USTRANSCOM

2010 ANNUAL REPORT

Significant Events
FY10 TIMELINE

The USTRANSCOM team is charged with delivering an unmatched strategic global transportation and distribution military capability, producing logistics superiority for our Nation—and we have accomplished this AGAINST ALL ODDS while meeting the Commander-in-Chief's national strategic imperatives for Iraq and Afghanistan.

While meeting our nation's call, we have been responsible stewards of America's tax dollars. In addition to the $1.2 billion in savings we achieved through the 2005 BRAC, the actions we have undertaken as the Distribution Process Owner have generated savings of over $4.9 billion.

February 2009: President Obama announced his decision to withdraw combat forces from Iraq by 31 Aug 10

November — Iraqi elections delayed until March 2010. Troop strength of 96,000 remains to ensure peaceful transfer of power

December — President Obama announced his decision to send an additional 30,000 troops and equipment to Afghanistan and to have those forces in place by 31 August

January — Responded to the devastating earthquake in Haiti. The earthquake created a chasm of isolation for the Haitian people. USTRANSCOM spans the divide to lift spirits and save lives

March — Decision to move Mine-Resistant Ambush-Protected All-Terrain Vehicles (M-ATVs) by air to Afghanistan; initial goal of 500/month revised upward to 1,000/month. In Iraq, second parliamentary elections are inconclusive; troop levels remain unchanged

April — Eruption of Icelandic volcano created an enormous cloud of ash, closing much of the airspace over Europe. Rerouted the entire airlift system from the US to Southwest Asia

Coup and change of government in Kyrgyzstan threatened air mobility operations at the Manas Air Base – a key transit point supporting operations in Afghanistan. Personnel transit operations temporarily moved to Kuwait; returned to Manas two weeks later

May — Responded to Deep Horizon gulf oil spill

June — Iraqi political and security environments favorable; drawing down combat forces begins with deliberate speed

July-August — Worst floods in Pakistan's history; impacts our ability to sustain forces in Afghanistan through the Pakistan Ground Line of Communication (PAKGLOC). Force sustainment continues unimpeded through the Northern Distribution Network and by Mobility Air Forces

August — 2005 Base Realignment and Closure (BRAC) decisions fully realized at Scott AFB with collocation of SDDC with USTRANSCOM and AMC. SDDC elements previously located at three different installations in Virginia. USTRANSCOM's new command facility formally opened

Last combat force departs Iraq one week ahead of schedule; last of all 30,000 plus-up forces arrive in Afghanistan

Operation IRAQI FREEDOM ends 31 August; Operation NEW DAWN begins 1 September

FY10 Support of Worldwide Exercises, Operations, and Contingencies
1 Oct 09 – 30 Sep 10

- Airlift: 37,304 missions; 123,366 sorties; 2,310,825 passengers; 852,141 short tons of cargo
- Aerial Refueling: 11,859 sorties; 338,856,200 pounds fuel offloaded; 13,504 receivers
- Sealift: Over 24,925,000 measurement tons (SDDC liner/port ops and MSC cargo)
- Global Patient Movements: 28,716; Patients Moved: 15,770

Commander's Statement

The USTRANSCOM team fulfills a promise to our customers – we always deliver strategic global transportation and distribution capability for our nation… anywhere, anytime. Throughout 2010, world events challenged our logistics capability more than any other time in the command's history. The simultaneous drawdown of forces in Iraq, the surge of forces into Afghanistan, Haitian earthquake relief operations and the Pakistani flood relief effort challenged our expertise, but I'm proud to say-USTRANSCOM, together with our components and commercial partners, always fulfilled our promise.

Starting the year, the command pioneered novel ways to rapidly drawdown USCENTCOM forces in Iraq, while increasing forces in Afghanistan. Our team took a "fused operations" approach to real-time planning, expanded our multi-modal delivery options and found creative solutions to expand overflight and ground movement clearances throughout the region. Through diligence and innovation, we met the President's force closure deadline of August 31, 2010.

While tackling the USCENTCOM warfighting requirements, an earthquake struck Haiti, devastating thousands of lives and calling for an enormous global humanitarian effort. Our Joint Task Force – Port Opening (Air) rapidly deployed and opened the Port au Prince airport and provided immediate life-saving relief supplies. The combined efforts of USSOUTHCOM, USNORTHCOM, USSOCOM, and USTRANSCOM allowed the airfield to surge to more than 150 flights per day – more than 10 times the pre-earthquake airport capacity.

Similarly, our Joint Task Force – Port Opening (Sea), working with our commercial shipping partners, executed a phenomenal plan to open the port at Port-au-Prince. From sending in divers to assess underwater earthquake damage and replacing non-repairable port structure with large barges and lighterage, to dedicating enormous sealift capacity, our commercial partners created an entirely new port system designed to deliver relief supplies from large cargo ships to smaller vessels for over-the-shore delivery.

To ensure we were flexible in this chaotic environment, commercial partners worked with host nation firms to bring supplies into Haiti though the Dominican Republic. In addition, our Air Force Guard/Reserve components opened other airfields to add capacity for additional supply and distribution modes. This was a total team effort.

Despite the mounting tasks of troop movement and humanitarian aid, we overcame tall hurdles to ensure supplies were delivered to the warfighter. USTRANSCOM and its team members in USCENTCOM, USEUCOM, the Defense Logistics Agency, the Department of State, and commercial industry significantly enhanced the Northern Distribution Network. As an alternative to the ground lines of communication through Pakistan, this supply route into Afghanistan economically links Central Asian states - to include Uzbekistan, Kazakhstan, and Azerbaijan - to the success of the coalition effort and, ultimately, the economic future of Afghanistan. The NDN paid huge dividends during the surge build-up, when political issues threatened to close Manas Air Base, Kyrgyzstan, and the worst floods in the history of Pakistan hampered the Southern supply route into Afghanistan. Despite these logistics challenges, our support to Operation ENDURING FREEDOM never faltered.

Our operations to support the drawdown in Iraq and build-up in Afghanistan were also significantly challenged when an Icelandic volcano closed the airspace over Europe for three weeks. Our support to USCENTCOM, USEUCOM and USAFRICOM continued uninterrupted as we shifted operations to Iberian and Mediterranean bases. Within 24 hours, our superb medical experts moved aeromedical evacuation operations through Rota, Spain, ensuring wounded warriors were able to reach stateside medical facilities with minimum delay.

If that wasn't enough to keep us busy, we were called on to support USNORTHCOM by deploying forces, supplies and equipment to the gulf coast to assist with the Deep Horizon oil spill in the Gulf of Mexico - the worst environmental disaster in the history of the United States.

In addition to these headline worthy operations, USTRANSCOM also completed the final Base Realignment and Closure initiative with the formal dedication of Surface Deployment and Distribution Command's new headquarters at Scott AFB, IL. The command also continued to remain on the cutting edge of cyber security. In light of the significant cyber threat to USTRANSCOM, the Global Command, Control, Communications, and Computer Network Coordination Center established strong ties with the cyber threat analysis team, enabling greater awareness, response and mitigation to adversary cyber operations.

As you can tell by our activities this year, we don't know what new challenges that may lie ahead, but I do know that our experienced team has the proven capability to meet the challenge so that "we will always… ALWAYS, deliver."

Duncan J. McNabb

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 nongovernmental logistical requirements.

USTRANSCOM Mission Statement

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

SDDC Mission Statement

USTRANSCOM is a Unified Combatant Command with missions assigned by the President of the United States in the Unified Command Plan. USTRANSCOM's responsibilities, functions, relationships, and authorities are delineated further in Department of Defense Directive 5158.04, "United States Transportation Command," including its role as the Distribution Process Owner (DPO). As DPO, USTRANSCOM coordinates and synchronizes DOD-wide distribution processes, including force projection, sustainment, redeployment, and retrograde operations. The Commander, USTRANSCOM, reports to the President through the Secretary of Defense with specifically assigned responsibilities to serve as the:

- Mobility Joint Force Provider, identifying and recommending global joint sourcing solutions to the Chairman of the Joint Chiefs, in coordination with the Services and other combatant commanders, from all mobility forces and capabilities, and supervising the implementation of sourcing decisions;
- DOD Single Manager for Transportation (other than Service-unique or theater-assigned assets), providing 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;
- DOD Single Manager for Patient Movement, providing global patient movement in coordination with the geographic combatant commands;
- DOD Distribution Process Owner, coordinating and overseeing the DOD distribution system and developing and implementing distribution process improvements that enhance defense logistics and global supply chain management systems.

