

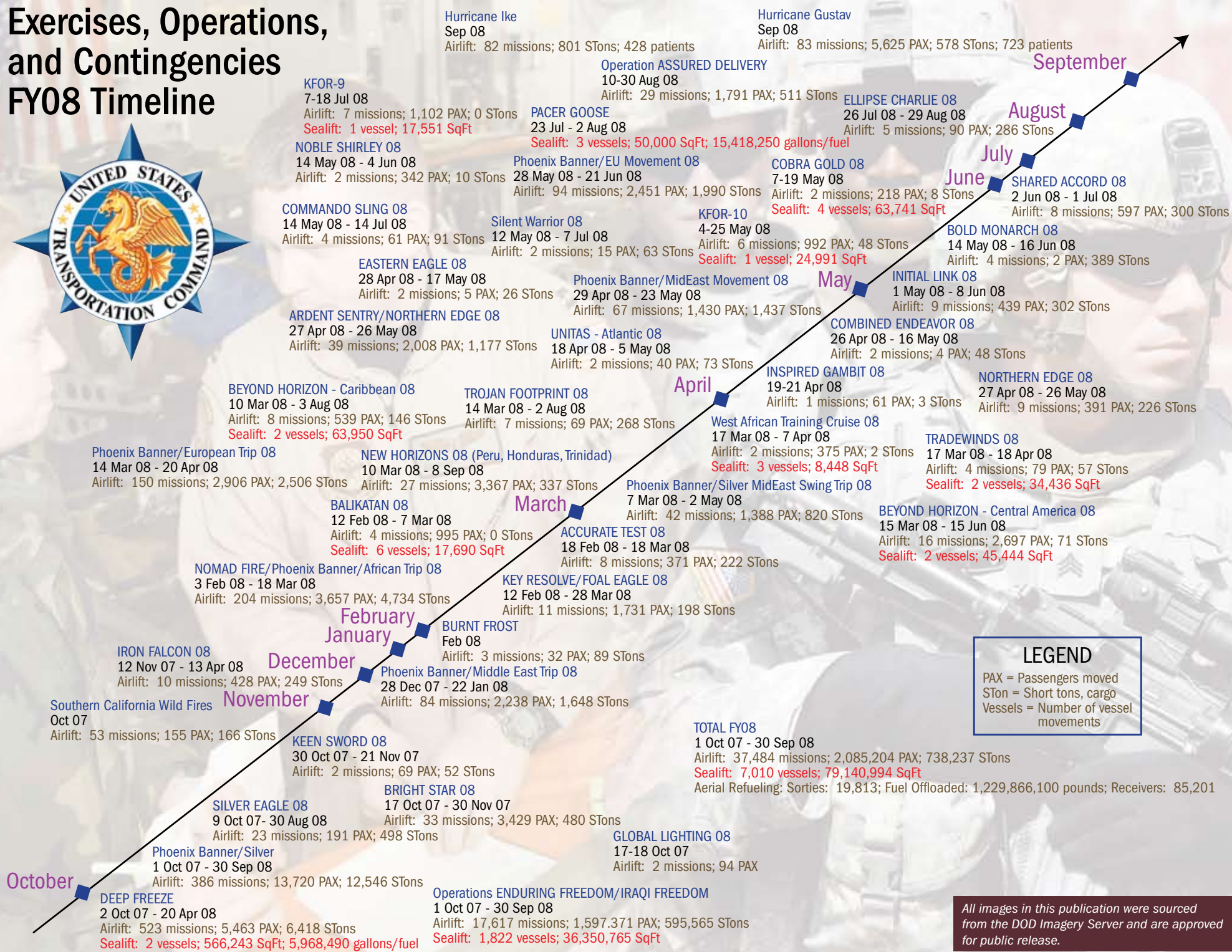


USTRANSCOM



2008
Annual
Report

Exercises, Operations, and Contingencies FY08 Timeline



LEGEND
PAX = Passengers moved
STon = Short tons, cargo
Vessels = Number of vessel movements

All images in this publication were sourced from the DOD Imagery Server and are approved for public release.

Commander's Statement

USTRANSCOM is a unique partnership of Active Duty, Guard, Reserve, Civilian, contractors and commercial partners. Together we are a robust and diverse team that delivers supply chain excellence – anywhere, anytime. Quite simply, we are the lifeline for our deployed warfighters and a national asset when a crisis requires an immediate response capability.

Our capacity to deliver combat power to the warfighter – and our ability to reach out and touch people in need, either here at home or abroad – heavily relies on the Jointness of our Services; the tremendous support of our Active, Guard, and Reserve forces; and our great partnership with the commercial industry. Together we are America's team – providing world class transportation and distribution.

We are inherently flexible and our quick response capability is second to none. With this enviable reputation comes a heavy responsibility – our customers expect and depend on us to be innovative, cost-efficient, and most importantly reliable.

My vision for the DOD supply chain can be summed up in four words – Precision, Velocity, Reliability, and Visibility.

Precision means getting people, equipment and supplies to the warfighter at the right place and at the right time. It means making the right modal selections and sometimes it means multi-modal is the best way to ship. **Velocity** means moving supplies, equipment and people through the deployment and distribution pipeline rapidly, efficiently and effectively, eliminating the bottlenecks and chokepoints. **Reliability** means we deliver to the warfighter when and where it is needed; the first time - every time. It means we have the right metrics to measure our success and also to identify our shortcomings so we can take actions to fix the problems before they impact the warfighter. **Visibility** means that from origin to final destination everyone from the supply sergeant to the theater commander knows where their “stuff” is, at any point from the depot to the end user. This essential visibility builds trust and confidence in the deployment and distribution system.

We are operating in challenging and demanding times but I know the men and women of USTRANSCOM's Total Force are equal to the task. We must never forget that our primary focus is providing our nation's warfighters with what they need to accomplish their mission, when they need it, in the most effective and efficient manner we can. Together, we will continue to deliver on our creed that a promise made is a promise kept.



DUNCAN J. McNABB
General, USAF
Commander



Our Mission

Develop and direct the Joint Deployment and Distribution Enterprise to globally project strategic national security capabilities; accurately sense the operating environment; provide end-to-end distribution process visibility; and responsive support of Joint, US Government, and Secretary of Defense-approved multinational and non-governmental logistical requirements.

USTRANSCOM
Mission Statement

Provide global surface deployment and distribution services to meet the nation's objectives.

SDDC
Mission Statement

When US geographic combatant commands, Services, other government agencies, and coalition partners require movement, they rely on United States Transportation Command (USTRANSCOM). As the Distribution Process Owner (DPO), USTRANSCOM directs and supervises the execution of the distribution system and develops and implements distribution process improvements. USTRANSCOM is a supporting combatant command with assigned responsibilities to:

- Provide common-user and commercial air, land, and sea transportation, terminal management, and aerial refueling to support the global deployment, employment, sustainment, and redeployment of US forces.

- Serve as the Mobility Joint Force Provider, identifying and recommending to the Chairman, Joint Chiefs of Staff global joint sourcing solutions in coordination with the Services and other combatant commanders, and supervising implementation of sourcing decisions.

- Provide Department of Defense (DOD) global patient movement, in coordination with geographic combatant commands, through the Defense Transportation System.

- Serve as the DPO, coordinating and overseeing the DOD distribution system to provide interoperability, synchronization, and alignment of DOD-wide, end-to-end distribution and developing and implementing distribution process improvements that enhance the Defense Logistics and Global Supply Chain Management System.

USTRANSCOM executes its mission through its three Service component commands: the Military Surface Deployment and Distribution Command (SDDC), the Military Sealift Command (MSC), and the Air Mobility Command (AMC).

