed of experienced personnel in the planning and execution of joint military operations. The JCSE delivers secure command, control, communications, and computer capabilities. The JPASE provides an early entry capability enabling the Joint Force Commander to gain and maintain the initiative in the information domain.

Training and Exercises

USTRANSCOM Combatant Commander's Exercise Engagement (CE2) program directly supports U.S. national security interests by increasing military capabilities, strengthening alliances, and retaining strategic access around the globe. CE2 enables joint force readiness by enhancing interoperability of the JDDE. The CE2 program has maintained strategic access for the DOD in an era where many forward deployed capabilities are becoming CONUS based. The program allows Combatant Commanders to exercise quick deploying contingency capabilities in response to real world crises like contingencies and HA/DR operations and allows DOD's strategic reserve fleet to remain ready, while saving resources by reserving operating capabilities.

USTRANSCOM participated and supported COCOMs in 20 top priority command post and field training exercises, including 147 secondary training events in 2011. During the exercises, USTRANSCOM provided command and control, deployed strategic mobility personnel and assets, and provided ITV, including patient movement tracking systems and global air transport. USTRANSCOM also partnered with USNORTHCOM, federal agencies, and state and local emergency planners in the development and execution of a staff and patient movement exercise as part of the National Level Exercise.

Air Mobility Readiness

The President's Defense Strategy relies on rapid global reach and rapid global response to deter aggression and deliver worldwide capability. An important linchpin to U.S. military dominance in any conflict is maintaining the airlift and air-refueling capability required for rapid delivery of the Joint Force Team over long distances, guaranteeing access to any location in the world. Our initial analysis shows the planned air mobility force structure meets the strategic airlift and air-refueling requirements for a single large scale operation, while maintaining the flexibility and adaptability to support the Joint Force in another region.

C-17s will continue to meet USTRANSCOM's future requirements through currently funded purchases, upgrade programs, and fleet rotation. The newest C-17s arrive with the latest capability and reliability improvements installed, while the older aircraft enter into the Global Reach Improvement Program to increase their capability and sustainability. Aircraft are monitored and analyzed for stress and rotated to maintain structural integrity of the fleet.

The C-5 fleet is critical to our oversized and outsized air cargo capability and management of the fleet focuses on retirement of some of the oldest aircraft and increased reliability for the remainder. The

Reliability Enhancement and Re-Engining Program (RERP) increases the C-5 fleet mission capable rate (MCR) from 55 to 75 percent. All C-5Bs and Cs and one C-5A will undergo RERP for a total of 52 C-5Ms. The Air Force's new programmed depot maintenance process changed from a "failure of major components" to a preventative replacement process. C-5A retirements will improve aircraft availability by removing maintenance intensive jets from the fleet.

Last year the Air Force awarded a contract for the engineering and manufacturing development phase of the KC-46A program. The KC-46A will replace a portion of the Air Force's aging fleet of KC-135 Stratotankers and will provide the DOD and allied nation coalition aircraft with more aerial refueling capacity, improved efficiency, and increased capabilities for cargo, passengers, and aeromedical evacuation. These 179 KC-46A tankers are the first increment of a three-phased tanker recapitalization approach driven by fleet size and fiscal constraints.

The C-130 continues as an in-theater workhorse supporting humanitarian, peacekeeping, disaster relief, and combat operations. USTRANSCOM supports DOD and Air Force plans to size the tactical airlift fleet to align with the President's Defense Strategy and to meet the warfighter's demand for intratheater and Direct Support airlift missions. Our initial analysis of the planned total purchase of 134 C-130Js, plus 184 modernized C-130Hs, shows the Air Force fleet of 318 C-130s will be sufficient to support the warfighter's demands.

To operate our mobility aircraft safely in threat environments, I strongly support continued defensive systems such as the Large Aircraft Infrared Countermeasures system and continued development of the Advanced Situational Awareness and Countermeasures capability for operations in low to medium threat environments.