There are two important differences in the Unified Command Plan that set USTRANSCOM apart from other combatant commands. First, when USTRANSCOM's forces are deployed in a geographic combatant commander's area of operational responsibility, these forces remain assigned to and under the control of the Commander, USTRANSCOM, unless otherwise directed. This policy enables more rapid and agile response to our Nation's global distribution requirements. Secondly, as DPO, USTRANSCOM identifies opportunities to improve the effectiveness and efficiency of vital support to warfighters. Through DPO governance bodies, USTRANSCOM collaborates with combatant commanders, the Services, defense agencies, the Office of the Secretary of Defense, Joint Staff, and industry to develop and implement distribution process improvements. Leveraging their expertise and aligning their capabilities are critically important to meaningful deployment and distribution improvements.

Military Surface Deployment and Distribution Command

SDDC links the Joint Deployment and Distribution Enterprise (JDDE) with the Army's Materiel Enterprise as the Army Service Component Command of USTRANSCOM and a major subordinate command to Army Materiel Command. Serving as DOD's global surface transportation expert, SDDC plans, books, ships, and tracks cargo; conducts port operations; and manages personal property moves for warfighters and other federal employees and their families. SDDC's Transportation Engineering Agency is responsible for improving the global deployability and sustainment of US Armed Forces by providing DOD with transportation engineering, policy guidance, research, and analytical expertise to support the National Military Strategy.

Photo by Mike W. Petersen

Members of SDDC's 689th Rapid Port Opening Element take part in a training exercise at Port of Tacoma. As part of USTRANSCOM's Joint Task Force-Port Opening, the port opening element must be ready to deploy on short notice in support of contingency operations.

SDDC delivers transportation and distribution solutions, operates all common-user seaports worldwide and influences more than $2 billion in commercial truck, rail, barge, and ocean transportation services.

Military Sealift Command

MSC provides ocean transportation via organic and chartered commercial ships to deliver combat equipment, vehicles, fuel, supplies, and ammunition to sustain US forces worldwide in both peace and war, for as long as operations require. 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, using both common-user strategic sealift capability and theater-specific prepositioned support through four distinct business areas (Tanker Operations, Dry Cargo, Strategic Surge, and Transportation Working Capital funded-Afloat Prepositioned Forces). All MSC ships, unlike other US Navy ships, are crewed by civilian mariners. Some MSC ships have small military departments assigned to carry out supply functions. The command, headquartered at the Navy Yard in Washington, D.C., 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.

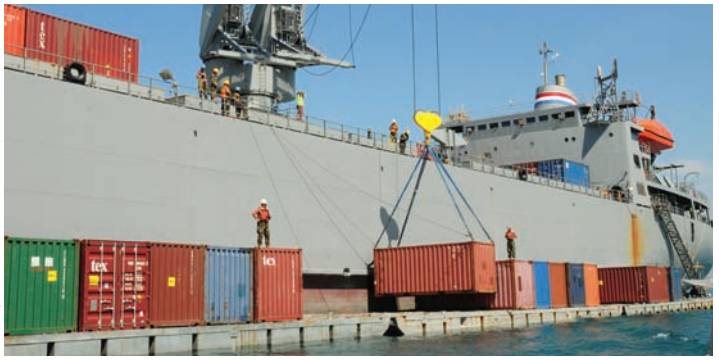


Photo by Mass Communication Specialist 2nd Class Kim Williams

Sailors unload humanitarian aid supplies from the MSC-controlled Ready Reserve Force crane ship SS *Cornhusker State* (T-ACS 6) in Killick, Haiti, in support of Joint Task Force Haiti's Joint Logistics Over-the- Shore movement during Operation UNIFIED RESPONSE.

Air Mobility Command

As USTRANSCOM's air component, AMC, along with its total force partners, Air Force Reserve Command and the Air National Guard, provides unrivaled global reach to support our joint, coalition, and civilian partners. The command's core capabilities of airlift, air refueling, and lifesaving aeromedical evacuation are integral to our national security framework. Additionally, AMC develops weapon system standards and integrated command and control processes for the entire air mobility force. Global standardization of air mobility processes ensures forces – from any source – are effectively and efficiently combined. AMC's global presence of fixed operating sites, deployable support, liaison teams, and worldwide forces operating continuously are the mainstay of Air Force rapid global mobility.

Photo by Staff Sergeant Marie Brown

US Airmen with the 437th Aerial Port Squadron load a mine-resistant, ambush-protected all-terrain vehicle onto a Boeing 747-400 aircraft at Charleston Air Force Base, SC. This vehicle, along with four others, is bound for Afghanistan.

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 global air mobility—right effects, right place, right time.

AMC
Mission Statement

USTRANSCOM's Reserve Component provides a unique capability of resources that extends its ability to surge at a moment's notice in order to meet peace and wartime strategic mobility requirements. Comprised of the five Services, with just over 75,000 assigned Reservists from throughout the world, its members are fully trained and seamlessly integrated throughout the command. Every day, these Reserve aviators, sea and land commanders, planners, and trainers are making a difference in helping USTRANSCOM meet its global mission responsibilities.

State of the Joint Deployment and Distribution Enterprise

"Our challenge is to always be positioned to provide the Nation and its combatant commanders with the best possible options for adaptive and effective solutions so they can respond successfully to an uncertain future."

General Duncan J. McNabb
Commander, USTRANSCOM

Throughout fiscal year 2010, the JDDE demonstrated its extraordinary capabilities for projecting national will across a wide range of military and humanitarian operations. It succeeded in meeting operational and geopolitical challenges to deliver value and steadfastly maintain our warfighters' lifeline.

Northern Distribution Network

In support of US Central Command, USTRANSCOM diversified ground supply routes into Afghanistan, creating options for a Northern Distribution Network (NDN) of routes through Russia, the Caucasus, and Central Asia. USTRANSCOM worked closely with US Central Command, US European Command, US Pacific Command, and the North Atlantic Treaty Organization to develop these options and worked closely with the Department of State to make the NDN a reality.

Haiti Relief

"One of the largest relief efforts ever" characterized the response to a devastating Haitian earthquake in January 2010. Supporting US Southern Command in Operation UNIFIED RESPONSE, USTRANSCOM exercised the full gamut of its capabilities while rapidly delivering critical support personnel and vital supplies into Haiti and expeditiously moving American citizens, patients, and Haitian adoptees to the United States. Within hours, our expeditionary rapid port opening units were controlling airfield operations and, in coordination with contracted commercial support, began moving containers using the Joint Logistics Over-the-Shore system as the severely damaged seaport was rebuilt.

Airspace Closure

The eruption of an Icelandic volcano in April 2010 created an enormous cloud of ash, closing much of the airspace over Europe and causing the cancellation of thousands of commercial and military flights. As soon as AMC's 618th Air and Space Operations Center (Tanker Airlift Control Center) saw the potential for airspace closures, the 618 AOC (TACC) quickly adapted to this adverse condition by repositioning air mobility resources from affected European airspaces to more southern staging locations in Spain. Our global infrastructure supported this flexibility and allowed those assets to remain in the rotation of aircraft moving troops and cargo to support Operations IRAQI FREEDOM and ENDURING FREEDOM.

On average, the affected missions arrived within 16 hours of the pre-eruption schedule, but most importantly, care to injured warfighters remained uninterrupted. Keeping its promise to ensure our wounded receive the right care at the right time, there was no degradation in the quality or timeliness in the care provided to our Military Service men and women.

Affecting DOD Supply Chain Improvement through Reinvestment of DPO Savings

USTRANSCOM, the Defense Logistics Agency (DLA), and the General Services Administration continued to achieve significant improvements in the performance of DOD-wide distribution processes through the DPO Strategic Opportunities (DSO) initiative. DSO brings about supply chain improvements by synchronizing the activities of the DOD supply chain partners and focusing process improvements on enterprise-level challenges that could realize significant distribution improvements in the DOD supply chain. Since its inception, the DSO initiative has yielded $38.5 million in cost avoidances. The goal of one focus area, Supply Alignment, strategically places selected materiel in forward inventory locations to minimize use of high-cost air transport, leading to significant savings and improved velocity. DLA and the US Army conducted a proof of principle with the Defense Distribution Depot Kuwait.

Photo by Mass Communication Specialist 2nd Class Kristopher Wilson

Pallets of humanitarian aid and bottled water in a staging area just off the tarmac of Jacmel Airport in Haiti delivered in response to a 7.0-magnitude earthquake on 12 Jan 2010.

Investing $6 million in March 2009 achieved savings up to $18.2 million by March 2011.