“One Team, One Fight”

Today's high operational tempo requires the Reserve Component to be totally responsive, integrated, and operationally focused. Of USTRANSCOM's total manpower, 56 percent is derived from the Reserve Component - Army National Guard, Army Reserve, Marine Corps Reserve, Navy Reserve, Air National Guard, Air

Force Reserve, and Coast Guard Reserve. In addition, the Reserve Component provides 57 percent of continental US surface lift capability, and 59 percent of airlift capability. USTRANSCOM is the model for the “One Team, One Fight” concept.

Military Surface Deployment and Distribution Command

SDDC is a joint-service Army command and the surface distribution component of USTRANSCOM. SDDC provides global surface deployment and distribution services to meet the nation's objectives.

SDDC is committed, dependable and relentless in its support to the combatant commanders, and the Joint Warfighter. SDDC has unparalleled experience in end-to-end distribution and does the job right and on time, despite all obstacles. SDDC is committed to its missions, people and to continuing excellence in surface transportation.

Headquartered at Scott Air Force Base, IL, with an operations center at Fort Eustis, VA, the command serves as the link between DOD shippers and commercial carriers, ensuring safe and efficient distribution.



Photo by Petty Officer 2nd Class Sandra Palumbo

A Mine Resistant Ambush Protected (MRAP) Vehicle drives down the ramp of the USNS Piliilau onto the pier at Ash Shu'aybah Port, Kuwait. More than 200 MRAPs are being unloaded from the roll-on/roll-off ship for transfer to Iraq and Afghanistan.

Military Sealift Command

MSC delivers combat equipment, vehicles, fuel, supplies, and ammunition to sustain US forces around the globe in both peace and war for as long as operations require. The command reports through three distinct and separate chains of command: to USTRANSCOM for defense transportation matters, to US Fleet Forces Command for Navy-specific sea transport issues, and to the Assistant Secretary of the Navy for Research, Development and Acquisition for procurement policy and oversight.

During combat operations, more than 90 percent of all the equipment and supplies needed to sustain US military forces is carried by sea. MSC provides a daily average of 30 ships and crews to USTRANSCOM to support such operations, as well as humanitarian assistance and disaster response missions as directed.

All MSC ships, unlike other US Navy ships, are crewed by civilians. Some MSC ships have small military departments assigned to carry out communication and supply functions.

For USTRANSCOM-directed missions, MSC provides both common-user strategic sealift capability and theater-specific prepositioned support through four business areas: Tanker Operations, Dry Cargo, Strategic Surge, and Afloat Prepositioned Force-T.

Photo by Mass Communication Specialist 2nd Class Elizabeth Merriam



Demonstrating sea-basing capabilities to perform in-stream transfer of prepositioned equipment and sustainment for high-speed delivery to warfighters, Navy and Marine Corps personnel work on the deck of the Improved Navy Lighterage System (INLS). High Speed Vessel (HSV) 2 Swift is pictured moored at left to the deck of the INLS. Photo taken from USNS 2nd Lt John Bobo (T-AK 3008), an MSC roll-on, roll-off container ship.

Air Mobility Command

AMC is responsible for providing agile airlift, air refueling, aeromedical evacuation, and air mobility support capabilities in nearly every environment worldwide. AMC is organized, trained, and equipped to execute global airlift and aeromedical evacuation in support of humanitarian relief, contingency, and major combat operations. The command also operates an aerial refueling fleet, which significantly enhances airlift flexibility and enables the delivery of materiel and personnel more quickly and efficiently to the final point of need. AMC's aerial refueling fleet also magnifies combat air power by providing America's warfighter with a global strike capability and persistent air power across the battlespace. Also, when requested by a unified combatant commander and assigned by DOD, AMC provides the command and control expertise necessary to assist combatant commanders in expediting materiel, equipment, and personnel to the final point of need.

Throughout fiscal year 2008, AMC successfully maintained pace with global air mobility requirements delivering 738,376 short tons of humanitarian supplies and warfighting materiel and equipment, while its aeromedical missions supported 14,190 patients requiring care and attention.



Photo by Lt. Col. Adriane Craig, USAF

Marines with the 24th Marine Expeditionary Unit load three AH-1W Super Cobra helicopters onto an Air Force C-17 Globemaster III at Manas Air Base, Kyrgyzstan. The Marines are headed to Afghanistan as part of the NATO-International Security Assistance Force.

Provide ocean transportation via organic and chartered commercial ships, delivering combat equipment, vehicles, fuel, supplies, and ammunition to sustain US forces worldwide during peacetime and in war for as long as operational requirements dictate.

MSC
Mission Statement

Provide rapid, global mobility and sustainment for America's armed forces.

AMC
Mission Statement

Creating World-Class Deployment and Distribution Solutions

"This is not a question of ownership. It is a question of orchestration of the DOD supply chain in a way that supports the warfighter better and that brings more value to those that are involved in it."

General Norton A. Schwartz,
Former Commander,
USTRANSCOM

State of the Joint Deployment and Distribution Enterprise

USTRANSCOM further defined its responsibilities for coordinating and synchronizing DOD end-to-end distribution operations set forth the previous year through the publication of DODI 5158.06, "Distribution Process Owner." Moreover, initial Functional Capability Board approval of the Theater Enterprise Deployment and Distribution (TED2) concept and its application as the end-to-end framework for integrating control across the strategic-to-theater continuum set the stage for solution needs analysis supporting the Joint Logistics (Distribution) Joint Integrating Concept, the foundation of USTRANSCOM's strategic plan.

Fiscal year 2008 was the Year of Visibility for USTRANSCOM. The Automatic Identification Technology (AIT) Implementation Plan represented a significant step toward improving end-to-end visibility of unit movement and sustainment distribution across the Joint Deployment and Distribution Enterprise (JDDE). As the DOD lead proponent for Radio Frequency Identification and related AIT implementation, USTRANSCOM focused on coordinating AIT use throughout the supply chain to facilitate the handoffs common throughout the pipeline and improve deployment and distribution decision making.

In conjunction with key national partners such as the Defense Logistics Agency (DLA) and the General Services Administration (GSA), USTRANSCOM made significant progress in the Distribution Network Optimization pilot effort in the European theater. This pilot is driving tangible, sustainable performance improvements in both effectiveness and efficiency, increasing precision and reliability of the physical distribution network and improving Time Definite Delivery from the source of supply to the point of effect. Furthermore, USTRANSCOM's award and

implementation of the Defense Transportation Coordination Initiative, leveraging commercial third party logistics capabilities and proven best practices, has gone smoothly and is already providing signs of reducing costs and achieving efficiencies.

While there is still much to be done to build an integrated, end-to-end JDDE, in the past year USTRANSCOM made enormous strides in moving the JDDE closer to the desired end-state. In essence, this annual report serves as evidence of the commitment USTRANSCOM has placed on building a unified JDDE that leads to trust and confidence in the system.

During fiscal year 2008, USTRANSCOM refined its JDDE competency model – a human capital development tool designed to build a corps of trained and skilled joint logisticians. USTRANSCOM identified and mapped over 300 positions to a set of core competencies essential to fulfilling the DPO supply chain mission. Individual training plans were developed for each employee holding a JDDE billet to ensure they receive training in supply chain operations.

Integrated End-to-End JDDE Planning, Forecasting, and Execution

USTRANSCOM continues to coordinate and collaborate through the DPO governance structure with its national partners to analyze and synchronize distribution and materiel management processes. USTRANSCOM championed improvement initiatives to ensure efforts are integrated and complementary. Through the maturation of the TED2 effort, USTRANSCOM identified needs and began developing solutions for integrated enterprise control functions including operational planning and optimization, forecasting movement requirements, and movement execution performance assessment.