The Joint Operational Support Airlift Center (JOSAC) develops and implements CONUS Operational Support Airlift (OSA) solutions to provide movement visibility for the DOD. The small

passenger aircraft provide quick, cost-effective transportation for senior officials and special cargo. Recently, the JOSAC assumed the responsibility of scheduling OSA aircraft in support of the USNORTHCOM AOR, including parts of Alaska, Canada, and Mexico.

Operational Support Airlift and Executive Airlift (OSA/EA) is a key component of our Global Air Mobility Enterprise. From the President to senior civilian and military leaders, immediate airlift is required to carry out diplomatic and military missions across the spectrum of activities supporting our National Security, National Defense, and the National Military Strategies. While we continue to modernize the OSA/EA fleet, we plan to develop a single scheduling and management system with a common multiservice database and operational picture. The goal is to achieve total and real-time asset visibility of worldwide senior leader and OSA/EA movements to enable all stakeholders, including key leadership to exercise command and control of their fleet assets within their area of responsibility.

USTRANSCOM's Civil Reserve Air Fleet (CRAF) is a force enabler, providing us the ability to rapidly deploy forces and equipment in response to global events. The institution of incentives for commercial carriers directed in the 2009 National Defense Authorization Act have proven successful in transitioning the CRAF to a more modern fleet that increases reliability, improves fuel efficiency, and lowers contract rates. USTRANSCOM continues to incentivize the use of modern CRAF aircraft while eliminating the aging, less efficient aircraft. The CRAF Executive Working Group (EWG) of USTRANSCOM, AMC and commercial aviation leaders has been a continuing success by allowing open discussion of fleet modernization, Federal Aviation Administration flightcrew duty and rest requirements, fleet reliability, and supporting operations.

Routing mobility airlift over the polar ice cap opens an additional corridor to the USCENTCOM AOR mitigating the threat to single lines of communication and saves time, fuel, maintenance, and personnel costs. West coast bases' routing KC-135 swap outs over the North Pole saves 20 percent in

time and costs over the traditional European-Caucasus routing, while long-range cargo aircraft routed over the polar ice caps save up to 14 percent. In 2011, USTRANSCOM directed AMC and its commercial partners to utilize polar routing in order to improve operational experience and capability.

Air Force Contingency Response (CR) forces provide an essential capability to support rapidly evolving contingencies throughout the world. AMC maintains four Contingency Response Groups and additional expeditionary Global Mobility forces to support the airbase opening and Joint Task Force-Port Opening missions. These forces directly support USTRANSCOM and Joint Force Commanders' expeditionary mobility requirements by expanding options for early entry force application and sustainment. Rapid response capability along with opening and operating from distant and austere bases with a small footprint and minimum support requirements is a tremendous force enabler. CR forces can deploy within 12-hours notice to quickly assess airbase capabilities and begin the base opening process to achieve full mission capability in the shortest possible time. CR forces provide Combatant Commanders with initial air base opening and global air mobility support capability during wartime, contingency or humanitarian assistance/disaster response operations.

In 2011, USTRANSCOM performed 24,410 safe and rapid aeromedical global patient movements, transporting 14,678 patients to definitive care. In the days after the liberation of Libya, USTRANSCOM, through the Global Patient Movement Requirements Center, supported a Department of State request and transported wounded Libyan personnel by military airlift to medical facilities in Europe and the United States.

USTRANSCOM continues to increase its ability to meet the DOD's expanding patient movement mission requirements. We have matched advanced in-flight medical care teams to the specific medical needs of our Wounded Warriors, forged and field tested unique DOD Health and Human Services deployable air evacuation staging facilities, and standardized and integrated theater patient movement

regulating centers. These improvements will build a safer, more agile, and efficient world-wide patient movement system.