The DSO Team presented these findings and an analysis of potential savings through an additional inventory investment of $40 million to the DPO Executive Board in April 2010. This one-time $40 million reprogramming action would enable the purchase and optimal positioning of inventory to generate projected annual savings of $54 million to $73 million. The board agreed to pursue funding to support this DSO initiative through the reprogramming of Air Force Transportation Working Capital Fund (TWCF) cash to the Defense Working Capital Fund.

The Commander, USTRANSCOM, chairs the DPO Executive Board. Its membership includes the Deputy Under Secretary of Defense (Logistics and Materiel Readiness); the Deputy Chief Management Officer; the Director of Logistics, Joint Staff; the Director of the Defense Logistics Agency; and the Commissioner of the Federal Acquisition Service in the General Services Administration.

Expanded USTRANSCOM Campus

What started as a design drawing two years ago is now brick-and-mortar reality: USTRANSCOM's new 210,000 square foot facility is complete. The new construction is a result of 2005 Base Realignment and Closure decisions which included the collocation of SDDC with USTRANSCOM and AMC. Today, SDDC occupies the entire third floor of the new facility, bringing together elements previously located at three different installations in Virginia.

The facility also houses the command's new Fusion Center. The Fusion Center synchronizes USTRANSCOM's global strategic mobility operations by focusing the components and staff efforts to ensure effective and timely support to all geographic combatant commands. At the heart of the Fusion Center is Agile Transportation for the 21st Century; a capability comprised of processes and systems through which logisticians manage and optimize the end-to-end delivery of forces and sustainment.

Developing a Professional Staff of Joint Logisticians

USTRANSCOM continues to emphasize the professional development of joint logisticians that perform core functions inherent to the command's DPO responsibilities through its JDDE Education Program. As the command moved rapidly forward on efforts such as the NDN – which necessitated new ways and means of addressing supply chain acquisitions and sustainable infrastructure in remote geographies, and the further development of international relationships – the JDDE Education Program adapted to meet the need for higher levels of education. Leading courses from Pennsylvania State University, Carnegie Mellon University, University of Wisconsin, and Massachusetts Institute of Technology were added to the program curriculum.

"I have definitely noticed an uptick in the foundational level of logistics knowledge. I see it in how we talk, how we write contracts, operations in J3, initiatives like DPO Strategic Opportunities. This is money well spent."

Vice Admiral Mark D. Harnitchek
Deputy Commander
USTRANSCOM

Cost Avoidances

From fiscal year 2004 through 2010, actions taken by the JDDE have avoided or saved $4.92 billion in cost. The savings accrue to Overseas Contingency Operations supplemental funding and allow the Services to purchase other high priority items.

DPO Cost Avoidances
(FY04-FY10)

Air-to-surface conversion	$4,454.9
Truck-to-rail conversion	$11.3
Other	$199.5
Total Transportation	$4,665.7
Materiel Initiatives	
Supply interventions resulting in order cancellation	$167.4
Cancellation of refrigerated container contract	$31.2
Identifying "lost" equipment/returning to supply system	$28.9
Other	$30.5
Total Materiel	$258.0
Total Cost Avoidance	$4,923.7

(Dollars in Millions)

"We cannot execute the TRANSCOM mission without the voluntary support of our highly trained and educated Reservists who come from every walk of life and profession."

Brigadier General David S. Post,
Commander, Joint Transportation Reserve Unit

Delivering Full-Spectrum Deployment and Distribution Solutions

PROCESS IMPROVEMENT

Effective, efficient, and synchronized DOD distribution business processes are paramount to achieve unity of effort throughout the Joint Deployment and Distribution Enterprise

"AT21 will realize our vision of innovation that brings the speed, optimization, and ultimately the logistics superiority our Nation demands. That's our undying commitment to our warfighters... We will always, ALWAYS deliver."

General Duncan J. McNabb
Commander, USTRANSCOM

Agile Transportation for the 21st Century

AT21 is a major effort that provides the means to manage and optimize the end-to-end delivery of forces and sustainment. Developing and fielding AT21 capabilities is USTRANSCOM's top priority project. Describing AT21 can quickly become quite complicated, but in concept, it is relatively simple. For years, USTRANSCOM and the JDDE Community of Interest (partners and customers involved in DOD movement operations) relied heavily on manual processes with incomplete information to make reasonable decisions. The results were often "brute-force" movement operations that were inefficient in terms of human capital, transportation resources, and overall end-to-end alignment. The impact of these inefficient operations often led to unsynchronized transportation with degraded delivery and poorly utilized trucks, ships, planes, and supporting infrastructure adding to the transportation cost.

AT21 improves and, where appropriate, automates processes that capture all the activities and tasks that people work through every day to move "things." AT21 is not simply a system, application, or software package; it is a comprehensive effort to develop a full range of capabilities to methodically accomplish processes required to manage deployment and distribution operations. AT21-managed processes are supported with enabling information technology, which is deeply integrated with USTRANSCOM's Corporate Services Vision (CSV).

There are three components through which AT21 will transform how USTRANSCOM and the JDDE Community of Interest plan and conduct movement operations. These are: 1) improved business processes; 2) advanced technology; and 3) enhanced data integration. Through AT21, USTRANSCOM will produce time-definite and cost-specific solutions; optimize asset utilization; and deliver on-time performance.

The CSV is a transformational initiative that aids warfighters, customers, and JDDE national partners in accessing DPO distribution web-enabled services to plan and conduct deployment and distribution operations. Additionally, AT21 is dependent on the Integrated Data Environment (IDE) Global Transportation Network (GTN) Convergence (IGC) and other repositories for the enterprise data to support AT21's automated processes work flows. IGC is a DLA/USTRANSCOM partnership initiative providing a single point of access to decision support-related data and information. IGC will integrate defense supply chain, logistics, transportation, and distribution-related data and information technology services. AT21 will display operational workflows and information through a user-configured "iDistribute.mil" portal interface.

Improving AT21-Managed Processes

USTRANSCOM has multiple lines of business grouped loosely into two categories: discrete movements and capacity-based movements. Discrete movements include force deployments and redeployments that hinge on a validated requirement to generate a transportation plan (i.e. similar to a taxi-cab on-call operation: define the requirement and then build the movement plan). Capacity-based movements support sustainment and retrograde operations through booking of cargo and passengers on prescheduled movements (i.e. akin to a bus operation: established routes for recurring transportation). To improve and automate the processes that support these movement operations, USTRANSCOM awarded a contract for Business Process Management (BPM) in March 2010. USTRANSCOM is employing a state-of-the-art BPM approach through a government-purchased BPM information technology suite to develop cross-cutting approaches for managing four major areas of concentration: manage requirements, manage capacity, optimize delivery, and publish schedules.

These continuous process improvement efforts will eliminate redundant tasks, improve the quality of decisions, and create a structured framework to manage deployment and distribution operations. The objective is to realize tangible operational benefits

through improved levels of service in velocity or reliability, greater efficiency in transportation and supply-chain costs, and enhanced flexibility and response to dynamic warfighter needs. AT21 is closely linked to DPO Strategic Opportunities and other initiatives, and it provides the enduring mechanism to codify and institutionalize targeted improvement efforts.

In collaboration with its partners and customers, USTRANSCOM conducts discrete and capacity-based movements through a "Plan-Prepare-Execute-Assess" process. USTRANSCOM is mapping and refining these processes applying Lean Six-Sigma methodologies and commercial best practices. Revamping these processes will result in standardized, repeatable activities that allow planners and operators to make the best possible decisions at critical junctures and to respond methodically to dynamic and late-breaking movement requirements.

Optimization: The Heart of AT21

Optimization is defined as the ability to incrementally arrange deployment and distribution ways and means in time, space, and purpose to effectively deliver required forces and sustaiment to designated points of need through efficient use of lift assets, infrastructure, and supporting organizations.

These "best" decisions achieve optimal outcomes when they address factors for responsiveness and adaptability of the JDDE that include:

- Speed (How fast can we close the force or sustainment?)
- Cost (How can we operate more efficiently?)
- On-time delivery (How can we improve reliability?)
- Stability and resilience of the deployment and distribution network (How do we accommodate dynamic planning and decision making to mitigate risk?)