Photo by Major Christopher Thiel



Over 600 MRAPs at the Port of Ash Shuaibah, Kuwait. Less than one week after arrival, more than half of the vehicles pictured had been sent forward to support Operation IRAQI FREEDOM.

The deployment of Mine Resistant Ambush Protected (MRAP) vehicles provides an example of end-to-end planning, forecasting, and execution. Reacting to pressing operational requirements in the US Central Command (USCENTCOM) area of responsibility, USTRANSCOM overcame significant distribution challenges caused by turbulent production rates from multiple MRAP manufacturers. Superb coordination and teamwork between USTRANSCOM and its national partners resulted in delivery of over 10,000 MRAP vehicles to USCENTCOM by September 2008.

Finally, USTRANSCOM is conducting a business case analysis for developing the Agile Transportation for the 21st Century (AT21). AT21 will identify and implement business processes and technical solutions that enable USTRANSCOM's deployment and distribution planning, forecasting, and execution activities in support of the JDDE. AT21 will apply best business practices and leverage technologies to enhance end-to-end supply chain capabilities, resulting in reduced deployment and distribution cycle times, increased customer satisfaction via tailored distribution support, reduced customer wait time, and achieve an environment that provides asset visibility throughout the supply chain leading to decreased materiel costs.

DOD Automatic Identification Technology Implementation Plan

AIT is a dynamic suite of technologies enabling the automatic capture of data, thereby enhancing the ability to identify, track, document, and control assets. Bar codes, two-dimensional data matrices, hand-held terminals, radio frequency identification (RFID – both active and passive), and satellite tracking are all included in the AIT suite.

In June 2007, USTRANSCOM published the JDDE-coordinated “DOD AIT Concept of Operations (CONOPS) for Supply and Distribution Operations.” This CONOPS declared DOD's vision for AIT development and its application in the defense supply chain through fiscal year 2015. In March 2008, USTRANSCOM released the similarly coordinated “DOD AIT Implementation Plan (IP) for Supply and Distribution Operations, Volume I.” This companion document to the CONOPS is the roadmap for initial implementation of the CONOPS vision for fiscal years 2008-2009,

termed “spiral one.” It will be followed by later volumes implementing spiral two (FY2010-2011) and spiral three (FY2012-2015).

USTRANSCOM is enthusiastic about the potential offered by AIT. The DOD currently has the largest active RFID (aRFID) system in the world. It provides the ability to track consolidated sustainment and unit move assets to almost all established installations outside the continental US. USTRANSCOM continues to develop the satellite tracking business case for those situations where the aRFID infrastructure is less robust or nonexistent. USTRANSCOM is also aggressively fielding passive RFID (pRFID). The command completed a first proof of concept using pRFID in the line of communication from DLA's San Joaquin Depot through Travis and Elmendorf Air Force Bases to Fort Richardson, AK. Preliminary calculations indicate increased knowledge of delivery times provided by pRFID data may save the DOD millions of dollars in pipeline inventory. USTRANSCOM is expanding this capability into Hawaii and supporting pRFID at all stateside major aerial ports. USTRANSCOM's long-term goal is the ability to enter shipment content level detail one time at the point of origin and read automatically the asset's journey through the DOD pipeline. It has long been USTRANSCOM's goal to have end-to-end visibility. AIT will make visibility automatic and put trust in the distribution process.



Photo by Staff Sergeant Sean M. Worrell, USAF

Senior Airman Nichole Sterling uses a hand-held terminal to scan a barcode.

The JDDE includes the equipment, procedures, leaders and connectivity necessary to conduct joint distribution operations. When fully developed, the JDDE will be a single unified enterprise with well-defined authorities, metrics, business rules and integrated capabilities that can precisely and reliably see and direct the flow of forces and sustainment.

*General Norton A. Schwartz,
Former Commander,
USTRANSCOM*

“As the world changes rapidly, profoundly, and in every dimension—social, economic, and political—the logistics workforce needs to continuously evolve and operate in a way that optimizes the human capital of the entire enterprise rather than individual parts.”

*Mr. Jack Bell,
Deputy Under Secretary of Defense
for Logistics and Materiel Readiness*

Creating World-Class Deployment and Distribution Solutions

Theater Enterprise for Deployment and Distribution

“As the Services evolve to meet future challenges, we must be in concert with them, anticipating their requirements for innovative mobility and distribution strategies. To meet those challenges we are exploring new ways to provide support to the future force.”

General Norton A. Schwartz,
Former Commander,
USTRANSCOM

TED2 takes an enterprise view of deployment and distribution to identify performance gaps and shortfalls, and provides the foundation for instituting common joint processes, establishing intra-theater organizational relationships and applying common information technology (IT) support. The purpose of the TED2 template is to ensure full integration of theater capabilities with joint distribution operations of the JDDE. The goal is to establish and standardize common capabilities for theater joint deployment and distribution control with USTRANSCOM serving as the single coordination and synchronization element on behalf of the JDDE.

The heart of the TED2 concept is its application as the end-to-end framework to control the entire enterprise. Developed in collaboration with combatant commands and Services, TED2 identifies tasks common to all geographic theaters and the enterprise at large. Successful implementation of the template allows combat commands to monitor and control the flow of forces and sustainment and reliably synchronize delivery of capabilities at the desired point of effect. Current capabilities are not integrated, or they vary widely between combatant commanders, limiting the ability to plan and execute movements throughout the joint distribution pipeline. Control of movements across theaters is achieved through the ability to “coordinate and synchronize” actions and is enabled by integrated JDDE capabilities. Control of the theater segment of



Marine 1st Lt Richard Wagner, platoon commander of 3rd Platoon, Transportation Support Company, Combat Logistics Battalion 4, 2nd Marine Logistics Group, reviews a manifest prior to departing Haditha Dam, Iraq.

Photo by Corporal Manuel Robert

the enterprise is attained by creating capabilities to plan, schedule, apportion, allocate, route, direct, validate or adjudicate priorities, and redirect common-user movements across the theater distribution pipeline. The result will be enhanced delivery of forces and sustainment to the Joint Force Commander. Rapid introduction and integration of additional theater distribution capabilities will seamlessly link the joint force with the entire distribution system. In the end, there will be improved trust and confidence that the entire distribution system will “deliver on the promises made.”

Joint Task Force-Port Opening

JTF-Port Opening is a joint expeditionary capability that enables USTRANSCOM to rapidly establish and initially operate a port of debarkation and a distribution node, facilitating port throughput in support of combatant commander-executed contingency response. Aerial Port of Debarkation (APOD) forces are ready to deploy in 12 hours and Seaport of Debarkation (SPOD) forces in 36 hours. Throughout this fiscal year, USTRANSCOM continued to mature the JTF-Port Opening concept. The Army Reserve unit at Fort Dix, NJ turned over the port opening mission to the Army’s newly established Transportation Detachment-Rapid Port Opening (TD-RPO) element stationed at Fort Eustis, VA. This TD-RPO is the first of three the Army will develop in order to meet the JTF-Port Opening mission. During the next two years, the Army will stand up the remaining transportation detachments in order to provide USTRANSCOM with the ability to field two complete JTF-Port Opening units at any time. Beginning in 2009, the Army element will be dual-tasked to perform the APOD and the SPOD requirements. In addition to the TD-RPO element, the SPOD will also apply the expertise resident in an Army Terminal Supervision Team as well as forces, both government service and reservists, from Military Sealift Command.

During fiscal year 2008, the APOD forces participated fully in National Level Exercise 2-08 and proved the capabilities that USTRANSCOM can provide to the geographic combatant commander. SPOD Command and Control was demonstrated at National Level Exercise 2-08 as well as in the Joint Logistics Over the Shore 08 exercise. The JTF-Port Opening is designed to reverse the historic shortcomings associated with the rapid opening of ports world-wide, including ad hoc command and control and lack of continuous visibility of cargo moving from the ports of debarkation through the theater of operations.