Sealift Readiness

Sealift is the primary means for delivering the preponderance of equipment and sustainment for ground forces, and is essential to building up combat power and seizing the initiative during major combat operations. In a typical operation, over 90 percent of all cargo is delivered by sealift. As one of the largest single shippers of ocean cargo worldwide, DOD spent approximately \$2 billion in fiscal year 2011 (FY11) on commercial transportation through our Universal Services Contract. By partnering with commercial carriers, we gain beneficial access to their global infrastructure. In return, they benefit from our long-term commitment to their ships and networks. When necessary, we activate our government-owned vessels from the Maritime Administration's (MARAD) Ready Reserve Force (RRF) and MSC's Surge Fleet.

USTRANSCOM's partnership with the U.S. commercial sealift industry and the Department of Transportation (DOT) has been vital in developing new routes for conveying cargo around the globe, particularly to regions with undeveloped infrastructure. Through formal programs such as the Maritime Security Program (MSP), Voluntary Intermodal Sealift Agreement (VISA) and the Voluntary Tanker Agreement (VTA), DOD gains critical access to U.S. commercial capabilities, while ensuring the availability of a viable U.S. flag maritime industry and U.S. citizen mariner pool in times of national emergency.

The MSP was recently extended an additional 10 years to 2025. USTRANSCOM looks forward to working with members of Congress to continue to refine the program between now and its implementation date in 2015. The most critical vessels in our fleets are the Roll-On/Roll-Off (RORO)

vessels. USTRANSCOM also looks forward to working with our partners in developing a joint approach to recapitalize our organic fleet through the purchase of vessels available at minimal cost due to the declining worldwide markets. Doing so keeps U.S. citizens operating these vessels, thereby strengthening our maritime base and generating business for U.S. shipyards to complete all conversion and life-cycle maintenance work on these ships. Additionally, preserving DOD's organic fleet of nine Large Medium-Speed Roll-On/Roll-Off (LMSRs) and 48 Ready Reserve Force ships is vital to having the surge sealift capacity necessary to meet future contingencies.

USTRANSCOM works closely with DLA Energy to meet DOD's fuel requirements. Early in 2011, MSC assumed operational control of the second of two U.S. built, U.S. flagged State Class tanker vessels. These new double hulled 331,000 barrel ships replaced four older T-5 tankers that have served us well for the past 25 years. The Motor Vessel (MV) EMPIRE STATE and her sister ship, MV EVERGREEN STATE, will carry refined petroleum products primarily between commercial refineries and DOD storage and distribution facilities worldwide. Additionally, I support MARAD's proposed Tank Vessel Security Fleet which, if approved, would replace the VTA and provide incentives for U.S.-flagged tankers to operate in U.S. foreign commerce in return for assured access to DOD in support of worldwide operations.

Finally, I urge continued congressional support of the National Defense Sealift Fund and the MSP. USTRANSCOM is working diligently with Navy, MSC, and MARAD to instill efficiencies and cost savings in the way these critical assets are managed. Support of the MSP, in addition to supporting a U.S. flagged commercial fleet, is critical to maintaining the U.S. merchant mariner base which provides the manpower needed for surge operations.

The delivery of fuel to combat forces is an absolutely critical component to any modern combat operation. As we plan for contingencies we must always consider the possibility that the normal fuel

infrastructure may not be in place or may be unusable. The Offshore Petroleum Discharge System on MV WHEELER is one unique way to ensure fuel support. This system provides up to 1.7 million gallons of fuel from up to eight miles offshore. This one of a kind vessel is programmed for purchase in August 2012, and will become part of the organic fleet to ensure continued support to the warfighter.

Surface Readiness

The declining condition and operation of our highway infrastructure between military installations and ports is a concern for the DOD. USTRANSCOM will continue to work with DOT to identify DOD's rail, highway, and port requirements so they are thoroughly integrated into the civil sector planning cycle and maintained for the JDDE.