Progress Toward Delivering AT21 Capabilities

In August 2010, USTRANSCOM fielded several initial BPM implementations as automated processes in the new Fusion Center. Applying Lean Six-Sigma methodologies and the BPM tool suite, these early efforts yielded not only significant performance improvements but also a foundation for using automated processes within a managed workflow to achieve the desired outcomes. These improved, automated processes were:

- Special Assignment Airlift Missions Validations: streamlined review process from days to minutes and significantly improved the first-time quality of requirement information
- Time-Phased Force and Deployment Data (TPFDD) Feasibility Assessments: implemented business rules to correct TPFDD problems much earlier to minimize the potential for delivery after the latest arrival date or projected closure date
- Strategic Surface Route Plan Pure/Mixed Container Evaluations: delivered methodology for dynamic evaluation of sealift container route volume and route velocity to maximize cost efficiency
- Movement Requirements Visibility–Sustainment: leveraging supply systems to gain earliest possible visibility of requisitioned items in order to effectively match these requirements with available airlift capacity, improving airlift utilization

Photo by Staff Sergeant Desiree Palacios

Members of the 618th Air and Space Operations Center (Tanker Airlift Control Center) coordinate with aircrews, maintenance personnel, and aerial porters around the world from the 618 AOC (TACC) operations floor at Scott AFB, IL. The 618 AOC (TACC) is charged with planning, scheduling, and directing a fleet of more than 1,300 mobility aircraft in support of combat delivery and strategic airlift, air refueling, and aeromedical evacuation operations around the world.

Delivering Full-Spectrum Deployment and Distribution Solutions

PROCESS IMPROVEMENT

"AT21 is focused on innovative ways to align processes and translate information into knowledge to ensure our warfighters and combatant commanders have an unequalled ability to move ... today ... and tomorrow."

General Duncan J. McNabb
Commander, USTRANSCOM

Delivering Future AT21 Capabilities

These efforts are just the beginning of a multiyear effort to vigorously address all USTRANSCOM lines of business. These efforts reflect a clear process improvement focus, which is a key component of the AT21 program and the foundation that drives information technology and data integration efforts.

Additionally, USTRANSCOM is pursuing research and development with the Air Force Research Laboratory and the Naval Research Laboratory to identify potential capabilities for development. The ongoing effort with the Air Force Research Laboratory is yielding promising topics relating to cognitive visualization and alerting on significant information and movement optimization.

As the pace of AT21 development quickened in 2010, USTRANSCOM established a General Officer Steering Committee to review progress, prioritize requirements, and provide oversight and guidance to AT21 development efforts. AT21 is on track to deliver initial operational capability using automated deployment and distribution processes by July 2011, and is programmed to continue with multiple increments through fiscal year 2015.

Photo by Master Sergeant Sabrina Johnson

US Air Force aerial port personnel assigned to the 70th Aerial Port Squadron, Homestead Air Reserve Base, FL, identify pallets of supplies for shipment to Haiti in support of Operation UNIFIED RESPONSE.

Global En Route Infrastructure Master Plan

USTRANSCOM published its inaugural En Route Infrastructure Master Plan. Preserving, optimizing, and expanding global infrastructure is the cornerstone of USTRANSCOM's ability to globally project national security capabilities. The master plan provides the strategic infrastructure programming and planning guidance necessary to support a synchronization of the fiscal priorities of USTRANSCOM, the Geographic Combatant Commands, and the Services. A common and collaborative vision of strategic mobility-related infrastructure requirements is essential to attain and preserve required global access and global reach capabilities.

As we demonstrated once again this year, our ability to execute our mission is dependent upon the strategic transportation assets and the global distribution nodes that facilitate their employment. Together, these assets and nodes comprise a complex global deployment and distribution system that enables the US to project power across a wide range of military and humanitarian operations.

Improving Expeditionary Global Patient Movement

The Global Patient Movement Requirements Center constantly strives to provide safe and expeditious global patient movement. In response to the need for rapid expeditionary patient movement enablers and improved interoperability, the USTRANSCOM Command Surgeon proposed an enterprise-wide initiative to standardize business practices, training, and command and control at the four geographical combatant commands patient regulating centers. To efficiently meet Defense Support of Civilian Authorities requirements, the Command Surgeon also spearheaded interoperability with our civilian partners. A first-ever interagency exercise demonstrated this concept successfully involving the State of Louisiana, the Department of Health and Human Services, the Air National Guard, and the DOD. International partnerships were forged with an extensive patient movement plan in support of the Vancouver Olympics with teams and equipment ready to deploy at a moment's notice.

Delivering effective deployment, sustainment, and redeployment support and providing combatant commanders with the best possible options for adaptive and effective solutions enable our warfighters to respond successfully to an uncertain future

Cyberspace Operations

Persistent cyber threats contribute to the uncertain future in which our warfighters will find themselves. USTRANSCOM is prepared to conduct defensive military cyberspace operations within the USTRANSCOM domains, and direct supporting component commands to implement specific actions to ensure US and allied freedom of movement within cyberspace. USTRANSCOM cyber operations consist of planning, coordinating, integrating, synchronizing, and conducting activities in support of operations and defense of specified DOD information networks supporting the JDDE.

USTRANSCOM is fusing intelligence, counter intelligence and law enforcement, and tactical and strategic computer network defense capabilities to identify, mitigate, and share mitigation strategies throughout the cyber and law enforcement communities. This includes technical and nontechnical attributes of adversaries as well as the assessment of the damage incurred due to compromise of data.

Radio Frequency Identification and Automatic Identification Technology

As the DOD functional proponent for Radio Frequency Identification (RFID) and Automatic Identification Technology (AIT), we have made significant progress implementing DOD's AIT concept of operations for supply and distribution operations. In concert with DLA, we are enabling passive Radio Frequency Identification (pRFID) tagging at all continental US DLA distribution depots, and we have instrumented pRFID read capabilities at all major AMC aerial ports in the continental US.

We have continued to mature our satellite tracking and in-transit visibility data collection methodologies on the Pakistan ground lines of communication and continue to expand AIT capabilities on the Northern Distribution Network. Modernizing our world-wide active RFID reader infrastructure from an American National Standards Institute format to one compliant with an International Organization for Standardization (ISO), dual-mode capability is complete and we are continuing efforts to ensure legacy read/write systems are migrating to the ISO standard.

Joint Precision Airdrop System – Next Generation Guidance/Navigation/Control

The command recognizes the need for an ability to provide logistical support to small units in the field. In recognition of that requirement, USTRANSCOM funding supports several projects that will enhance the delivery of supplies to the warfighter in the field. We continue our partnership with the Army to develop, integrate, and test advanced sensors, guidance approaches, and control system technologies to improve delivery accuracy of airdropped payloads via the Joint Precision Airdrop System – Next Generation Guidance/Navigation/Control (JPADS-NG) project. The Low-Cost Low-Altitude (LCLA) Air Drop Systems project leverages the Army's ongoing LCLA rapid fielding effort by conducting developmental testing to fully institutionalize its use on the USAF C-130 fleet. Objectives of this program include increasing the maximum suspended weight of the LCLA resupply bundle and identifying a single common parachute to maximize efficiency and meet the logistical resupply needs of US ground forces. A third project, Helicopter Sling Load of Joint Precision Air Drop Systems (HSL-JPADS), was selected as a new start effort that will integrate elements from various airdrop programs (JPADS, Improved Container Delivery System, LCLA, JPADS Mission Planner, and Wireless Gate Release System) into a new capability that will allow aerial delivery of payloads from the cargo hook of a helicopter. An increase in the variety of available tools throughout the distribution process will better serve our ultimate customer – the warfighter in the field.

Responding to USSOUTHCOM requests for expedient, more efficient retrograde solutions, USTRANSCOM engaged with the Departments of Agriculture and Homeland Security to develop a customs "pre-clearance" program to accelerate US reentry of cargo and passengers returning from Haiti. Within days, officials from Animal and Plant Health Inspection Service and US Customs and Border Protection were in Port-Au-Prince advising USSOUTHCOM on equipment sterilization and passenger processing procedures. They trained and certified 98 military members as US Customs Border Clearance Agents to perform inspections and certify returning cargo and passengers had met US entry requirements. Over 6,000 passengers, 1,100 vehicles, and 809 containers of relief equipment reentered US ports without a single interception due to improper entry standards. In the words of a senior USDA Quarantine, Policy, Analysis, and Support official, "The highly successful and effective efforts by the DOD prevented introduction of soil and other prohibited agricultural threats into the United States."

Delivering Full-Spectrum Deployment and Distribution Solutions

WARFIGHTER SUPPORT

"The work these Airmen do every day is saving lives. I am amazed by our Airmen. No matter the size of the challenges they face, they find solutions and get the job done. These airdrop missions are a terrific example of how our phenomenal people in the field will always deliver to the warfighter.