Consistent and deliberate joint training, a robust command and control suite to include in-transit visibility, and dedicated surface movement control units enable JTF-Port Opening to effectively and efficiently address previous deficiencies of global transportation movement. JTF-Port Opening provides oversight of joint force deployment and sustainment while supporting USTRANSCOM's mission of providing end-to-end synchronized cargo and passenger movement.

Joint Distribution Process Analysis Center

The JDPAC continues to meet the analytical challenges of the JDDE. As directed in the Secretary of Defense's Guidance for Development of the Force, the JDPAC prepared to begin the Mobility Capabilities and Requirements Study 2016. The JDPAC is co-leading the study along with the Office of the Secretary of Defense's Office of Program Analysis and Evaluation. This study is USTRANSCOM's number one programmatic priority.

During fiscal year 2008, the JDPAC established a JDPAC Forward in the USCENTCOM Area of Responsibility by resourcing positions at both the CENTCOM Deployment and Distribution Operations Center and Air Mobility Division. This end-to-end operational research analysis capability has enabled the quick-turn of support requests that facilitate fact-based course-of-action selection by senior decision makers.

The JDPAC currently combines the significant analytical engines of two of USTRANSCOM's component commands, and soon will incorporate reach back access to MSC's expertise. Through collaboration with DLA's Office of Operations Research and Resource Analysis, as well as other JDDE partnerships, the JDPAC is quickly institutionalizing its position as the DOD's Center of Excellence for joint deployment and distribution analysis.

Joint Logistics Over-the-Shore

USTRANSCOM, US Pacific Command, and their components completed another successful JLOTS exercise. JLOTS is the process of loading and unloading ships without the benefit of deep draft-capable, fixed port facilities as a means of moving forces closer to tactical assembly areas. Ships from the Ready Reserve Force deployed JLOTS equipment to Camp Pendleton, CA

where more than 3,000 Soldiers, Sailors, and Marines participated in the exercise. These Ready Reserve Force ships included the CAPE MOHICAN, a heavy lift vessel, an auxiliary crane ship, and an offshore petroleum discharge system tanker. Over 1,200 pieces of military equipment and 20-foot containers were offloaded from a large, medium-speed, roll-on/roll-off ship.

Cost Avoidances

From fiscal year 2004 through September 2008, actions taken by the JDDE have avoided or saved \$2.2 billion in cost. The savings accrue to Global War on Terrorism supplementals and allow the Services to purchase other high priority items.



Photo by Sergeant Stephen Proctor

Improved Navy Lighterage System being downloaded during JLOTS 08.

DPO Cost Avoidances (FY04-FY08)	
Transportation Initiatives	
Air-to-surface conversion	\$2,051.2
Truck-to-rail conversion	\$11.3
Other	\$39.1
Total Transportation	\$2,101.6
Materiel Initiatives	
Supply interventions resulting in order cancellation	\$29.8
Cancellation of refrigerated container contract	\$31.2
Identifying "lost" equipment/returning to supply system	\$28.9
Other	\$3.8
Total Materiel	\$93.7
Total Cost Avoidance	\$2,195.3

(Dollars in Millions)

"In football, the quarterback is the center of gravity, but without the dedicated and coordinated support of the entire team, a quarterback couldn't lead the team to victory. This also rings true for the security of America. Our security depends on the seamless integrated efforts of our Active and Reserve armed forces at all levels."

*Major General Harold Mitchell
Commander, Joint Transportation
Reserve Unit*

Commercial Partners

USTRANSCOM relies on its commercial partners to meet 88 percent of continental US land transport, 50 percent of global air movement, and 64 percent of global sealift.

*USTRANSCOM News Service
25 January 2008*

USTRANSCOM's commercial partners are invaluable in the support of the nation's global national security commitments. USTRANSCOM would have a difficult time meeting its wartime requirements without its unique partnerships with civilian industry since the backbone of the nation's lift capacity lies in its commercial fleets. The command uses business incentives to create wartime capacity, ensure readiness within the civilian sector, and exercise frequently used procedures for fluid transition to support contingencies.

Civil Reserve Air Fleet

CRAF is a voluntary contractual partnership between the DOD and US commercial air carriers. CRAF is intended to provide both commercial aircraft and crews to augment military airlift during times of crisis and high operations tempo. This additional strategic mobility capability is absolutely critical to DOD's ability to prosecute missions abroad. As an incentive for committing aircraft to the program and to ensure adequate airlift reserves, AMC makes peacetime airlift business available to the air carriers. The USTRANSCOM Commander can request to activate three incremental stages of CRAF, which can be further tailored to accommodate the situation. Indeed, during activation of CRAF Stage 3, commercial partners will carry almost 40 percent of cargo and more than 90 percent of the passengers to forward staging bases. The Secretary of Defense must approve CRAF activation.

CRAF Aircraft Commitment Planning Requirements by Stage			
	CRAF I	CRAF II	CRAF III
Passenger	30	87	136
Cargo	30	75	120

There are 39 CRAF aircraft available for aeromedical evacuation at any time.



Photo by Technical Sergeant Larry A. Simmons

Airmen return home to Dyess Air Force Base, Texas after deploying in support of Operations ENDURING FREEDOM and IRAQI FREEDOM.

Voluntary Intermodal Sealift Agreement

VISA represents a success achieved between USTRANSCOM and the commercial industry to cooperatively meet our nation's sealift contingency requirements. VISA provides DOD with time-phased access to militarily useful US-flagged commercial dry cargo vessels, intermodal systems, and infrastructure in return for peacetime business preference. When needed, the program is activated in three stages of increasing levels of commitment, depending on the severity of the contingency. All major US-flagged carriers participate in VISA, and over 90 percent of their dry cargo vessels are enrolled, including roll-on/roll-off and container ships, break-bulk ships, and seagoing tugs and barges.

Voluntary Intermodal Sealift Agreement	
Cargo Vessels	119
Participating Carriers	51
VISA Stage III Commitment	
Twenty-foot Equivalent Units	119,653
Square Footage	3,868,696
Measurement Tons	189,346



Photo by Lt. Penny Cockerell

Service members offload self-contained mobile hospitals from MSC-contracted ship MV American Tern (T-AK 4729), in port Yorktown Naval Weapons Station Cheatham Annex in Williamsburg, VA.



MSC file photo

MV Phillips at night.

Port Readiness Network

Through coordination and cooperation among its members, the National Port Readiness Network ensures the readiness of military and commercial ports for the deployment of military personnel and cargo in the event of mobilization or a national defense contingency. Chaired by the US Maritime Administration, the National Port Readiness Network is comprised of components of USTRANSCOM, the US Army Forces Command, and other agencies, including the US Army Corps of Engineers, US Coast Guard, and Transportation Security Agency. Additionally, each of the 15 commercial strategic seaports located throughout the continental US and Alaska has a Port Readiness Committee that coordinates with these agencies to ensure the readiness of the port network.

Global Projection of National Security Capabilities

“Our end-to-end distribution and logistics capability, unparalleled by any in the world, allows us to deliver the message of our nation’s strength in a subtle, yet powerful way. It allows us to demonstrate that we are a source of hope, and a promise of freedom. It’s very difficult for any adversary to match that message.”

General Duncan J. McNabb
Commander, USTRANSCOM

“Beyond Iraq and Afghanistan, TRANSCOM provides the crucial supply and support backbone that allows our military to carry out its missions across the globe – from combat operations to humanitarian relief.”