In addition to maintaining the infrastructure, DOD must also maintain railcar capacity to meet military transportation requirements. We are working closely with industry to ensure contracted railcar capacity is available to augment government-owned railcar capacity in the event of any contingency lift requirements.

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 necessary resources to alleviate any ammunition throughput issues in the Pacific Theater.

USTRANSCOM also manages the Defense Personal Property System (DPS). DPS is a next generation web-based system designed to manage personal property shipments and help improve the move experience for service members through procurement of best value transportation services. In addition, DPS achieves other key Defense Personal Property Program objectives to include: Full

Replacement Value protection, streamlined direct claims settlement between the customer and the Transportation Service provider (TSP), faster automated payments to TSP, 24/7 self-counseling, on-line status tracking, and reduced storage costs. In FY11, DPS executed more than 532,000 shipments and can now accommodate approximately 90 percent of all household goods shipments for DOD military and civilian personnel and their families.

Developing New Capabilities

USTRANSCOM is overcoming deployment challenges to enhance our global response capabilities. Joint High Speed Vessels (JHSVs) represent a transformational sealift capability by offering an enhanced logistics response to military and civil contingencies around the globe. These vessels close the gap between high-speed low-capacity airlift and low-speed high-capacity sealift. Forward deployment of JHSVs in combination with warehoused stocks of equipment and supplies will leverage their speed and capacity into quick delivery of needed cargos for Service, joint, and interagency efforts. We are analyzing ways to further capitalize on this capability with the Services and other COCOMs.

With delivery by airdrop nearly doubling yearly since 2005, USTRANSCOM's investment in a High Speed Container Delivery System (HSCDS) will increase airdrop accuracy and payload weights supporting forward deployed warfighters. This capability also enhances threat avoidance and tactical maneuverability to aircraft and aircrews. HSCDS has successfully completed technology demonstrations with a summer operational assessment planned.

Fiscal Stewardship

The JDDE generated \$786.9 million in cost avoidance predominately through the use of multimodal operations (the cost-effectiveness of ships and the flexibility of the C-17s) and forward based warehousing in FY11. A continuing example of multimodal operations is the movement of Mine Resistant Ambush Protected All Terrain Vehicles (MATVs) to Afghanistan. The vehicles were shipped to seaports in theater then airlifted five at a time aboard C-17s into country. USTRANSCOM delivered the majority of the 850 MATVs from October 2010 through September 2011 using multimodal operations.

USTRANSCOM is committed to being part of the DOD solution to long-term deficit-reduction challenges by continuing to lead the certification effort for alternative fuels. AMC C-17s underwent flight tests and certification on cutting-edge renewable bio-jet fuel blended with JP-8 in August 2011. Additionally, all aircraft in AMC's fleet are approved to fly on a synthetic blend of coal or natural gas-based fuel and regular jet fuel.

Additional efficiency efforts include the Mission Index Flying Tool, the Next Generation Cargo Capability Program, and other mission area enhancements. The Mission Index Flying Tool has allowed AMC to reduce aviation fuel consumption beyond expectations. The Next Generation Cargo Capability program standardizes air cargo build-up from depot suppliers and AMC aerial ports to maximize volume/weight utilization, increasing operational effectiveness, and reducing fuel costs while meeting the end customer's delivery requirements. Collaboration with our supported customers has moved more materiel via surface modes to our CONUS strategic aerial ports, thus minimizing aircraft costs while effectively meeting warfighter requirements. Finally, to optimize over-ocean shipments and reduce enterprise operating costs, we continue to identify opportunities to aggregate cargo at appropriate locations.

Final Thoughts

While the Nation and USTRANSCOM face significant challenges at home and abroad, we recognize there are great opportunities for positive change. Such changes will improve effectiveness and efficiency for the warfighters and for the citizens who have entrusted us with the responsible use of our Nation's resources. The dedicated men and women of the USTRANSCOM team take enormous pride in providing the world's best deployment and distribution support to our great Nation. "Together, we deliver."