General Duncan J. McNabb
Commander, USTRANSCOM

Taking the Supply Chain Vertically

Keeping our promise to the warfighters, air mobility forces have taken the supply chain vertically and as far forward as necessary to ensure ground forces receive the life-sustaining supplies they need, when they need them, no matter where they are. Using innovative ways to deliver increasingly larger amounts of food, water, ammunition, and other essentials to forces in remote areas, mobility aircrews dramatically increased airdrops in Afghanistan. Among those innovations are the Joint Precision Airdrop System, the Improved Container Delivery System, and the most recent development, the C-130 Hercules low-cost low-altitude combat airdrop to resupply ground forces at forward operating bases.

Taking the supply vertically gets convoys off dangerous roads, frees up helicopters for operational missions, and saves lives. During this year, air mobility forces airdropped close to four million pounds of cargo every month in Afghanistan. This is comparable to the amount delivered the entire year in 2006. By the end of fiscal year 2010, air mobility forces airdropped 50.7 million pounds of supplies and equipment to US forces operating in isolated areas.

Photo by Staff Sergeant Robert Barney

An Air Force loadmaster and an Army joint airdrop inspector check the parachute riggings atop palletized container delivery bundles inside a C-17 Globemaster III aircraft in Southwest Asia. The cargo was air dropped to warfighters in the USCENTCOM area of responsibility.

US Navy file photo

The Office of Naval Research tests its Large Vessel Interface Lift-on/Lift-off crane 14 Apr 2010 at Naval Station Norfolk, VA. The demonstrator crane, which has been temporarily installed on the MSC-controlled Ready Reserve Force crane ship SS *Flickertail State* (T-ACS 5), uses motion-sensing technology to control standard 20-foot containers in all six degrees of freedom. The crane enables the rapid and safe transfer of standard containers and other heavy loads at sea.

Joint Sea Basing

USTRANSCOM supported the Joint Sea Basing Capabilities Based Assessment, helping finalize solution alternatives that address gaps in the Operational Maneuver capability area. Additionally, USTRANSCOM contributed to the Navy-sponsored testing and evaluation of the Large Vessel Interface Lift-on/Lift-off crane. The capability to transfer containers while at sea is an essential component and enabler of the future sea base. Ready Reserve Force vessels *Flickertail State* and *Cape Texas* were instrumental in this successful demonstration.

ENTERPRISE SYNCHRONIZATION

Align JDDE partners' deployment- and distribution-related measures of success to increase enterprise effectiveness, while being more mindful of costs

Global Distribution Synchronizer

During the 2010 Unified Command Plan (UCP) development, USTRANSCOM successfully campaigned for the command to be designated the "Global Distribution Synchronizer" in the UCP, making the USTRANSCOM Commander responsible for leading DOD's global distribution planning effort within the campaign planning construct. Over the next year, as the command strives to implement this newly-assigned UCP mission, our focus will be on collaborating and establishing among all the combatant commanders, Services and applicable agencies a robust, enduring process to "shape the distribution environment" to underpin our warfighters' success, and maintain unconstrained access to the global commons.

The campaign planning construct, first directed within the 2008 Guidance for Employment of the Force, was established to shift DOD planning from reaction to early, proactive measures to "set conditions for military success," among other objectives. The ability to successfully project and sustain forces across global distances remains a national security imperative; hence the need to ensure our global distribution network is robust, agile, and capable of rapidly adapting to evolving circumstances. Synchronized distribution planning will enable all DOD distribution stakeholders to incorporate an end-to-end, global view in their own distribution planning, and lead to synchronized initiatives to preserve and enhance the distribution network.

As a result of USTRANSCOM's successfully securing the approval of the Unified Combatant Commanders, Service Chiefs and the Chairman, Joint Chiefs of Staff, the UCP will now include a structured distribution planning process with a global focus. Furthermore, this is significant because the UCP change will link the potential denied-access threat to the global campaigning process. *(At the time of publication of this Annual Report, the UCP was awaiting the President's signature.)*

Corporate Services Vision

CSV is an initiative that provides common and consistent business processes, services or capabilities, and information exchanges for the distribution community while significantly reducing point-to-point system interfaces. It establishes common and consistent business processes, services, and information exchanges for the distribution community allowing for a more agile, loosely coupled, and standardized way of doing business.

CSV is focused on breaking down information silos, eliminating duplication, and enabling convergence of capabilities within the JDDE. Implementing the CSV will drive current silos of information systems and processing to a service-oriented architecture based on a shared cloud infrastructure – significantly reducing point-to-point system interfaces. The common computing environment will provide an environment in which DPO programs of record can easily develop capabilities and field them in weeks instead of months or years. Users will access distribution services through the iDistribute.mil common portal. The portal is focused on services and work flows instead of systems.

Applying the Lean Six Sigma business management strategy combined with an agile software development process, the DPO has begun to deliver work-centric capabilities in the areas of Special Assignment Airlift Mission, Deployment, and Sustainment. The initial capabilities were delivered to the USTRANSCOM Fusion Center in August 2010.

USTRANSCOM is implementing capabilities-based portfolio management to satisfy JDDE logistics capability requirements through more effective alignment of information technology investments to operational capabilities. Capability-based portfolio management enables enterprise-wide analysis of the different technology, functionality, and integration impacts of systems on the JDDE's achievement of Joint mission capabilities. The outcomes are improved assessment of information technology requirements and improved delivery and integration of solutions that close capability gaps.

Additionally, adopting capability-based portfolio management facilitates USTRANSCOM's migration toward a common computing environment – an environment that delivers a common portal capability, drives integrated process improvement, and enhances timely delivery of value-added services and applications.

The United States Transportation Command—Synchronizing and delivering full-spectrum deployment and distribution solutions

Bundles of supplies are dropped from a US Air Force C-17 Globemaster III aircraft over Afghanistan using a Joint Precision Airdrop system.

Photo by Master Sergeant Andy Dunaway

Keeping Our Promises—Measuring success through the eyes of the warfighter

US Marines prepare to conduct a live-fire assault at Marine Corps Air Ground Combat Center, Twentynine Palms, CA, during Exercise ENHANCED MOJAVE VIPER, a combined arms exercise that prepares Marines for deployment to Afghanistan.

Photo by Corporal David R. Hernandez

Global Projection of National Will

"Supporting General Fraser and USSOUTHCOM, it was our air and seaport assessment teams and joint port opening units on the ground at Port-au-Prince within 48 hours after the earthquake surveying the damage, and building the air and sea bridges of humanitarian supplies and personnel that helped save a country and its people."

General Duncan J. McNabb
Commander, USTRANSCOM

During fiscal year 2010, USTRANSCOM supported the drawdown of forces from Operation IRAQI FREEDOM in Iraq, the buildup of forces supporting Operation ENDURING FREEDOM in Afghanistan, and in the early months of 2010, USTRANSCOM became part of a major relief effort, Operation UNIFIED RESPONSE, responding to a devastating earthquake in Haiti.

Haiti Relief Operations

USTRANSCOM exercised the full gamut of its capabilities – from opening the surface bridge and establishing high speed distribution lanes to moving passengers and supplies into Haiti, and American citizens, patients, and Haitian adoptees out of Haiti and back to the United States. The most notable capability demonstrated (and remarkable success story) was the operational deployment of both Joint Task Force-Port Opening (JTF-PO) aerial port of debarkation and seaport of debarkation units. The deployed capability of USTRANSCOM's port opening units operated as advertised. These port opening forces had an immediate positive impact on command and control for distribution throughput, on movement synchronization, and on increasing visibility. Additionally, the port opening elements provided materiel organization at a forward node supporting further distribution throughout Haiti.

Evening, 12 Jan	Earthquake occurred
1300 EST, 13 Jan	USTRANSCOM placed Port Opening Units on alert
1900 EST, 13 Jan	USSOUTHCOM's assessment team arrives in Haiti
14 Jan	USTRANSCOM's Port Assessment Team arrives as well as the first elements of 82nd Airborne Division
0922 EST, 15 Jan	Aerial Port Opening Unit operational; air space control assumed at 1300 EST on same day
1800 EST, 15 Jan	USTRANSCOM began negotiating with commercial partners for capacity to fill the gaps in capabilities due to the aggressive timeline; reached an agreement five hours later
18 Jan	Crowley conducts port assessment via seaplane; Marcajama gets underway; arrives Port-au-Prince 21 Jan.
19 Jan and 25 Jan	Crowley lighterage ships Sea Express and Cape Express arrive
13 Feb and 27 Feb	400-foot barges arrive to act as temporary piers

One week after the earthquake, Port-au-Prince was operating at a level well beyond expectations:

- Pre-earthquake, the airport handled 15-18 daily flights; at peak operations post-disaster, the airport received 160 flights per day
- Pre-earthquake, the Port-au-Prince seaport averaged 233 twenty-foot equivalent units (TEUs) daily. Seaport throughput was 400 TEUs per day on 25 Jan and over 1000 TEUs within 30 days following the earthquake
- All of this while fighting two wars simultaneously

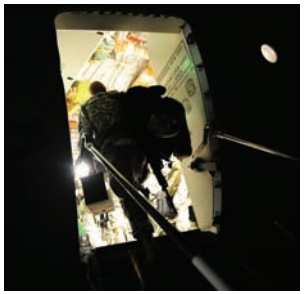


Photo by Staff Sergeant Jacob N. Bailey

US Soldiers from the 688th Rapid Port Opening Element, Fort Eustis, VA, bound for Haiti board a C-17 at Langley AFB, VA, 16 Jan 2010.