Robert M. Gates
Secretary of Defense

Surface Lift

SDDC is the DOD’s manager for all aspects of surface movements: planning, booking, shipping, and tracking cargo for the warfighter anywhere in the world. Although SDDC does not own a single vehicle, the command procures more than \$1.5 billion annually in commercial truck, rail, barge, pipeline, and ocean transportation services.

SDDC supported DOD operations to include Operations ENDURING FREEDOM and IRAQI FREEDOM, and humanitarian aid missions, running 131 vessel operations and related land movements by truck, rail, and barge moving 73 million square feet of unit cargo - enough cargo to fill 1,270 football fields. SDDC maintained a presence at twenty-four ports to keep this cargo moving.

SDDC also monitored all DOD movements of arms, ammunition and explosives, and other sensitive materials, successfully tracking more than 74,000 such movements over the course of the fiscal year.

The command created and established a Strategic Business Office out of its Operations Center on 1 June 2008, providing tailored customer service, more focused business structures, and an improved communication environment for both customers and partners. This office will complement streamlining efforts within SDDC, while offering a focused transportation conduit for industry and related services to SDDC customers.

Additionally, at SDDC’s request, the Army Materiel Command activated the 596th US Army Transportation Group (Ammunition) (Provisional) on 15 June 2008 to plan, coordinate, and execute safe movement of munitions, explosives, and other hazardous cargo through the Military Ocean Terminal – Sunny Point, NC and to provide technical assistance to Military Ocean Terminal – Concord, CA and commercial strategic seaports as required.

Airlift

Whether deploying forces conducting the Global War on Terrorism, delivering sustaining materiel to the warfighter,

or expediting lifesaving humanitarian assistance when disaster strikes at home or anywhere in the world, AMC provides responsive, adaptable, and precise air mobility support. Through its operations hub at Scott Air Force Base, IL, AMC supported the myriad requirements to move assets, passengers, and patients – America’s Heroes – across the globe. During fiscal year 2008, AMC supported Global War on Terrorism operations by moving 214,348 short tons of cargo, and 145,774 passengers via its scheduled channel airlift routes. Moreover, AMC contingency and Special Assignment Airlift Missions accounted for movement of 375,234 short tons of materiel and equipment and 1,430,515 passengers.

Aerial Refueling

America’s global airlift capacity and ability to employ overwhelming combat air power are significantly magnified through AMC’s aerial refueling fleet. In fiscal year 2008, AMC’s tankers conducted a comprehensive total of 32,875 sorties, offloading 1.5 billion pounds of fuel to support operations and contingencies and to enhance global mobility and operational readiness. In the Global War on Terrorism, air refueling aircraft supporting Operations IRAQI FREEDOM and ENDURING FREEDOM sustained combat air operations for Air Force, Navy, Marine Corps, and allied reconnaissance and strike aircraft across the operations regions. AMC’s aerial refueling fleet also flew 277 missions for Operation NOBLE EAGLE, refueling combat air patrols maintaining vigil over the continental US. AMC’s tanker fleet also offloaded 2.1 million pounds of fuel supporting Joint Chiefs of Staff and geographic combatant commanders’ exercises worldwide.



Photo by Staff Sergeant Rich Jocelyn

Senior Airman William Paull, a boom operator on a KC-135 Stratotanker, refuels a B-52 Stratofortress over a forward-deployed location.

Sealift

MSC provides an average of 30 ships daily for USTRANSCOM missions, most of them dedicated to support the Global War on Terrorism. During fiscal year 2008, MSC ships delivered more than 4.7 million square feet of combat vehicles, rolling stock, equipment and supplies to Army, Marine Corps, Air Force, and Navy warfighters engaged in worldwide operations. At the same time, MSC delivered more than 1.8 billion gallons of fuel for ground vehicles, aircraft, ships, and power generation.

Patient Movement

USTRANSCOM is the DOD single manager for recommending policy and developing standardized procedures for patient movement. During fiscal year 2008, the USTRANSCOM Surgeon's Office, through the Global Patient Movement Requirements Center, staffed the USCENTCOM Joint Patient Movement Requirements Center (JPMRC) to support patient movement operations within USCENTCOM. The JPMRC coordinated the movement of 14,511 patients of which 1,687 were battle injuries. Thirteen percent of these patients were categorized as urgent or priority, requiring movement within 24-48 hours of receiving the request for movement. This requires fast, accurate coordination between the medical facility sending the patient; the transportation organization and platform; medical support at departure, reception and enroute; and the medical facility receiving the patient. It is the responsibility of the Joint, Theater, and Global Patient Movement Requirements Centers to orchestrate this coordination into a smooth and seamless process.

During an average week, USTRANSCOM orchestrates more than 1,900 air missions, 25 ships under way and 10,000 ground shipments operating in 75 percent of the world's countries.

Perhaps nothing epitomizes USTRANSCOM's efforts to keep its promise to the soldiers in harm's way than the efforts in coordinating the life-saving urgent movement of a US Army sergeant who was stabbed in the head with a large knife by insurgents. The knife penetrated the skull into the sergeant's brain. The patient was aeromedically evacuated via a non-stop C-17 Globemaster from Balad Air Base, Iraq, refueling in-flight, to National Naval Medical Center, Bethesda for specialized neurosurgery to remove the penetrating knife. According to Air Force Times reporter Patrick Winn, what occurred in the 24 hours following the sergeant's injury "triggered a miracle of military medicine, logistics, technology, and air power."



Photo by Staff Sergeant Angelique Perez

US Air Force Technical Sergeant Stacey Soley ensures patients are secured for transport on a medical evacuation flight at Al Udeid Air Base, Qatar.

The United States Transportation Command— implementing world-class deployment and distribution solutions.



During a pre-election day raid, Sergeant Jose Rivera and his team, from Company B, 1st Battalion, 187th Infantry Regiment, 3rd Brigade Combat Team, 101st Airborne Division, prepare to enter a house in Bayji, where terrorists are suspected of hiding—Photo Courtesy of US Army by Technical Sergeant Andy Dunaway

Globally projecting national security capabilities—enabling our nation to display its resolve quickly, anywhere in the world.

National Science Foundation Members exit a C-17 Globemaster during the Operation DEEP FREEZE winter fly-in to Antarctica in August. The annual winter fly-in augments and replenishes McMurdo Station personnel with support personnel, food, and equipment. WinFly marks the resumption of flights to McMurdo Station, which closed for the austral winter in February—Photo by Technical Sergeant Shane A. Cuomo



Enabling Deployment and Distribution Transformation

"We deliver precision, reliability, velocity and visibility - all of which produce trust and confidence in us by those we serve... trust and confidence that a promise made will be a promise kept."

General Duncan J. McNabb
Commander, USTRANSCOM

Year of Visibility

In designating 2008 as the Year of Visibility, the USTRANSCOM Commander made visibility a focus of attention. During the fiscal year, USTRANSCOM and its national partners worked to enhance end-to-end visibility processes and supporting technology, from forecasting joint distribution and movement requirements to flowing forces and sustainment materiel through the Defense Transportation System.

This year USTRANSCOM changed the management of its distribution IT portfolio from a systems focus to a services-oriented approach. This required a significant revision of the command's Chief Information Officer (CIO) Program Review Panel, transforming it into the Corporate Portfolio Review Process (CPRP). The new CPRP adds a Distribution Portfolio Review Process in addition to the ongoing comprehensive internal annual review of USTRANSCOM Transportation Working Capital Fund-supported systems. The Distribution Portfolio Review Process calls for USTRANSCOM to collaborate with the Services and DLA to ensure that processes, systems, and future actions are closely aligned, thus ensuring a JDDE that is more precise, reliable, and efficient, providing improved visibility across the end-to-end spectrum of the DOD supply chain.