Photo by Staff Sergeant Desiree N. Palacios

Within 30 hours of the earthquake and less than 30 minutes after landing, the aerial port opening unit controlled airfield operations from a card table and used hand-held radios to clear hundreds of aircraft for takeoff and landing.

Photo by Mass Communication Specialist 2nd Class Chris Lussier

US Navy Master Chief Tim Menzie, right, of Underwater Construction Team One, Detachment Alpha, discusses his assessment of port facilities with Brian Crowder, a structural engineer with Naval Facilities Atlantic, 18 Jan 2010, in Port-au-Prince. A joint-Service dive task force assessed the damage to port facilities.

Contracting With Commercial Partners Closed the Gap in Capacity

Immediately after the January earthquake decimated Haiti and the Port-au-Prince area, the US and the world community began extending humanitarian relief to meet the desperate need. However, the earthquake had destroyed the air traffic control tower in Port-au-Prince. Air traffic controllers worked on the ground using cell phones and visual reports. Re-establishing air space control was essential to building the air bridge that would save a country and its people. To accomplish this highest priority mission, USTRANSCOM contracted a Russian AN-124 aircraft to move a Federal Aviation Administration portable control tower to Port-au-Prince. With only 24 hours notice, USTRANSCOM successfully ensured rearrangement of other missions to allow quick aircraft positioning and delivery of the critical air traffic control tower.

USTRANSCOM engaged with its commercial partners early in the relief operations and contracted for support to re-establish seaport operations at Port-au-Prince. This was accomplished with authorized expedited contracting procedures to negotiate a multimillion dollar letter contract with Crowley Liner Services, thus enabling immediate port repairs and temporary infrastructure installation. The work included: surveying the port and beaches to determine preferred landing areas for docking barges and landing craft; establishing a beach landing operation to move containers from the landing craft across the beach and into the container terminal; conducting cargo lightering operations to establish a link between deeper draft cargo vessels and the beach landing facility; providing two docking barges with cranes and stand-by tugs to function as a temporary pier; and removing a large gantry crane that obstructed the north pier. USTRANSCOM also negotiated rates with US-flagged ocean carriers to move cargo from the US east coast to ports in Haiti.

Haiti Relief Statistics

2.6 million	Bottles of water	2,000	Sorties
2.2 million	Food Rations	15,000	Air Cargo (tons)
17 million	Bulk food (lbs)	22,000	Air Passengers
149,000	Medical Supplies (lbs)	15,200	Americans Evacuated
361	Patients Evacuated	400	Adoptees Evacuated

Northern Distribution Network

A top priority for USTRANSCOM in support of operations in Afghanistan is maturing the NDN. Established in 2008, the NDN is a key strategic alternative to the congested Pakistan ground lines of communication. Through the end of this fiscal year, approximately 22,500 containers of nonlethal cargo moved by ship, truck, and rail through routes across Northern Europe, Russia, Central Asia, and the Caucasus. The NDN delivered its 10,000th container to Afghanistan on 1 April 2010. The network now handles about 50 percent of all supplies moving by ground into Afghanistan.

Surface Lift

A key element of SDDC's surface movement mission involves the ocean shipment of unit cargo. In partnership with the best of US commercial shipping, port, trucking, and rail services, SDDC transports cargo to every corner of the globe. The operations team accomplished the surface deployment of more than 15.5 million square feet of unit cargo using 165 vessel operations. Ammunition and Foreign Military Sales moves accounted for an additional 13,000 containers handled during this timeframe.

An important element of SDDC's operational mission is the Defense Transportation Tracking System. During the fiscal year, SDDC monitored a record 79,941 shipments, including 77,131 shipments of arms, ammunition, and explosives. The tracking system alerted 170 events that required remedial action.

As the DOD proponent for container management, SDDC leased nearly 25,000 containers primarily in support of Operations IRAQI FREEDOM and ENDURING FREEDOM from June 2009 thru June 2010 at a cost of $19.2 million. This influx of containers, representing nearly 10 percent of all DOD containers, met warfighter requirements for increased velocity throughout the Joint Deployment and Distribution Enterprise. Supporting Operation UNIFIED RESPONSE in Haiti, SDDC leased more than 1,500 containers.

Photo by Sergeant Russell Gilchrest

Afghan drivers in this convoy wait patiently as US forces clear a dangerous stretch of road of any possible Improvised Explosive Devices and enemy fighters in Wardak Province, Afghanistan.

"It was our merchant mariners and our commercial and military partners that provided over 400,000 tons of life-saving cargo, over 2.7 million meals and over 5 million liters of water to Haitians in need."

General Duncan J. McNabb
Testimony to the House Armed Services Committee
17 March 2010

Global Projection of National Will

"When dealing with injured soldiers or civilians, we move at the 'speed of life' because every single minute counts. Today we can move an injured warfighter from Afghanistan back to the United States, with air refueling, in 18 hours."

Colonel Lawrence Riddles
USTRANSCOM Command Surgeon

Within 48 hours of the earthquake, forward deployed patient movement enablers began coordinating the eventual movement of 361 critically injured patients, including 185 Haitians, to appropriate treatment facilities in the US.

Sealift

MSC committed 21 ships to Operation UNIFIED RESPONSE to deliver medical care, conduct Joint Logistics Over-the-Shore (JLOTS) operations, and perform underwater survey and salvage operations. The medical staff aboard the hospital ship USNS *Comfort* saw more than 1,000 patients and performed 843 major surgeries. Maritime Prepositioning Ships USNS *1ST LT Jack Lummus* and *PFC Dewayne T. Williams* and Maritime Administration Ready Reserve Force crane ship SS *Cornhusker State* and heavy-lift ship SS *Cape May* performed JLOTS operations to transfer Red Cross, US Agency for International Development, and other organizations' relief supplies ashore. MSC oceanographic survey ship USNS *Henson* conducted underwater surveys of the harbor so Army-Navy dive teams aboard MSC rescue and salvage ship USNS *Grasp* could assist with harbor clearance and dock repair. By 12 March, total port capacity was up to 1,350 TEUs per day and specialized units had improved and increased the capacity of the south pier at the Port-au-Prince's main port facility. MSC operations in Haiti concluded 3 April 2010.

Airlift

AMC, along with its total force partners, the Air Force Reserve Command and the Air National Guard, provides strategic and tactical airlift capability which is critical to rapidly moving passengers, supplies, and equipment anywhere in the world on a moment's notice to support our nation's combat or humanitarian operations. During Operation UNIFIED RESPONSE, air mobility transported rescuers, supplies, and the 82d Airborne Division to Haiti immediately following the earthquake. At the same time, air mobility also sped mission essential cargo and warfighters to Afghanistan in support of the President's force increase while continuing to meet airlift requirements for the other combatant commanders around the globe.

Air Refueling

Air refueling underwrites our nation's ability to project power rapidly anywhere in the world. It helps provide our nation's leaders the strategic flexibility they need to respond to any crisis in hours, not days. Air refueling enables the tactical battlefield commander to have joint and coalition combat aircraft loiter overhead providing an umbrella of protection for their ground forces. While supporting Overseas Contingency Operations, AMC tankers helped to speed life-saving supplies to Haiti by offloading 885,000 pounds of fuel to 45 aircraft.

Aeromedical Evacuation

Aeromedical evacuation is this nation's promise to speed wounded warriors to the higher levels of the care required to help save their lives. Combined with Critical Care Air Transport Teams, AMC aircraft can be quickly transformed into flying intensive care units.

Photo by Senior Airman Nancy Hooks

US Air Force aeromedical evacuation team briefs patients loaded onto a C-130J Hercules aircraft before taking off from Camp Bastion, Afghanistan, for movement to Kandahar Airfield for further treatment.

The eruption of an Icelandic volcano on 16 April created an enormous cloud of ash, closing much of the airspace over Europe and causing the cancellation of thousands of commercial and military flights. The volcanic ash plume also forced a change in aeromedical evacuation operations and flight routing used to move wounded warriors from the USCENTCOM area of responsibility. Wounded servicemen requiring urgent or advanced care ordinarily move to Landstuhl Regional Medical Center in Germany for care before onward movement to the prescribed medical treatment facility in the US.

During the period the European airspace was closed, Joint Base Balad, Iraq, served as the intermediate medical treatment facility and hub for aeromedical evacuations. Additionally, aeromedical evacuation crews and Critical Care Air Transport Teams, which normally stage at Ramstein Air Base, relocated to forward staging locations in the USCENTCOM area. This posturing ensured AMC had the right medical personnel in-place to care for our wounded warriors – keeping its promise to ensure our wounded receive the right care at the right time.

Commercial Partners

Civil Reserve Air Fleet

The CRAF is a critical partner in our ability to rapidly project and sustain forces. CRAF is a voluntary contractual partnership between the DOD and US commercial air carriers designed to augment military airlift with commercial aircraft during times of crisis and high operations tempo. The airlines contractually pledge aircraft for activation when needed, and as an incentive for committing aircraft to the program, USTRANSCOM makes peacetime airlift business available to the air carriers. Three stages of incremental CRAF activation provide an adaptable airlift force suitable for the contingency at hand: Stage I is for minor regional crises; Stage II is for large-scale major combat operations; and Stage III is for national mobilization. This additional strategic mobility capability is absolutely critical to DOD's ability to prosecute missions abroad. During activation of CRAF Stage III, commercial partners will carry nearly 40 percent of cargo and more than 90 percent of passengers transported to forward staging bases.

Civil Reserve Air Fleet Support FY 10		
Commercial Companies (CRAF Partners)		34
Number and Type of Aircraft	Passenger	883
	Cargo	281
	Aeromedical	39
Troops Carried		1,402,091
Cargo Shipped (short tons)		211,755
Commercial Missions Flown		9,331

Defense Transportation Coordination Initiative

The DTCI continued to be an outstanding value-added effort for USTRANSCOM and the DOD. DTCI uses a commercial third-party logistics provider to manage freight movements in the continental US. This initiative leverages the best in commercial capabilities for more efficient and economic delivery. This joint DLA, USTRANSCOM, and DOD Military Services program has matured rapidly, and SDDC assumed full oversight responsibility as the fiscal year ended. It now serves all 18 DLA distribution centers and 78 Military Service sites.

With a goal of 97 percent on-time pick-up and delivery, this initiative is saving the DOD an estimated $40 million to $50 million annually in transportation costs—approximately 22 percent savings from the initial program baseline.

Program performance continues to outpace expectations. At fiscal year close, the initiative posted the following metrics:

- On-time pickup at 98.8% (Goal 97%)
- On-time delivery at 95.6% (Goal 97%)
- Small business utilization at 45% (Goal >23%)
- Menlo system availability at 99.4% (Goal 99%)
- Claims cycle time % paid in 120 days at 100% (Goal 99%)
- Cost avoidance from program start is 30.3% (Goal 19.1%)

"Our commercial partners, air and sea, have been instrumental in our ability to handle the surge going into Afghanistan."

General Duncan J. McNabb
Commander, USTRANSCOM

Voluntary Intermodal Sealift Agreement

VISA represents a success achieved between USTRANSCOM and the commercial industry to cooperatively meet our nation's sealift contingency requirements. Through its contingency contracts, VISA provides DOD with assured access to: militarily useful, US-flagged, dry cargo sealift capacity; mariners; their global infrastructure; and the intermodal capability required to augment organic sealift capabilities during conflict. 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. The command also achieves access to commercial petroleum tanker vessels through the Voluntary Tanker Agreement (VTA). Like VISA, the VTA is activated in three phases of increasing levels of commitment. Currently there are three US-flagged tanker vessels enrolled in VTA.

Voluntary Intermodal Sealift Agreement	
Cargo Vessels	330
Participating Carriers	49
VISA Stage III Commitment	
Twenty-foot Equivalent Units	161,764
Square Footage	5,504,705
Measurement Tons	72,151

Performance

USTRANSCOM Transportation Working Capital Fund

USTRANSCOM's Transportation Working Capital Fund (TWCF) 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). As we support Overseas Contingency Operations or when responding to humanitarian crises, the TWCF provides greater flexibility than direct appropriations to quickly respond to dramatic changes in the tempo of operations.

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.

The TWCF ended fiscal year 2010 with increased costs and revenue, primarily due to Operation ENDURING FREEDOM troop surge and redeployment of the units supporting Operation IRAQI FREEDOM. Workload also increased due to Operation UNIFIED RESPONSE relief efforts following the Haiti earthquake and other emerging contingency and humanitarian operations. The $14.025 billion in fiscal year 2010 revenue would place USTRANSCOM 167th on the United States' Fortune 500 companies list.

DEAMS is reengineering outdated financial management activities with modern, unified enterprise architecture, standardized business rules and processes, and the Defense Department's new Standard Financial Information Structure. DEAMS completed deployment of the initial technology demonstration phase at Scott AFB, IL, in May 2010. When system stabilization and optimization efforts are complete, DEAMS will be rolled out to the USTRANSCOM components and the remainder of the Air Force.

SDDC's Financial Performance

SDDC delivers global surface deployment and distribution services through the Defense Transportation System to fully support the warfighter, delivering critically needed supplies and equipment, creating a dynamic customer focused enterprise capable of supporting global expeditionary and peacetime requirements.

During fiscal year 2010, SDDC moved over 24.5 million measurement tons of cargo in support of our forces and their missions worldwide. This included 186,000 measurement tons of relief supplies in support of Haiti's Operation UNIFIED RESPONSE.

Although SDDC workload levels were higher than previous fiscal years, SDDC's quality and transparency of financial and accounting support to the many SDDC customers remained sound. SDDC is highly confident that our greatest asset, the people of SDDC, will continue to support our nation's forces and objectives anywhere in the world while leveraging the flexibility and responsiveness of the Transportation Working Capital Fund.

Fiscal year 2010 net operating result was $124.7 million which was above the Fiscal Year 2011 President's Budget plan of $23.7 million. This variance was primarily due to increased Overseas Contingency Operations workload.

Photo by Mike W. Petersen

Major General Kevin A. Leonard, SDDC commander, talks with rail maintenance crewmembers at Military Ocean Terminal Sunny Point, NC, during the USTRANSCOM Component Commanders Conference

TWCF Net Operating Result

	Actual FY10	Planned FY10	Variance FY10
Revenue	$14,025.5	$12,670.3	$1,355.2
Expense	$13,962.5	$12,974.8	$987.7
NOR	$63.0	($304.5)	$367.5

(Dollars in Millions) *(Source: FY11 President's Budget)*

SDDC Net Operating Result

	Actual FY10	Planned FY10	Variance FY10
Revenue	$3,379.8	$2,692.6	$687.2
Expense	$3,255.1	$2,668.9	$586.2
NOR	$124.7	$23.7	$101.0

(Dollars in Millions) *(Source: FY11 President's Budget)*

MSC's Financial Performance

MSC's primary focus is supporting the warfighters. MSC delivers this support through the TWCF while continuously striving to reduce costs and cultivate customer-provider relationships.

MSC's Financial Improvement Program (FIP) is an ongoing initiative to prepare to formally assert readiness for an independent financial audit of MSC's financial statements. MSC's audit readiness efforts are designed to comply with the requirements of Congress, OSD, and the Department of the Navy. In addition to achieving compliance with the aforementioned requirements, MSC's FIP initiative will concurrently provide senior departmental leaders with more accurate, reliable, and timely financial management information. During fiscal year 2010, MSC conducted a number of audit readiness tasks including the development of standard operating procedures covering a variety of important financial business processes, a comprehensive review of the command's financial business process documentation, development of system tools and business processes to reconcile MSC's budgetary and proprietary accounts, iterations of internal controls testing for three key business processes, and iterations of substantive and data integrity testing for two of those processes.

MSC file photo

Rear Admiral Mark H. Buzby, MSC commander (on right), talks with an unidentified Army load specialist aboard lighterage after departing Ready Reserve Force heavy lift ship SS *Cape May* in Port-au-Prince harbor in February 2010.