End-to-End Common Operational Information and Technology Capabilities Across the JDDE

USTRANSCOM, in collaboration with its national partners, continued to improve the effectiveness and efficiency of distribution solutions delivered to warfighters. The command successfully transformed selected high-priority enterprise processes and systems to deliver more precise, agile, and reliable distribution capabilities and information visibility to warfighters. Additionally, USTRANSCOM simultaneously intensified efforts to transform its enterprise architecture to a services-oriented environment and to recapitalize its enterprise IT to realize cost savings.

Improved Visibility Over Surface Movements

SDDC significantly improved visibility over surface movements, increasing the fidelity and currency of tracking information and increasing ease of access. The Intelligent Road/Rail Information Server, operated by SDDC's Transportation Engineering Agency, significantly augmented its capabilities by adding near real-time tracking of arms, ammunition and explosives, rail movement data, and graphical representation of shipping traffic. It is supporting the node management capabilities developed by the Nodal Management and Deployable Depot advanced capabilities technology demonstration and successfully tested and incorporated the ability to track via Global Positioning Satellite (GPS)-enabled cell phones.

New capabilities have also been added to iSDDC, fully integrating data from all SDDC-operated tracking systems and providing a powerful tool for locating shipments, providing movement metrics, and analyzing trends. New tools in the Pipeline Asset Tool have improved workflow analysis and expanded carrier performance metrics, while the Worldwide Port System is in the process of merging with AMC's Global Air Transportation Execution System, providing greater standardization and a single source customers can go to for information.

SDDC continues to experiment with new methods to increase visibility over shipments to the warfighter, including tests of the ST-614 Asset Tag for movements from Kuwait and Jordan to Iraq, and GPS tracking of shipments from Pakistan to Afghanistan.



Photo by Corporal Michael J. O'Brien

Trucks from Kellogg Brown and Root and US Marines from Transportation Support Company, 2nd Maintenance Battalion travel over alternate supply route Long Island during a combat logistics patrol to Camp Ramadi, Iraq.

Integrated Data Environment/Global Transportation Network Convergence

Delivering on the promise to provide the warfighter improved visibility of transportation data and in-transit visibility of personnel and materiel, Global Transportation Network (GTN) followed last year's fielding of a motor carrier compliance capability with the addition of several new motor carrier compliance reports and a similar capability for visibility of air carriers providing International Heavyweight Express and World Wide Express services. The air carrier compliance capability allows AMC and other GTN users to determine if express package carriers are performing contractual reporting obligations regarding timeliness and accuracy. This provides AMC the necessary metrics to monitor express package carrier performance.

To deliver these capabilities, GTN uses data services from DLA's Integrated Data Environment (IDE) program, a key step toward IDE and GTN convergence. IDE/GTN Convergence (IGC) is a DLA/USTRANSCOM partnership initiative providing a single point of access to decision support-related data and information. The partnership further integrates defense supply chain, logistics, transportation, and distribution-related data and IT services to benefit the warfighter.

Theater Distribution Management

TDM's objective is to improve existing theater distribution by recommending the best approach to deliver the capabilities required for Transportation Coordinators-Automated Information for Movements System II (TC-AIMS II) while maintaining TC-AIMS II unit move capabilities, and to develop Cargo Movement Operations System (CMOS) to satisfy the US Army's Installation Transportation Office capability for surface freight movement.

USTRANSCOM field-tested Portable Deployment Kits as one expeditionary TDM initiative during Exercise ARDENT SENTRY 08. These laptop computers are loaded with Iridium modems, TC-AIMS II, CMOS, and AIT (including Barcode and Radio Frequency Identification readers). They improve warfighter capabilities for theater distribution, redeployment, redistribution, and sustainment movement visibility to support austere operations in-theater.

Single Load Planning Capability

SLPC is a future initiative that will improve distribution data visualization by enabling warfighters to create load plans for air, ocean, rail, and truck via one-time data entry into a single system. SLPC will maintain data in a repository and associate different conveyances to equipment throughout the end-to-end deployment, distribution, and sustainment processes. SLPC will provide internet collaboration; stand-alone operations in austere environments where no internet connection is available; multiple sessions or windows for concurrent completion of multiple load and stow plans; drag and drop capability for easy transfer of cargo between conveyances; user-specific training; and automated expert agents with knowledge in specific domains, such as cargo placement, hazardous materials, trim and stability, and accessibility.

Common Operational Picture Distribution and Deployment

COP D2 and the Global Combat Support System-Joint (GCSS-J) Program Office improved distribution data visibility for the warfighter by delivering a Single Sign-On capability (SSO). SSO provides joint warfighters access to several distribution data visibility applications via Common Access Card or single ID and password. Benefits include improved visibility of distribution data, increased operational efficiency, reduction in user passwords, increased protection of passwords, and the ability for users to move seamlessly between GCSS-J and COP D2 systems. COP D2 also enhanced end-to-end visualization of tracking for arms, munitions, and explosives, critical Federal Emergency Management Agency information, and node management functionality.

Defense Enterprise Accounting Management System

The DEAMS mission is to support the Nation's warfighters with timely, accurate, and reliable financial information. DEAMS deployed Spiral 1 for commitment accounting at USTRANSCOM and other Scott Air Force Base units. Spiral 2 development progressed through design to the build and test phases. Spiral 2 will extend full DEAMS functionality to USTRANSCOM and other organizations at or supported by Scott Air Force Base.

"This tighter integration [IGC] will enable the DPO and DLA to provide the warfighter with supplies faster and more efficiently, with greater visibility and transparency – improving reliability and trust for the warfighter."

*Vice Admiral Ann Rondeau,
Deputy Commander,
USTRANSCOM*

Enabling Deployment and Distribution Transformation

Emerging Science and Technology Applications

Through a limited Research, Development, Test, and Evaluation (RDT&E) program, USTRANSCOM leverages the scientific community to enhance customer support through improved logistics and supply chain capabilities. Established in 2006, the RDT&E program addresses JDDE-validated capability gaps and process opportunities. This program leverages emerging technologies from the Services, select defense agencies, combatant commands, non-DOD government agencies, national laboratories, industry, and academia and rapidly develops and transitions joint, relevant technologies to transform supply chain support to the warfighter.

With several efforts presently supporting Operations IRAQI FREEDOM and ENDURING FREEDOM, the warfighter is already benefiting from initial program successes. The Joint Precision Airdrop System-Mission Planner (JPADS-MP) dramatically increased payload delivery accuracy by updating weather and other mission essential data to JPADS guidance units while en route to the drop zone. Cargo screening technologies developed through the Deployable Cargo Screener Advanced Concept Technology Demonstration project have been leveraged by the Services to enhance force protection capabilities against improvised explosives. The Services have begun to procure Joint Modular Intermodal Containers that increase the speed of global distribution while reducing material handling costs. The Navy is transitioning their recently completed Joint Air Logistics Information System-Next Generation project which provides a web-based scheduling/execution tool that may increase Operational Support Airlift fleet efficiency by an estimated 20 percent.

The RDT&E program promises to continue to deliver a wide variety of capability enhancements. By 2009, the Transportation Tracking Number initiative will provide increased customer awareness and confidence in DOD's supply chain via increased commodities visibility. The Lightweight Trauma Module will provide enhanced patient care for the wounded from the battlefield to definitive medical care. Following a successful October 2007 prototype demonstration, the Air Force is completing the development of the Wireless Gate Release System, with expected transition beginning fiscal year 2010. This will significantly reduce costs by reducing damage to airdropped cargo and doubling the bundle delivery capacity of C-130 aircraft.

Information regarding USTRANSCOM's RDT&E program, including current projects, technology areas of interest, and procedures for submitting new proposals, can be viewed on the program's website at <http://www.transcom.mil/rdte/>.