Fiscal year 2010 net operating result was $106.6 million more favorable than planned. This variance is due primarily to changes in ship types/status in the Army Prepositioned Stocks Program as well as changes in the workload mix in the cargo program.

MSC Net Operating Result

	Actual FY10	Planned FY10	Variance FY10
Revenue	$565.2	$615.5	($50.3)
Expense	$572.6	$729.5	($156.9)
NOR	($7.4)	($114.0)	$106.6

(Dollars in Millions) *(Source: FY11 President's Budget)*

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 TWCF – with the responsiveness and flexibility that enables dynamic execution of the air mobility global enterprise.

During fiscal year 2010, AMC's global airlift system transported 852,141 short tons of cargo. 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.

US Air Force photo

General Raymond E. Johns, Jr., AMC commander, addresses members of the 728th Air Mobility Squadron during his visit to Spangdahlem Air Base, Germany.

Fiscal year 2010 net operating result is ($78.9 million), which is $134.6 million above the Fiscal Year 2010 President's Budget plan of ($213.5 million). This was due primarily to increased workload supporting Overseas Contingency Operations.

AMC Net Operating Result

	Actual FY10	Planned FY10	Variance FY10
Revenue	$9,730.5	$9,258.7	$471.8
Expense	$9,809.4	$9,472.2	$337.2
NOR	($78.9)	($213.5)	$134.6

(Dollars in Millions) *(Source: FY11 President's Budget)*

The Defense Personal Property System (DPS) realizes many of the improvements sought by Congress and DOD to improve the quality of life of those who serve by easing the stress that accompanies moving. This program provides military and civilian families Full Replacement Value protection and incentivizes movers to provide a "best value" move: a world-class move at a fair price. A web-based system, DPS presents pre-move counseling information to the moving family and enables on-line scheduling, tracking, and claims settlement directly with the mover. Over three-fourths of the personal property shipments are being shipped using DPS.

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

SDDC Net Operating Result			
	Revenue	Expense	NOR
Port Ops	$190.1	$263.1	($73.0)
TFC Mgt	$105.3	$127.5	($22.2)
GPC	$206.1	$214.4	($8.3)
Liner	$2,878.3	$2,650.1	$228.2
TOTAL	$3,379.8	$3,255.1	$124.7

(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	$141.6	$124.9	$16.7
Tankers	$120.7	$148.9	($28.2)
Surge	$108.6	$122.3	($13.7)
Prepo	$194.3	$176.5	$17.8
TOTAL	$565.2	$572.6	($7.4)

(Dollars in Millions)

AMC

Definition of Business Areas:

PAX	Passenger airlift from continental US to outside the continental US along scheduled routes
Cargo	Shipment of cargo from port to port or from depot to customer along scheduled routes
SAAM/ Contingencies	Special Assignment Airlift Mission/Contingencies: charter of entire aircraft
Exercise	Charter of entire aircraft in support of Joint Chiefs of Staff exercises
Training	Air Force/Air Force Reserves purchase of flying hours to train crews

	Revenue	Expense	NOR
PAX	$258.2	$267.2	($9.0)
Cargo	$2,566.7	$2,941.0	($374.3)
SAAM	$6,315.6	$5,887.7	$427.9
Exercise	$141.3	$153.2	($11.9)
Training	$448.7	$560.3	($111.6)
TOTAL	$9,730.5	$9,809.4	($78.9)

(Dollars in Millions)

Photo by Senior Chief Mass Communication Specialist Spike Call

US Sailors and Soldiers are using the JLOTS system to move tons of supplies ashore in Port-au-Prince, Haiti. The system uses a floating causeway to move cargo containers to the shore. The JLOTS system was valuable during Operation UNIFIED RESPONSE because the piers in Port-au-Prince were damaged and could not support large ships coming into port.

MSC File Photo

MSC Maritime Prepositioning Ship USNS *PFC Dewayne T. Williams* preparing to offload US Army construction equipment while anchored off the coast of Haiti. Williams provided logistics support for Operation UNIFIED RESPONSE.

Photo by Staff Sergeant Quinton Russ

US Air Force Technical Sergeant Steve Elmore, a loadmaster, inspects the parachutes for a container delivery system bundle before an airdrop. The airdrop resupplied the Marine Corps' 3rd Battalion, 4th Marines in Afghanistan with food and water.

Appendix

Department of Defense
United States Transportation Command

Statement of Financial Condition
(Dollars in Millions)

	FY2010	FY2009
Assets:		
Cash	$633.1	$711.8
Available for Operations	$448.3	$541.7
Required for Capital Purchases	$184.8	$170.1
Accounts Receivable	$1,683.8	$1,492.5
Advances Made	$8.9	$6.6
Operating Material and Supplies	$0.0	$0.0
Capital Property (Net)	$997.6	$956.8
Total Assets	$3,323.4	$3,167.7
Liabilities:		
Accounts Payable	$1,451.1	$897.1
Accrued Liabilities	$44.1	$45.8
Other Liabilities	$7.5	$430.3
Total Liabilities	$1,502.7	$1,373.2
Government Equity:		
Unexpended Appropriations	$9.3	$6.1
Paid-in-Capital	($1,387.6)	($1,342.7)
Accumulated Operating Results	$3,199.0	$3,131.1
Total Government Equity	$1,820.7	$1,794.5
Total Liabilities and Equity	$3,323.4	$3,167.7

Statement of Revenue and Expenses
(Dollars in Millions)

	FY2010	FY2009
Revenue:		
Appropriated Capital Used	$854.4	$8.9
Gross Sales	$13,281.4	$12,143.8
Operations	$13,119.2	$11,992.1
Depreciation	$162.2	$151.7
Other Income	$00.0	$10.9
Refunds/Discounts	($110.3)	($58.6)
Total Income	**$14,025.5**	**$12,105.0**
Expenses:		
Salaries and Wages:		
Military Personnel Compensation & Benefits	$41.6	$41.5
Civilian Personnel Compensation & Benefits	$357.5	$311.3
Travel and Transportation of Personnel	$171.8	$163.2
Materials and Supplies	$2,392.7	$1,884.6
Equipment	$12.2	$14.3
Transportation of Things	$3,187.6	$2,571.2
Depreciation – Capital	$167.1	$151.7
Printing and Reproduction	$0.8	$0.3
Rent, Communications, Utilities, and Misc Charges	$37.6	$30.8
Bad Debts	$0.5	$0.2
Other Purchased Services	$7,616.2	$6,562.6
Other Expenses	$0.9	$0.0
Other Losses	($24.0)	$124.3
Total Expenses	**$13,962.5**	**$11,856.0**
Net Operating Result	$63.0	$249.0
Depreciation on Non-TWCF Acquired Property, Plant & Equipment	$4.9	$4.9
Beginning Accumulated Operating Results	$3,131.1	$2,877.2
Prior Year Adjustments	$0.0	$0.0
Accumulated Operating Result	$3,199.0	$3,131.1

"USTRANSCOM and our enterprise partners provide unrivaled logistics support to the warfighter and also possess the unique ability to project LOGISTICS SUPERIORITY all over the world."

General Duncan J. McNabb
Commander, USTRANSCOM

General Duncan J. McNabb thanks local Uzbekistan workers for their work on the Hairatan to Mazar-e-Sharif Rail Line. The rail line is one of the first infrastructure projects linking Afghanistan to central Europe and the result of a years-long process and partnership between the Asian Development Bank, Afghanistan and regional government officials, the Department of State, and numerous agencies under the umbrella of the DOD.

The successes achieved supporting our warfighters and responding globally in uncertain times to affect our national will was made possible through robust and reliable partnerships. Every aspect of our business relies upon personal relationships that are based on trust born out of integrity. These relationships are both institutional and personal. Just as important are the personal relationships that are forged and nurtured by every member of the USTRANSCOM team, day in and day out.

Photo by Major General William Johnson, US Army Reserves (Retired) former Chief of Staff, USTRANSCOM

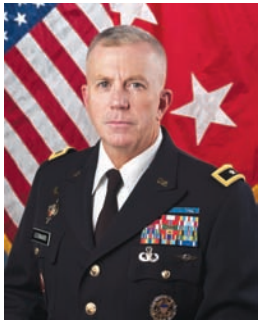
United States Transportation Command

General Duncan J. McNabb
US Air Force
Commander, United States Transportation Command

General Raymond E. Johns, Jr.
US Air Force
Commander, Air Mobility Command

Rear Admiral Mark H. Buzby
US Navy
Commander, Military Sealift Command

Major General Kevin A. Leonard
US Army
Commanding General, Military Surface Deployment and Distribution Command



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