USTRANSCOM file photo

Two Joint Modular Intermodal Containers are hoisted during a naval ship-to-ship connected replenishment exercise at NWS Earl.

Enterprise Architecture

USTRANSCOM is pursuing an end-state target enterprise architecture to achieve increased effectiveness and efficiency while improving distribution data visibility. With goals of breaking down programmatic “silos,” eliminating duplication and inconsistency, and enabling convergence of DPO business processes, the enterprise architecture provides the anchor point for investment decisions by the Command’s senior leadership and the Distribution Portfolio Manager. Using the Corporate Services Vision, a service-oriented architecture approach to identify and re-use services across the Enterprise, USTRANSCOM will employ the new enterprise architecture to analyze requirements and prescribe solutions that improve available lift capacity utilization, decrease costs, increase process cycle time speed, and improve visibility of distribution data.

Distribution Portfolio Management Focus Areas

Single DOD Port Operations & Manifesting System

Global Air Transportation Execution System (GATES) and Worldwide Port System (WPS) convergence completed Phase I software development, testing and customer acceptance, and gained approval to operate and authority to connect respectively from USTRANSCOM and the Air Force. In June, USTRANSCOM began fielding a GATES update that will subsume WPS headquarters-level functionality and provide a joint database encompassing aerial port, surface terminal, and defense courier operations.

Platform Management

USTRANSCOM and US Army senior leaders, cooperating to better manage shipping containers, directed implementation of the Joint Intermodal Platform Management System solution. Initial focus will be on sharing information between two core container management applications, Army Container Asset Management System (ACAMS) and Integrated Booking System – Container Management Module (IBS-CMM). ACAMS is also integrating Public Key Infrastructure information. This will facilitate migration into the COP D2 corporate service and provide greater visibility of distribution data for this crucial capability.

Defense Personal Property System

DPS is an automated, web-based integrated system which implements Families First objectives: improve transportation service provider performance through best value-based acquisition, and streamline the claims and liability process. DPS also provides world-class shipment visibility tracking to Service members of their household goods. DPS achieved Initial Operational Capability on 30 November 2007 and completed industry rate filing in April, 2008. USTRANSCOM delivered the first shipment of household goods under DPS on 9 September 2008.

Distribution Portfolio Review Process

USTRANSCOM collaborated with its national partners again in 2008 to review the portfolio of distribution and distribution-related systems. The command completed highly productive visits with the Services and DLA to understand the implementation plans for distribution activities in their Enterprise Resource Planning systems. This year’s emphasis was on how to work together to deliver the DPO Corporate Services Vision and improve distribution information visibility.



Photo by Technical Sergeant Adrian Cadiz

Senior Airman James Seay, of the 3rd Logistics Readiness Squadron, guides a forklift operator loading a cargo pallet onto a flatbed truck.

Performance

USTRANSCOM Transportation Working Capital Fund

USTRANSCOM's Transportation Working Capital Fund is a revolving fund for defense transportation. It models a customer-seller relationship between the provider (USTRANSCOM) and the customer (Services or geographic combatant commanders). The general concept of the fund is to operate on a break-even basis. The focus is on customer satisfaction and cost efficiency. It uses business-like cost accounting to determine the total cost of a business activity. Therefore, cost visibility is just as critical to the financial success of the Working Capital Fund as In-Transit Visibility is to the operational aspect of the mission. Customers see a true picture of their costs so they can make informed business decisions.

USTRANSCOM's Transportation Working Capital Fund ended fiscal year 2008 with increased costs and revenue due to another year of supporting the Global War on Terrorism and other emerging contingency and humanitarian operations. The \$12.3 billion in fiscal year 2008 revenue would place USTRANSCOM 216th on the United States' Fortune 500 companies list.

Net Operating Result			
	Actual FY08	Planned FY08	Variance FY08
Revenue	\$12,266.4	\$11,101.2	\$1,165.2
Expense	\$12,258.6	\$11,105.4	\$1,153.2
NOR	\$7.8	(\$4.2)	\$12.0

(Dollars in Millions)

SDDC's Financial Performance

Fiscal year 2008 was a challenging year for the SDDC financial community. The command organized its financial management team at Scott Air Force Base with a whole new staff per the Base Realignment and Closure (BRAC) direction to transfer operations from Alexandria, VA.

SDDC revised the command's strategic plan to reflect the commanding general's vision and objectives, as well as identifying and aligning the resources required to support it. These efforts, combined with the need to balance the plan with USTRANSCOM's operational objectives and the administrative requirements of the Army Materiel Command, are helping shape a world-class, tailored workforce. Once SDDC completes in 2010 its relocation to Scott Air Force Base and implementation of supporting initiatives, the command will realize significant savings.

SDDC initiated many business process improvements that include the continuing implementation of the Defense Travel System, support to the Billing Center of Excellence, and a workload tool that provides information on resources expended to support mission requirements, in addition to many Lean Six Sigma projects. All these changes will result in greater effectiveness and efficiency throughout the working capital fund in the coming years.

As SDDC adapts to meet future requirements, it will continue to provide the warfighter tailored and agile capability and sustainment solutions through economical and competent management of its resources.

Net Operating Result			
	Actual FY08	Planned FY08	Variance FY08
Revenue	\$2,102.1	\$1,599.1	\$503.0
Expense	\$1,925.5	\$1,557.7	\$367.8
NOR	\$176.6	\$41.4	\$135.2

(Dollars in Millions)

MSC's Financial Performance

MSC's primary focus is supporting the warfighting commanders. MSC delivers this support through the Transportation Working Capital Fund while continuously striving to reduce costs and cultivate customer-provider relationships.

During fiscal year 2008, MSC implemented a framework for IT policy and governance known as Capital Planning and Investment Control. Through this initiative, MSC is able to ensure all new investments are aligned with its enterprise architecture.

MSC recently fielded the iSupplier module in the MSC Financial Management System. The iSupplier integrated module provides vendors doing business with MSC a web interface for electronically submitting invoices directly to the Financial Management System. This capability will reduce interest payments and invoice processing time, and provide real-time invoice status.

Net Operating Result			
	Actual FY08	Planned FY08	Variance FY08
Revenue	\$870.9	\$951.2	(\$80.3)
Expense	\$826.8	\$875.0	(\$48.2)
NOR	\$44.1	\$76.2	(\$32.1)

(Dollars in Millions)

AMC's Financial Performance

AMC's focus on providing "Unrivaled Global Reach for America... Always!" was the driving force behind its contributions to the DOD, combatant commanders, Services, and other customers in moving and sustaining forces, refueling aircraft in-flight, transporting wounded warriors, and delivering humanitarian aid across the globe. This effort represents an extensive global enterprise of mobility aircraft, personnel, and air mobility support capabilities. An operation of this magnitude requires a mature financial mechanism – the Transportation Working Capital Fund – with the responsiveness and flexibility that enables dynamic execution of the air mobility global enterprise.

During fiscal year 2008, AMC's structured global airlift channel system transported 276,891 short tons of cargo – 38 percent of all materiel moved by air. Supported by its network of worldwide aerial ports, AMC's channel system is an essential functional element of USTRANSCOM's Integrated Distribution Lanes. These Lanes offer DOD customers, particularly the combatant commanders, an airlift network providing responsive, predictable, and efficient materiel movement.

Beyond its channel airlift system, AMC also met customer requirements by operating 21,826 contingency and Special Assignment Airlift Missions worldwide. It is important to note that many of AMC's channel, contingency, and special assignment missions are operated by its commercial partners in the CRAF, who are vital in maintaining America's premier air mobility capabilities.

Net Operating Result			
	Actual FY08	Planned FY08	Variance FY08
Revenue	\$8,909.6	\$8,304.9	\$604.7
Expense	\$9,191.5	\$8,339.8	\$851.7
NOR	(\$281.9)	(\$34.9)	(\$247.0)

(Dollars in Millions)

Component Performance by Business Area

SDDC

Definition of Business Areas:

Port Operations	Vessel loading and discharging operations, cargo staging and stow planning, documentation, and oversight of stevedore services
Traffic Management	Direction, control, and supervision of all traffic, freight management, and transportation services
GPC	(Known as Global Privately Owned Vehicle Contract) Booking and movement of privately owned vehicles
Liner	Ocean movement of DOD cargo by scheduled commercial ocean carrier service
Reimbursable	Fees to maintain underutilized capacity of the port for use in contingencies

SDDC Net Operating Result			
	Revenue	Expense	NOR
Port Ops	\$225.8	\$341.8	(\$116.0)
TFC Mgt	\$95.3	\$97.2	(\$1.9)
GPC	\$217.1	\$234.0	(\$16.9)
Liner	\$1,551.7	\$1,246.0	\$305.7
Reimbursable	\$12.2	\$6.5	\$5.7
TOTAL	\$2,102.1	\$1,925.5	\$176.6

(Dollars in Millions)

MSC

Definition of Business Areas:

Cargo	Movement of DOD dry cargo
Tankers	Movement of DOD bulk petroleum products
Surge	Strategic lift capabilities used for contingencies and Joint Chiefs of Staff exercises
Prepo	Prepositioning support placing military equipment and supplies in key ocean areas prior to contingencies

MSC Net Operating Result			
	Revenue	Expense	NOR
Cargo	\$135.0	\$136.5	(\$1.5)
Tankers	\$171.6	\$179.7	(\$8.1)
Surge	\$335.3	\$292.0	\$43.3
Prepo	\$229.0	\$218.6	\$10.4
TOTAL	\$870.9	\$826.8	\$44.1

(Dollars in Millions)

AMC

Definition of Business Areas:

PAX	Passenger airlift from CONUS to OCONUS along scheduled routes
Cargo	Shipment of cargo from port to port or from depot to customer along scheduled routes
SAAM	Special Assignment Airlift Mission: rental of entire aircraft to move cargo and/or passengers
Exercise	Rental of entire aircraft in support of Joint Chiefs of Staff exercises
Training	Air Force/Air Force Reserves purchase of flying hours to train crews

AMC Net Operating Result			
	Revenue	Expense	NOR
PAX	\$242.1	\$269.6	(\$27.5)
Cargo	\$2,414.0	\$2,895.6	(\$481.6)
SAAM	\$5,530.8	\$5,208.5	\$322.3
Exercise	\$115.9	\$127.2	(\$11.3)
Training	\$606.8	\$690.6	(\$83.8)
TOTAL	\$8,909.6	\$9,191.5	(\$281.9)

(Dollars in Millions)

Photo by Staff Sergeant Russell Lee Kikka



Soldiers move Heavy Equipment Transport vehicles off a railroad flatbed car at Camp Atterbury Training Center, Indiana. More than 32 military vehicles arrived from Fort Riley, KS, to train Army logisticians how to work with the oversized tractor-trailers in a combat zone.

Photo by Mass Communication Specialist 3rd Class Jack Georges



US Navy Sailors assigned to Navy Cargo Handling Battalion One help to load a cargo container onto the US Navy MSC Container Ship MV American Tern (T-AK 4729) at McMurdo Station, Antarctica during Operation DEEP FREEZE 2007. For more than 50 years, the National Science Foundation has relied on the highly skilled Navy Cargo Handlers to ensure safe delivery of life-sustaining cargo for its research scientists and residents at McMurdo Station.

Photo by Kenn Mann



US Air Force Airmen assigned to 305th Aerial Port Squadron move pallets of equipment and supplies for Joint Task Force - Burnt Frost onto a C-17 Globemaster aircraft on McGuire Air Force Base, NJ. The task force was part of the recovery effort for Operation BURNT FROST, the shoot down of an errant satellite loaded with hydrazine. The supplies were for the 16 federal agencies tasked with dealing with the environmental effect of the satellite's reentry into the atmosphere.

Appendix

Department of Defense


United States Transportation Command

Statement of Financial Condition (Dollars in Millions)

	FY2008	FY2007
Assets:		
Cash	\$424.6	\$418.1
Available for Operations	\$238.2	\$206.0
Required for Capital Purchases	\$186.4	\$212.1
Accounts Receivable	\$1,310.8	\$1,294.1
Advances Made	\$12.7	\$18.0
Operating Material and Supplies	\$0.6	\$0.6
Capital Property (Net)	\$1073.9	\$1,023.0
Total Assets	\$2,822.6	\$2,753.8
Liabilities:		
Accounts Payable	\$985.3	\$1,005.9
Accrued Liabilities	\$42.6	\$36.9
Other Liabilities	\$255.3	\$206.6
Total Liabilities	\$1,283.2	\$1,249.4
Government Equity:		
Paid-in-Capital	(\$1,337.8)	(\$1,360.5)
Accumulated Operating Results	\$2,877.2	\$2,864.9
Total Government Equity	\$1,539.4	\$1,504.4
Total Liabilities and Equity	\$2,822.6	\$2,753.8

Statement of Revenue and Expenses
(Dollars in Millions)

	FY2008	FY2007
Revenue:		
Appropriated Capital Used	\$542.6	\$0.0
Gross Sales	\$11,697.1	\$10,330.0
Operations	\$11,547.4	\$10,109.9
Depreciation	\$149.7	\$220.1
Other Income	\$95.9	\$0.4
Refunds/Discounts	(\$69.2)	(\$69.4)
Total Income	\$12,266.4	\$10,261.0
Expenses:		
Salaries and Wages:		
Military Personnel Compensation & Benefits	\$35.0	\$34.9
Civilian Personnel Compensation & Benefits	\$305.6	\$326.3
Travel and Transportation of Personnel	\$139.2	\$152.9
Materials and Supplies	\$2,423.0	\$1,888.8
Equipment	\$11.5	\$7.7
Transportation of Things	\$1,865.3	\$1,234.2
Depreciation – Capital	\$149.7	\$220.1
Printing and Reproduction	\$0.5	\$0.7
Rent, Communications, Utilities, and Misc Charges	\$28.9	\$38.9
Bad Debts	\$11.5	\$0.0
Other Purchased Services	\$7,277.6	\$5,825.0
Other Losses	\$10.8	\$0.0
Total Expenses	\$12,258.6	\$9,729.5
Net Operating Result	\$7.8	\$531.5
Depreciation on Non-TWCF Acquired Property, Plant & Equipment	\$4.5	\$4.4
Beginning Accumulated Operating Results	\$2,864.9	\$2,329.0
Prior Year Adjustments	\$0.0	\$0.0
Accumulated Operating Result	\$2,877.2	\$2,864.9



“We are inherently flexible and have a quick response capability that is second to none. We have to be – our customers expect and depend on us to be innovative, cost-efficient, and reliable.”

**General Duncan J. McNabb
Commander, USTRANSCOM**

US Army Sergeant Steven Saddler, right, and other Soldiers assigned to Bravo Company, 1st Battalion, 15th Infantry Regiment, 3rd Heavy Brigade Combat Team, 3rd Infantry Division provide security during a patrol in Dura'iya, Iraq. The village is known to have recently been occupied by insurgents—Photo by Sergeant Timothy Kingston

United States Transportation Command

General Duncan J. McNabb

US Air Force

Commander, United States Transportation Command



General Arthur J. Lichte

US Air Force

Commander, Air Mobility Command



Rear Admiral Robert D. Reilly, Jr.

US Navy

Commander, Military Sealift Command



Major General James L. Hodge

US Army

Commander, Military Surface Deployment and Distribution Command





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